OVERSTRAND MUNICIPALITY



DRAFT

BUDGET REPORT

2022/2023

2022/23 TO 2024/25
MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

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Abbreviations and Acronyms

ACIP	Accelerated Community Infrastructure Programme
BSC	Budget Steering Committee
CAPEX	Capital Budget/Expenditure
CBD	Central Business District
CFO	Chief Financial Officer
CPI	Consumer Price Index
CSD	Central Supplier Database
DBSA	Development Bank of South Africa
DoRA	Division of Revenue Act
DWA	Department of Water Affairs
EE	Employment Equity
EEDSM	Energy Efficiency Demand Side Management
EM	Executive Mayor
FBS	Free basic services
GAMAP	Generally Accepted Municipal Accounting Practice
GDP	Gross domestic product
GFS	Government Financial Statistics
GRAP	General Recognised Accounting Practice
HR	Human Resources
IBT	Inclining Block Tariff
ICT	Information & Communication Technology
IDP	Integrated Development Plan
kℓ	kilolitre
km	kilometre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt
ℓ	litre
LED	Local Economic Development
mSCOA	Municipal Standard Chart of Accounts
MEC	Member of the Executive Committee
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MMC	Member of Mayoral Committee
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
MTEF	Medium-term Expenditure Framework
MTREF	Medium-term Revenue and Expenditure Framework
NERSA	National Electricity Regulator of South Africa
NGO	Non-Governmental organisations
NKPIs	National Key Performance Indicators
NT	National Treasury
OHS	Occupational Health and Safety
OP	Operational Plan
OPEX	Operating Budget/Expenditure
OMAF	Overstrand Municipal Advisory Forum
PBO	Public Benefit Organisations
PMS	Performance Management System
PPE	Property Plant and Equipment
PPP	Public Private Partnership
PT	Provincial Treasury
RG	Restructuring Grant
SALGA	South African Local Government Association
SDBIP	Service Delivery & Budget Implementation Plan
SMME	Small Micro and Medium Enterprises
WCPT	Western Cape Provincial Treasury

FOREWORD

OMAF - 15 March 2022
Abbreviated Report by Dr. Annelie Rabie, Executive Mayor

I committed myself when I stood for election to look at cost of running this municipality.

We are often criticised that our services and our rates and taxes are of the highest, it is not factually correct.

In considering a number of issues –

- People are not queuing up to do business and the question is why not?
- We have a huge housing backlog, with a waiting list for over 12,000 housing units, where does the money come from to address this reality?
- Our profile in the Overstand are primarily industries dominantly on retail, financial services, tourism.

It is important for our next roadshows, we need to talk to you about how do we recover the economy.

We look for a budget with a pro poor focus- we just have to do it.

But I also have to ask you very seriously to temper your expectations of the municipality.

The question that you need to answer yourself when I talk about the ward commities - it becomes problematic for me - I really want to ask, are the ward committees sufficiently effective?

- Number one I had serious problems with the ward committee election results - not all sectors or all blocks are effectively represented on their ward.
- Inputs are needed from the business community on how do we make daily life easier so that they can create more jobs, create more investment.
- Give me your honest views on how you feel about the ward committees
- What I think to be honorable - all the organizations that you represent, how do you get your feed back to them?
- What is it that I want to achieve: You have items on a ward committee agenda, we will extract all of those items and consider if this go onto a portfolio agenda, so that you can have it in the system and from there it needs to go to council, this representing the principle.
- So I'm also asking ward councillors and our proportional councillors allocated to wards from all parties, to look what is outstanding on the ward priorities from the previous term and consider if it is still relevant?

The tourism industry - we not getting the mileage. Please stand up because you're expecting services, business rates for example, my view is if everyone pays what he is supposed to pay we must probably won't have to increase our rates and taxes.

The draft budget will be tabled on the 30th of March 2022, with the final date for approval by the Council in May 2022.

We will be visiting the various wards/areas, to discuss the draft budget and tariffs, since we will come with a budget increase. Also to hear what you want to know or discuss - we need your feedback to consider.

We will then have a final budget adopted by the end of May 2022, to be implemented on 1st July 2022.

Dr. A Rabie
Executive Mayor: Overstrand
15 March 2022

Part 1 – Annual Budget

1.1 Mayor's Report

The Executive Mayor delivers her Budget speech with the tabling of the final budget for approval. A copy of the speech will be included thereafter.

Due to the Local Government elections held in November 2021, the newly elected Overstrand Council resolved to adopt the current 5-year IDP with a 1-year extension with amendments. The draft extended 6th IDP, which will be effective for the period 1 July 2017 up to 30 June 2023 and the draft SDBIP will also be tabled during the Council meeting.

1.2 Council Resolution

The following is the resolution that to be considered for the approval and adoption of the annual budget for 2022/2023:

RECOMMENDATION TO THE COUNCIL:

1. that in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) the annual budget of the Overstrand Municipality for the 2022/23 to 2024/25 MTREF (Medium Term Revenue and Expenditure Framework) period **be approved** as set out in the following schedules:

   Schedule 1: Budgeted financial performance (revenue & expenditure by municipal vote)
   Schedule 2: Budgeted financial performance (revenue by source & expenditure by type)
   Schedule 3: Budgeted single & multi-year capital appropriations by functional classification (vote) and associated funding by source
   Schedule 4: Budgeted financial position
   Schedule 5: Budgeted cash flow
   Schedule 6: Cash backed reserves and accumulated surplus reconciliation
   Schedule 7: Asset management
   Schedule 8: Basic service delivery measurement

2. that in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) the property rates reflected in **Annexure A, be imposed** for the budget year 2022/23;

3. that in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) tariffs and charges reflected in **Annexure A, be approved** for the budget year 2022/23;

4. that the Municipal Manager be authorised to sign all the necessary agreements and documents to give effect to the 2nd draw down of the proposed three year borrowing programme for external loans amounting to R50 million per year.

5. that the following schedules be noted:

   Schedule 9: Budgeted financial performance (Rev. & Exp. by functional classification)
   Schedule 10: Budgeted capital appropriations by municipal vote

6. that **cognisance be taken** of the letters of comment received from the community and the SIME: LG MTEC Assessment Report by Provincial Treasury and the Provincial Department of Local Government, included in Annexure K & L respectively of the budget report; and

7. that **cognisance be taken** of the 2022/23 Budget Report.

1.3 Executive Summary

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainable, economically and equitably to all communities.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditure with regards to cost containment measures, non-core and 'nice to have' items.

The Municipality has undertaken various customer care initiatives to ensure that the municipality truly involves all citizens in the process of ensuring a people lead government. Encouragement of structured community participation in the matters of the municipality is a strategic objective.

The approach for the compilation of the previous draft budget (2021/22, for the current financial period ending 30 June 2022), was to a large extent the continuation of a year, marked by the challenge of an immediate and extensive impact of the worldwide COVID pandemic since the start of 2020. From a business perspective in terms of strategies, affordability and responsibilities, our approach with the budget process followed at that stage, also caused the municipality to again apply stringent measures in increasing tariffs with only 4% for the current year, before-mentioned in view of 4.5% increases the previous year (2020/21).

The current position and considerations with this draft budget is still largely impacted by the very same circumstances in 2020, where the municipality had to align immediately, focusing on measures required and responsibilities towards our communities, but also in order to adhere to the national state of disaster declared at the time (15 March 2020). The announcement of stringent measures on a national level, to contain the spread of Covid-19 at the time, such as travel restrictions on foreigners, a ban on mass gatherings of people, and the closure of schools. The unforeseen and almost disastrous impact of before-mentioned on the local economy, lasted for several months and is indeed still a reality on a local level and globally. The country is currently still on adjusted alert level 1.

National Treasury shared the following guiding perspective with Local Government in December 2021(abbreviated) –
South Africa experienced its largest recorded decline in economic output in 2020 due to the strict COVID-19 lockdown. Electricity disruptions, raw material shortages and rising input costs will continue to limit output in the short to medium term. The main risks to the economic outlook are slowdown in economic growth.

The evolution of COVID-19 and slow progress in vaccine rollout reinforces uncertainty and poses risks to economic recovery. Slow implementation of structural reforms continues to weigh on business confidence and private investment. Electricity supply constraints, which could worsen over the short term, are a drag on economic growth. In contrast, progress on energy reforms poses upside risks to fixed investment and the overall economic outlook. Pressures on the government wage bill ceiling, including the implementation of the non-pensionable salary increases undermine fiscal consolidation measures.

It is furthermore stated that - *Medium-term priorities include: reindustrialising through implementation of the master plans; growing exports through the African Continental Free Trade Area; implementing the Tourism Sector Recovery Plan; supporting township and rural economies; and promoting localisation, inclusive economic growth and job creation.*

On the emerging risk side, the following factors can also impact on our business as a community. The Omicron variant of COVID-19 recently led to countries imposing restrictions again to manage its spread. As a real threat would also be any new variants of this virus and a diminished ability of

existing vaccines to provide the necessary protection. In addition, continued challenges in global supply chains, global geopolitical risks and large-scale instability.

Headline inflation is forecasted between the 3 - 6 per cent target range over the 2022/23 MTREF. On provincial level, growth is expected to expand by 4.3 per cent in 2021, by 2.0 per cent in 2022 and by 1.9 per cent in 2023. This outlook indicates a slowing recovery.

The Budget Steering Committee of the municipality considered budget requests during the draft budget process also against the following context -

The strategic direction in terms of the Draft 2017/2023 6th year Amended IDP as accepted by the newly elected council in terms of section 25 (3), Municipal Systems Act (MSA), 2000, amended to reflect the wording Overstrand for all in the Mission statement to read:
"Creation of sustainable communities by delivering optimal services to support economic, social and environmental goals in a politically stable environment as an OVERSTRAND FOR ALL."

The Mayor's new 3 C priorities of Communication, Crime Prevention & Law Enforcement and Cost and Ease of doing business with Overstrand support the implementation of the current 5 strategic objectives. The vision and strategic goals remain unchanged.

The 3 C's priorities have an overarching linkage with the existing programmes. Funding are allocated in this draft budget for specific projects in this regard, whilst in other instances, the focus on the Cost and Ease of doing business with Overstrand are reflected in the revision of various tariffs relating to before-mentioned, as well as the envisaged promotion of measures/tariff structures already in place, to create awareness in our communities.

The Budget Steering Committee recommended revenue projections based on increases for the respective basic municipal services and property rates ranging from 4.3% to 5.9%.

Sundry tariffs were reviewed with a strong focus on affordability in the first instance and secondly as *an Overstrand for all,* integral to the Mission statement. Before mentioned resulted in proposed zero increases in many instances and also lowering of tariffs where viable. Minimal instances of proposed increases above inflation relates to the requirement for cost recovery.

Rates and tariff increases (to be discussed later on in this report), to serve before council for approval before the end of May 2021 in accordance with legislative requirements, in finalising the budget for 2022/23.

The proposed increase on Electricity tariffs for municipal consumers are proposed at 10,33% based on information published in accordance with electricity tariffs for Eskom, already approved by the National Energy Regulator of South Africa (NERSA) as from 1 April 2022. The applicable tariffs for municipal consumers are annually implemented from 1 July, the starting date of the municipal financial year.

To be noted, that the final tariffs applicable on Overstrand residents will be aligned to the final approval of the municipal electricity tariffs by NERSA.

In order to present a balanced budget to Council, the respective municipal directorates were requested to cut back on initial expenditure budget requests. The Municipality remains alert with regard to the subsequent impact of COVID-19 on the municipality, referring to the response and compliance required from the municipality in terms of the Disaster Management Regulations up to date, inclusive of the severe impact on our human and fiscal resources, and to ensure that expenditure incurred does not exceed the trend in revenue generated to fund the budget.

Against this backdrop, it is emphasized again that a provisio will remain relevant for the 3rd year now, implying that emphasis be placed on responsible spending in view of the uncertainty as

mentioned and the possible impact on the municipality's operations and finances, including debt collection performance.

The compilation of this draft budget followed due process over months and are thus at this stage representing the known and planned status.

The municipality has expanded on the implementation of Repairs and Maintenance allocated as projects, in terms of the mSCOA version 6.6. These allocations are guided by the respective user departments (Own Segment).

The mSCOA chart is reviewed on an annual basis by the National Treasury, to address implementation challenges and correct chart related errors and improvements. Towards this end, National Treasury issued MFMA Budget Circulars No. 112 & 115 for guidance for the compilation of the 2022/23 MTREF, with a revised A Schedule – mSCOA Version 6.6 (Municipal annual budgets and MTREF & supporting tables) also issued, effective from 2022/23 and to be deployed to compile the 2022/23 MTREF Budget. Provincial Treasury also issued Treasury Circular 01/2022 in January 2022 and Treasury Circular 07/2022 in March 2022 as guidance to municipalities with the finalisation of the 2022/23 Medium Term Revenue and Expenditure Framework (MTREF) Budgets.

The publishing of the Municipal Regulations on the Standard chart of Accounts (mSCOA) on 22 April 2014 has had a profound effect on the business of local government. This reform is not limited to a financial reform, but a business reform as a whole. It is the largest reform since the promulgation of the Municipal Finance Management Act in 2003. The mSCOA regulations took effect on 1 July 2017 and therefore subsequent budgets have been compiled to adhere to the regulations.

The following are extracts from the preamble to the regulations:

"Section 216 of the Constitution of the Republic of South Africa, 1996, provides that national legislation must prescribe measures to ensure transparency and expenditure control in each sphere of government by introducing generally recognised accounting practice, uniform expenditure classifications and uniform treasury norms and standards." "These Regulations propose segments and a classification framework for the standard chart of accounts to be applied in local government in similar form to that implemented for national and provincial government departments. In order to enable the National Treasury to provide consolidated local government information for incorporation in national accounts, national policy and other purposes, it must obtain financial information from individual municipalities."

The regulations contain amongst others, the segment and classification framework for mSCOA, minimum business processes and system requirements and responsibilities of municipal councils and accounting officers.

The segments classification consists of the following:

Funding segment – This segment relates to the various sources of funding available to municipalities and municipal entities for financing expenditure relating to the operation of the municipality and provides for both capital and operational spending.

Function segment - This segment provides for the classification of the transaction according to the function or service delivery objective and provides for the standardisation of functions and sub-functions across local government.

Municipal Functional classification Segment - This segment provides for the organisational structure and functionality of an individual municipality, which is not prescribed.

Project Segment - This segment provides for the classification of capital and operating projects on the basis of whether it relates to a specific project and if so, the type of project.

Regional Indicator Segment - This segment identifies and assigns government expenditure to the lowest relevant geographical region within which the intended beneficiaries of the service or capital investment are located.

Item Segment - This segment provides for the classification of item detail in the presentation of the financial position, performance and cash flow according to the nature of the transaction either as revenue, expenditure, asset, liability or net asset.

Costing Segment - This segment provides for a classification structure for secondary cost elements with reference to departmental charges, internal billing etc. and acts as a cost collector in determining inter alia total cost of services.

Overstrand municipality was identified as one of the official national pilot sites to early implement mSCOA and to pilot the SAMRAS system. This was first implemented for the 2015/2016 financial year and continued in 2016/17. The piloting stage ended 30 June 2017. A report regarding the status of implementation of mSCOA (since this project is not yet formally finalised by the national treasury) can be found in Annexure I of the budget documentation.

The Municipal Cost Containment Regulations, 2019 published on 7 June 2020, replaced the MFMA Circular No. 82 (updated November 2016) relating to direction and guidance regarding Cost Containment Measures. The stipulations of these regulations are fully contained in the relevant draft budget related policies as reviewed. The status relating to cost containment measures are reported on in the quarterly financial report to Council.

The Western Cape Provincial Treasury has issued Circular No. 07 of 2022 regarding budget related matters and the proposed Strategic Integrated Municipal Engagements (SIME) engagements.

The main challenges experienced during the compilation of the 2022/23 MTREF, many of these already a standing item listed annually, can be summarised as follows:

- Infrastructure capacity not able to serve growing needs, in view of continuous increase in Overstrand's population, and the immediate demand for services versus the Municipality's financial capacity to deliver.
- The subsequent impact of COVID-19 on the financial sustainability of the municipality, and the major financial risks, uncertainty and constraints facing the municipality;
- The on-going difficulties in the national and local economy;
- Uncertainty with regard to future allocations to local government in view of the deterioration in the public finances due to various spending pressures on the national fiscus;
- Ever aging existing water, roads, sewage and electricity infrastructure;
- Sustainable refuse disposal, increasingly regulated over the past number of years;
- The need to reprioritise projects and expenditure within the existing resource envelope;
- The cost of bulk electricity;
- Revenue recovery from cost reflective core municipal services;
- Wage increases for municipal staff that have exceeded headline consumer inflation in the past, as well as the need to restructure certain components for operational efficiencies;
- Affordability of capital projects and the operational expenditure associated with prior year’s capital investments needed to be factored into the budget as part of the 2022/23 MTREF process;
- Maintaining a positive cash flow; and
- Ensuring financial sustainability.

The following budget principles and guidelines directly informed the compilation of the 2022/23 MTREF:

- The 2021/22 Adjustments Budget priorities and targets, as well as the base line allocations contained in the Budget Circulars informed the upper limits for the new baselines for the 2022/23 annual budget;
- Service level standards were used to inform the measurable objectives, targets and any backlog eradication goals;
- Tariffs and property rates increases should aim to be affordable;
- Some price increases in the input costs of services are beyond the control of the municipality, for instance the cost of fuel, chemicals and electricity, as cost drivers. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure maintenance and backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;
- The following cost saving measures were applied:
    - The principle of a minimal increase in non-core general expenses unless valid motivations such as contractual inflation adjustments dictate.
    - The examining of expenses to see if they are essential to the municipality's operations.
    - Municipal Cost Containment Regulations, 2019.
    - Provision for ward specific projects were replaced with budget provision for caring projects.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2022/23 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2022/23 MTREF

(a) Total Revenue (including capital grants)

R thousand	Budget Year 2021/22	Budget Year 2022/23	Budget Year +2 2023/24	Budget Year +3 2024/25			
Revenue	1 491 212	1 622 023	1 621 884	1 698 834	8.8%	0.0%	4.7%
Expenditure	1 520 918	1 615 768	1 659 399	1 743 367	6.2%	2.7%	5.1%
Surplus / (Deficit)	(29 706)	6 255	(37 515)	(44 533)			
Capital	239 979	212 808	102 598	99 011	-11.3%	-51.8%	-3.5%

(b) Total Revenue (excluding capital grants)

R thousand	Budget Year 2021/22	Budget Year 2022/23	Budget Year +2 2023/24	Budget Year +3 2024/25			
Revenue	1 438 553	1 537 183	1 590 516	1 666 223	6.9%	3.5%	4.8%
Expenditure	1 520 918	1 615 768	1 659 399	1 743 367	6.2%	2.7%	5.1%
Surplus / (Deficit)	(82 365)	(78 586)	(68 883)	(77 144)			
Capital	239 979	212 808	102 598	99 011	-11.3%	-51.8%	-3.5%

Total revenue (including capital grants) to expenditure (Table 1a) indicates declining deficits over the 2022/23 MTREF.

Total operating revenue (Table 1a) indicates an increase in revenue of 8,8 per cent for the 2022/23 financial year when compared to the 2021/22 Adjustments Budget. For the two outer years, operational revenue will decrease by 0,0 and increase with 4,7 per cent respectively. Revenues in Table 1(a) are as informed by fluctuations in the allocation of the Housing grant (Construction Contracts) between operating (top structures) and capital (infrastructure) in the respective financial years.

Total operating expenditure for the 2022/23 financial year has been appropriated at R1,615bn and translates into a budgeted deficit of R78.5m (excluding capital grants) and a surplus of R6.3m (including capital grants). When compared to the 2021/22 Adjustments Budget, operating

expenditure has increased by 6,2 per cent in the 2022/23 budget and increases by 2,7 and 5,1 per cent for each of the respective outer years of the MTREF.

It should be noted that although the 2022/23 operational budget and indicative years indicate budgeted deficits (Table 1b), this does not reflect the actual cash position. This phenomenon will continue for the foreseeable future. These circumstances arose as the result of the implementation of GRAP, with special reference to GRAP 17 (Property, Plant and Equipment-PPE). The asset value before depreciation is in excess of R6 billion, which relates to substantially high depreciation charges. Although accurately reflecting asset value, the cost of a substantial portion of these assets had been fully redeemed previously, but the useful life of assets was extended as well as ever increasing assets funded by grants. The replacement thereof can thus not be recouped via current tariffs as this would lead to taxation in advance of need and no reserves may be established for these purposes. The principle of recovering actual cash costs during each financial period is adhered to.
The capital budget of R212.8m for 2022/23 is 11,3 per cent less when compared to the 2021/22 Budget. The decreased own funding from surplus is due to cash available for capital investment for the 2022/23 capital budget. The dedicated infrastructure upgrading/replacement project for water and sewerage networks had a 3-year lifespan, which came to an end on 30 June 2021, except for the roll-over portion. The impact of roll over projects for the current financial period also results in a decreased capital budget for 2022/23.

The capital programme decreases to R102.6m and to R99m in the outer years, which is still aligned on average to the estimated minimum of R100m required annually to sustain capital infrastructure. Own funding (new borrowings) is anticipated at R50m. Borrowings contribute to 43,9 % of the funding over the 2022/23 MTREF. Internally generated funds contribute 3,8% and capital grants 52.18%. The various sources of funded roll-over projects are included in these figures.

The Municipality had reached its planned outer borrowing limit of 60% of operational revenue in 2012. This was a result of much needed investment in infrastructure during the period from 2009 to 2012, after which the municipality embarked on a strategy to manage this rate down by at least 10% over a ten-year period. In January 2014 National Treasury published the first norms and standards circular in which it recommended an upper limit of 45% to revenue. It is expected that this rate would be below 40% and at the end of the 2021/22. The repayment of capital and interest (debt services costs) remains within the NT acceptable norm band.

1.4 Operating Revenue Framework

For Overstrand to continue delivering and improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic conditions strong revenue management is fundamental to the financial sustainability of the municipality. The reality is that we are faced with an increasing population (7th highest growth nationally as per the 2011 census), development backlogs and increasing poverty levels. The expenditure required to address these challenges will inevitably always exceed available funding, hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to maintain levels of above 99 per cent annual collection rates for property rates and other key service charges.;
- Electricity tariff increases for Eskom and the municipality, as approved by NERSA;
- Achievement of cost recovery of specific user charges and especially in relation to services;
- Determine tariff escalation rate by establishing the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increased pressure to deliver and maintain services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and

- Tariff policies of the Municipality.

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

The VAT on property rates is levied at a rate of 0%.

Revenue generated from rates and services forms a significant percentage of the revenue basket for the Municipality. Rates and services revenues comprise 75,56% of the total operating revenue mix for 2022/23. For the 2022/23 financial year, revenue from rates and services charges totals R1,161bn and increases to R1,245bn, R1,336bn in the respective financial years of the MTREF.

The following table is a summary of the 2022/23 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue By Source									
Property rates	233 093	240 910	261 222	275 637	275 637	275 637	287 941	300 836	314 308
Service charges - electricity revenue	378 693	415 960	442 792	499 317	499 317	499 317	560 796	616 798	678 418
Service charges - water revenue	129 858	133 037	131 113	132 168	132 168	132 168	138 138	144 354	150 851
Service charges - sanitation revenue	77 719	80 925	87 094	87 631	87 631	87 631	95 791	99 911	104 207
Service charges - refuse revenue	61 763	68 256	72 198	74 741	74 741	74 741	78 850	83 502	88 427
Rental of facilities and equipment	6 278	5 735	4 068	3 440	3 440	3 440	4 573	4 778	4 989
Interest earned - external investments	41 767	48 146	30 504	27 456	27 456	27 456	24 871	25 991	27 161
Interest earned - outstanding debtors	4 193	5 040	4 244	4 681	4 681	4 681	3 982	4 161	4 348
Dividends received			–	–	–	–	–	–	–
Fines, penalties and forfeits	25 672	18 211	1 095	28 223	20 223	20 223	20 344	22 188	23 174
Licences and permits	2 526	1 975	2 227	2 039	2 538	2 538	2 636	2 750	2 869
Agency services	4 885	4 376	6 189	6 680	6 680	6 680	7 858	8 211	8 580
Transfers and subsidies	106 306	123 140	140 895	139 692	157 281	157 281	166 040	174 999	192 746
Other revenue	83 673	139 226	96 156	126 909	138 535	138 535	137 139	93 814	57 920
Gains	–	3 890	7 545	8 225	8 225	8 225	8 225	8 225	8 225
Total Revenue (excluding capital transfers and contributions)	**1 156 425**	**1 288 828**	**1 287 342**	**1 416 839**	**1 438 553**	**1 438 553**	**1 537 183**	**1 590 516**	**1 666 223**

Table 3 Percentage growth in revenue by main revenue source

Description	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework					
R thousand		Budget Year 2022/23		Budget Year +1 2023/24		Budget Year +2 2024/25	
Revenue By Source							
Property rates	275 637	287 941	4.46%	300 836	4.48%	314 308	4.48%
Service charges - electricity revenue	499 317	560 796	12.31%	616 798	9.99%	678 418	9.99%
Service charges - water revenue	132 168	138 138	4.52%	144 354	4.50%	150 851	4.50%
Service charges - sanitation revenue	87 631	95 791	9.31%	99 911	4.30%	104 207	4.30%
Service charges - refuse revenue	74 741	78 850	5.50%	83 502	5.90%	88 427	5.90%
Rental of facilities and equipment	3 440	4 573	32.92%	4 778	4.48%	4 989	4.42%
Interest earned - external investments	27 456	24 871	-9.42%	25 991	4.50%	27 161	4.50%
Interest earned - outstanding debtors	4 681	3 982	-14.93%	4 161	4.50%	4 348	4.49%
Fines	20 223	20 344	0.60%	22 188	9.06%	23 174	4.44%
Licences and permits	2 538	2 636	3.83%	2 750	4.33%	2 869	4.33%
Agency services	6 680	7 858	17.63%	8 211	4.49%	8 580	4.49%
Transfers recognised - operational	157 281	166 040	5.57%	174 999	5.40%	192 746	10.14%
Other revenue	138 535	137 139	-1.01%	93 814	-31.59%	57 920	-38.26%
Gains on disposal of PPE	8 225	8 225	0.00%	8 225	0.00%	8 225	0.00%
Total Revenue (excluding capital transfers and contributions)	**1 438 553**	**1 537 183**	6.86%	**1 590 516**	3.47%	**1 666 223**	4.76%

The above table, relating to percentage increases for the different revenue categories, could reflect percentage changes that are not consistent with the annual tariff increases. This would be due to the baseline for 2021/22 and the subsequent adjustments budget and further reclassifications of revenue categories relating to mSCOA. The determination of proposed revenue for 2022/23 has been based on the current statistics available, limited growth and pending slump in economic activity also partly still due to the impact of the coronavirus.

After collective service charges, property rates are the second largest revenue source. The third largest source is operational grants from national and provincial government, which is showing growth over the MTREF. This is followed by other revenue which consists of various items such as revenue received from permits and licenses, building plan fees, connection fees, advertisement fees and construction contracts relating to low-cost housing etc, interest on investments and fines. Departments delivering these services have been urged to review the tariffs of these items on an annual basis to ensure they are cost reflective.
Operating grants and transfers total R166m in the 2022/23 financial year. This increases in the outer years to R175m in 2023/24 and R193 in 2024/25 respectively, of the MTREF. The housing allocation

for the building of top structures for housing development are included under other revenue in accordance with GRAP construction contracts, and amounts to R211,6m over the MTREF.
Equitable share increases over the 3-year MTREF period, from the current 2021/22 adjustments budget by 14,5% in terms of the equitable share formula, after the release of the 2011 census figures, to be updated w.r.t. latest calcs and population as a result of the population growth in the Overstrand area.
An amount of R17m was allocated in 2020/2021 through a special COVID-19 equitable share allocation. These funds were committed in response to the Covid-19 pandemic. At the end of 2020/2021 an amount of R6.9m was unspent and a roll-over application was submitted to National Treasury which was subsequently approved. In 2021/2022 the unspent funds are utilised for the ongoing Covid-19 pandemic.

The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 4 Operating Transfers and Grant Receipts

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
RECEIPTS:									
Operating Transfers and Grants									
National Government:	99 544	110 994	138 372	127 977	127 977	127 977	152 039	162 497	179 530
Operational Revenue:General Revenue:Equitable Share	96 068	106 697	134 322	123 897	123 897	123 897	141 896	155 547	170 708
Energy Efficiency and Demand-side [Schedule 5B]	–	–		–	–	–	5 000	4 200	6 000
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 926	2 635	2 500	2 530	2 530	2 530	2 593	–	–
Local Government Financial Management Grant [Schedule 5B]	1 550	1 550	1 550	1 550	1 550	1 550	1 550	1 550	1 550
Municipal Disaster Grant [Schedule 5B]		112		–	–	–	–	–	–
Municipal Infrastructure Grant [Schedule 5B]				–	–	–	1 000	1 200	1 272
Provincial Government:	23 028	10 691	10 371	10 715	19 828	19 828	14 001	12 502	13 216
Capacity Building		148		–	–	–	–	–	–
Capacity Building and Other	22 891	380		9 570	11 670	11 670	10 903	9 397	9 953
Infrastructure	–	–		1 145	8 158	8 158	3 098	3 105	3 263
Libraries, Archives and Museums		7 287	7 651	–	–	–	–	–	–
Other		2 750	2 575	–	–	–	–	–	–
Public Transport	–	–		–	–	–	–	–	–
Road Infrastructure - Maintenance	137	126	145	–	–	–	–	–	–
Sports and Recreation				–	–	–	–	–	–
Waste Water Infrastructure - Maintenance				–	–	–	–	–	–
Water Supply Infrastructure - Maintenance				–	–	–	–	–	–
District Municipality:	–	–	–	–	90	90	–	–	–
All Grants	–	–	–	–	90	90	–	–	–
Other Grant Providers:	–	–	66 268	55 241	57 360	57 360	71 955	46 190	26 000
Departmental Agencies and Accounts	–	–	–	–	–	–	–	–	–
Foreign Government and International Organisations	–	–	–	–	–	–	–	–	–
Households			66 268	55 241	57 360	57 360	71 955	46 190	26 000
Non-profit Institutions	–	–	–	–	–	–	–	–	–
Private Enterprises	–	–	–	–	–	–	–	–	–
Public Corporations	–	–	–	–	–	–	–	–	–
Higher Educational Institutions	–	–	–	–	–	–	–	–	–
Parent Municipality / Entity	–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	122 572	121 685	215 011	193 933	205 255	205 255	237 995	221 189	218 746

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services was taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Inflation (CPI) is currently within the 3 to 6 per cent target band of the South African Reserve Bank's inflation targets, with very little change in inflation forecasts over the 2022/23 MTREF. Municipalities should justify increases in excess of the 4,8 per cent projected inflation target as indicated in Municipal Budget Circular 115. Excessive increases are by nature fundamentally likely to be counterproductive, which could result in possible higher levels of non-payment.

The increase in property rates has been set at 5.9%, average increases in water at 4.9%, refuse at 5.9% and sewage service charges at 4,3%.

The indicative percentage increase of Eskom bulk tariffs charged to municipalities are now set at 11,35% in this report, based on the tariff increase for Eskom customers, as approved by NERSA. The indicative overall tariff increases for municipal electricity tariffs for municipal consumers

applicable from 1 July 2022 for the electricity basket are indicated currently at 10,33%, in the absence of the publication of the NERSA guideline consultation paper for Local Government still awaited.

To be noted that the most recent trend in electricity consumption post stringent lockdown was considered, with an indication that electricity consumption tends to be higher in comparison with previous financial periods. Before-mentioned can be seen in the increase for both revenue and expenditure related to electricity consumption.

The following table sets out the costing of services. It should be noted that the revised budget presentation for the costing of services relating to FBS, in comparison with previous years' revenue accrual of subsidies for basic services to indigents, are now reflected as a reduction of revenue. The portion of the Equitable Share equal to the cost and revenue cost of FBS to indigents has since 1 July 2017 been reflected as revenue to the relevant service. This is to ensure that the tariffs for these services are not unduly burdened as a result of the revised budget presentation.

Table 5 Costing of services

COSTING OF SERVICES	Original Budget 2020/2021	Original Budget 2021/2022	Original Budget 2022/23
Service : ELECTRICITY			
TOTAL EXPENDITURE	411 253 812	505 140 622	558 465 874
TOTAL INCOME	-423 221 589	-538 843 532	-606 288 589
(SURPLUS)/DEFICIT	-11 967 777	-33 702 910	-47 822 715
	2.83%	6.25%	7.89%
Service : WATER			
TOTAL EXPENDITURE	138 392 326	144 040 386	145 657 065
TOTAL INCOME	-142 535 380	-147 445 938	-153 274 053
(SURPLUS)/DEFICIT	-4 143 055	-3 405 553	-7 616 988
	2.91%	2.31%	4.97%
Service : WASTE WATER MANAGEMENT			
TOTAL EXPENDITURE	91 938 432	99 523 480	107 081 759
TOTAL INCOME	-96 879 670	-106 856 118	-118 510 514
(SURPLUS)/DEFICIT	-4 941 238	-7 332 638	-11 428 755
	5.10%	6.86%	9.64%
Service : WASTE MANAGEMENT			
TOTAL EXPENDITURE	84 410 720	94 017 578	98 107 860
TOTAL INCOME	-87 758 890	-94 144 886	-98 115 500
(SURPLUS)/DEFICIT	-3 348 170	-127 308	-7 640
	3.82%	0.14%	0.01%

It must also be noted that the consumer price index, as measured by CPI, is not always an ideal indicator of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, accommodation, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity, chemicals, fuel etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall

must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to rates and service charges as follows:

1.4.1 Property Rates

Property rates revenue should cover the cost of the provision of general community and support services. Determining the effective property rates tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and also prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties.

The following stipulations in the Property Rates Policy are highlighted:

TARIFF CODE	CLASS TAX	TYPE OF PROPERTY	REBATE OR EXEMPTIONS
BUS	General Tax: Commercial	All business, industries, Bed and Breakfast and Guest Houses	NO exemptions Bed and Breakfast as well as Guesthouses can apply before 30 June for the following rebate on the difference between Bus and Res rate: 1 - 2 X lettable room : 100% 3 X lettable room : 75% 4 X lettable room : 50% 5 X lettable room : 25%
BUSO	General Tax: Tourism and Recreational Resorts outside the municipal service areas	Hotels, Guest Houses, Cottages, Caravan Parks and Holiday Resorts, Chalets	50% rebate on the tax applicable on commercial property in urban areas
RES	General Tax: Residential properties within the municipal service areas	Single residential properties, Group housing, Retirement villages, Flats, Sectional schemes, Small holdings not used for bona fide farming purposes	The first R15 000.00 of the rateable value of all residential properties is exempted from property tax as per the Municipal Propery Rates Act, Section 17 (1) h A further R35 000.00 of the rateable value is exempted in respect of all residential properties where a residential completion certificate has been issued An Additional rebate of 20% of the levy calculated on such properties is granted Rebate to qualifying property owners as indicated under "Other Retabe"
RESO	General Tax: Residential properties outside the municipal service area	Single residential properties, Group housing, Retirement villages, Flats, Sectional schemes	50% of the tax applicable on residential property in urban areas Rebate to qualifying property owners as indicated under "Other Retabe"
FARMS	General Tax: Farming properties	Small holdings used for bona fide farming purposes outside municipal service area	Agricultural purpose in relation to the use of a property, excludes the use of the property for the purpose of ecotourism or for the trading In or hunting game
FARMS	Conservation land	Privately owned properties whether designated or used for conservation purposes	Not rateable in terms of section 17(1)(e) of the Municipal Property Rates Act
	Other Rebates	Single residential properties, Group housing, Retirement villages, Flats, Sectional schemes	- Property zoned single residential must be occupied permantly by the applicant; - The applicant must be the registered owner; - Applicant may not be the registered owner of more than one property
PR100			* A rebate of 100% to approved applicant in terms of the Property Rates Policy, who's gross monthly household income may not exceed the amount of two times (2X) of state funded social pensions per month
PR050			* A rebate of 50% to approved applicants, in terms of the Property Rates Policy who are older than 60 with a gross monthly household income less than four times (4X) of state funded social pensions per month
PR040			* A rebate of 40% to approved applicants, in terms of the Property Rates Policy who are older than 60 with a gross monthly household income more than four times (4X) but less than eight times (8X) of state funded social pensions per month

The following table sets out the categories of rateable properties for purposes of levying rates and the proposed rates for the 2022/23 financial year, to increase from 1 July 2022:

Table 6 Comparison of proposed rates to be levied for the 2022/23 financial year

RATES TARIFFS

Tariff Code	Detail	2022/2023		2021/2022		1.0590
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	1.0400
		R	R	R	R	
RATES	**YEAR OF GENERAL VALUATION: 02 JULY 2015**					
RATE1*	Commercial Land with Improvements	0.00994	0.00994	0.00939	0.00939	5.9000%
RATE2*	Residential Land with Improvements	0.00657	0.00657	0.00620	0.00620	5.9000%
	**** See attached schedule of Exemptions and Rebates applicable***					
RATE3	Municipal Properties: Investment Properties	Applicable tariff for Commercial or Residential	Applicable tariff for Commercial or Residential	Applicable tariff for Commercial or Residential	Applicable tariff for Commercial or Residential	
RATE4	Municipal Properties: Property, Plant and Equipment	0.00000	0.00000	0.00000	0.00000	
RATE6	Building Clause	Equals to tariff for rates on property	Equals to tariff for rates on property	Equals to tariff for rates on property	Equals to tariff for rates on property	
RATE7	Farm/Agriculture (Bona-fide)	0.00164	0.00164	0.00155	0.00155	5.9000%
RATE8	Undeveloped erven	0.00899	0.00899	0.00849	0.00849	5.9000%
RATE9	Government Properties: Commercial	0.00994	0.00994	0.00939	0.00939	5.9000%
RAT10	Government Properties: Residential	0.00657	0.00657	0.00620	0.00620	5.9000%
	Special Rating Areas					
RAT11	HSRA (Hermanus)	0.00066	0.00066	0.00063	0.00063	4.0000%
RAT12	KSRA (Kleinmond)	0.00052	0.00052	0.00050	0.00050	4.0000%
RAT13	OVSRA (Onrus-Vermont)	0.00036	0.00036	0.00035	0.00035	4.0000%
PLEASE NOTE: VAT IS LEVIED AT A RATE OF 0% ON ASSESSMENT RATES						

1.4.2 Sale of Water and Impact of Tariff Increases

Evermore South Africa faces challenges with regard to potable water supply, since demand growth outstrips supply, coupled with the possible impact of climate change. Due to water source and infrastructure investment in the previous few years, made by Overstrand municipality, a water crisis could up till now, be averted. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

National Treasury has urged all municipalities some years ago to ensure that water tariff structures are cost reflective from 2014 onwards. Overstrand has implemented a phased approach in this regard.

Water source management and maintenance of infrastructure together with cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability. It needs to be noted that the second infrastructure levy (Table 7 below), implemented in the 2018/19 financial year, relates to a loan for water & waste water infrastructure networks, raised over a period of three years.

Tariff increases as from 1 July 2022 are indicated in the list of tariffs in Annexure C. The 6 kℓ free water, **with this budget now proposed to increase to 10 kℓ** free water per 30-day period, has since 2014 only been granted to registered indigents. The third level of phasing in the increases in the 0 – 6 kℓ category as implemented during 2013/14, to recover minimum cost of the production of water, has been further postponed. The increases in the 0 – 6 kℓ category for all other residential consumers, in this budget will be the same as the general 4.9% increase for water consumption tariffs.

A summary of the proposed tariffs for households (residential) are as follows:

Table 7 Comparison between current water charges and increases (Domestic)

Tariff Code	Detail	2022/2023		2021/2022		1.049
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%	1.049
W1	BASIC CHARGE					
W1A1	Basic Monthly Charge per erf/unit per month	155.62	178.96	148.35	170.60	4.90%
W1A2A	Basic Monthly Subsidy : Residential Indigent as per paragraph A of the Indigent Policyper erf/unit per month	155.62	178.96	148.35	170.60	4.90%
W1A2B	Basic Monthly Subsidy: Residential Indigent as per paragraph B, C & D of the Indigent Policy per erf/unit per month	129.14	148.51	129.14	148.51	0.00%
W1A3	Infrastructure					
W1A3A	Fixed Infrastructure Basic Charge per erf/unit per month (No 1 end date 30 June 2026)	15.45	17.77	15.45	17.77	0.00%
W1A3B	Fixed Infrastructure Basic Charge per erf/unit per month (No 2 end date 30 June 2029)	8.41	9.67	8.41	9.67	0.00%
W1A3C	Subsidised Fixed Infrastructure Basic Charge per erf/unit per month - Registered Indigent Households (No 2 end date 30 June 2029)	8.41	9.67	8.41	9.67	0.00%
	See attachment for the amount of RUE's allocated to different household consumers					
W1B	CONSUMPTION - HOUSEHOLDS					
	Normal Tariff & Level 1 water restrictions					
W1B1	0 - 6 kl per kl	6.38	7.33	6.08	6.99	4.90%
W1B2	7 - 18 kl per kl	13.08	15.04	12.47	14.34	4.90%
W1B3	19 - 30 kl per kl	21.22	24.40	20.23	23.26	4.90%
W1B4	31 - 45 kl per kl	32.68	37.58	31.15	35.82	4.90%
W1B5	46 - 60 kl per kl	42.43	48.80	40.45	46.52	4.90%
W1B6	>60kl per kl	56.58	65.07	53.94	62.03	4.90%
	Restriction Tariff 1 (level 2 & 3 water restrictions)					
W1B7	0 - 6 kl per kl	6.38	7.33	6.08	6.99	4.90%
W1B8	7 - 18 kl per kl	17.01	19.56	16.21	18.64	4.90%
W1B9	19 - 30 kl per kl	27.59	31.73	26.30	30.24	4.90%
W1B10	31 - 45 kl per kl	42.48	48.85	40.50	46.57	4.90%
W1B11	46 - 60 kl per kl	55.16	63.44	52.59	60.47	4.90%
W1B12	>60kl per kl	73.56	84.59	70.12	80.64	4.90%
	Restriction Tariff 2 (level 4 & 5 water restrictions)					
W1B13	0 - 6 kl per kl	6.38	7.33	6.08	6.99	4.90%
W1B14	7 - 18 kl per kl	20.93	24.07	19.95	22.94	4.90%
W1B15	19 - 30 kl per kl	33.95	39.05	32.37	37.22	4.90%
W1B16	31 - 45 kl per kl	52.28	60.12	49.84	57.32	4.90%
W1B17	46 - 60 kl per kl	67.89	78.07	64.72	74.43	4.90%
W1B18	>60kl per kl	90.53	104.11	86.30	99.25	4.90%
	Restriction Tariff 3 (level 6 water restrictions)					
W1B19	0 - 6 kl per kl	6.38	7.33	6.08	6.99	4.90%
W1B20	7 - 18 kl per kl	26.16	30.09	24.94	28.68	4.90%
W1B21	19 - 30 kl per kl	42.44	48.81	40.46	46.53	4.90%
W1B22	31 - 45 kl per kl	65.35	75.16	62.30	71.65	4.90%
W1B23	46 - 60 kl per kl	84.86	97.59	80.90	93.04	4.90%
W1B24	>60kl per kl	113.17	130.14	107.88	124.06	4.90%

1.4.3 Sale of Electricity and Impact of Tariff Increases

NERSA is still to publish the electricity pricing structure consultation paper - National Energy Regulator of South Africa (NERSA) Tariff Guideline.

The tariffs in this report reflect a 10,33% increase for municipal consumers. The finalisation of electricity tariffs will be adjusted in terms of the final NERSA determination.

The recommendation to Council will be aligned to the NERSA outcome, for approval by Council on 31 May 2022, in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) of tariffs and charges for the budget year 2022/23.

The municipality will submit the electricity tariffs application as soon as possible, to ensure that NERSA considers and approves the application on time for implementation on 1 July 2022.

The indicative increase in basic charges as well as the respective brackets of the Inclining Block Tariffs (0-350 kWh, 351-600kWh, and >600kWh), are thus currently stated at 10,33% as previously referred to in this report.

Registered indigents continue to be granted 50 kWh per 30-day period free of charge, in the instance that they qualify for this indigent benefit.

The following table shows the impact of the proposed increases in electricity tariffs for domestic consumers:

Table 8 Comparison between current electricity charges and increases (Domestic)

Tariff Code	Detail		2022/2023		2021/2022		1.1033
			Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%	1.1033
EF	FIXED CHARGES						
EF1	Infrastructure Charge per Meter per month (No 1 end date 30 June 2026)	R	16.65	19.15	16.65	19.15	0.00%
E1	SINGLE PHASE : DOMESTIC						
E1A	Two-Part Tariff: Credit meters up to 60 Amp (13.8 kVA BDMD) (Including Resorts)						
E1A1	Basic Monthly charge per meter	R	450.33	517.88	408.17	469.40	10.33%
	kWH Unit cost						
E1A2	IBT BLOCK 1 0 - 350 kWh	c	172.79	198.71	156.61	180.10	10.33%
E1A3	IBT BLOCK 2 351 - 600 kWh	c	253.77	291.84	230.01	264.51	10.33%
E1A4	IBT BLOCK 3 > 600 kWh	c	311.79	358.56	282.60	324.99	10.33%
E1B	Two-Part Tariff: Pre-paid up to 60 Amp (13.8 kVA BDMD) (Including Resorts)						
E1B1	Basic Monthly charge per meter	R	450.33	517.88	408.17	469.40	10.33%
	kWH Unit cost						
E1B2	IBT BLOCK 1 0 - 350 kWh	c	159.60	183.54	144.66	166.36	10.33%
E1B3	IBT BLOCK 2 351 - 600 kWh	c	239.14	275.01	216.75	249.26	10.33%
E1B4	IBT BLOCK 3 > 600 kWh	c	299.71	344.67	271.65	312.40	10.33%

The IBT for electricity, as previously proposed by NERSA has continued. As mentioned above, with the latest estimate, the tariff increases in the inclining block tariff for the electricity consumption tariffs has been stated at 10,33% for the respective inclining blocks. The across-the-board tariff increase for this service relates to cost reflective tariff setting, taking into account the still excessive indicative increase of 11,35% payable by the municipality to Eskom for bulk purchases. The reduced tariffs for prepaid meters, compared to conventional meters, will continue as in the past.

The full proposed tariffs are included in Annexure C.

1.4.4 Sanitation and Impact of Tariff Increases

A tariff increase of 4.3 per cent for sanitation (basic & consumption) is proposed from 1 July 2022.

This is based on tariff increases related to inflation increases as mentioned earlier in this report, as well as an intensified effort **to contain the costs of this service for the consumer, in order to recommend a lower percentage increase**, in relation to other services.

The following factors inform the proposed tariffs:

- Sanitation charges are calculated according to the percentage water discharged as indicated in the table below;
- Tariff structure comparability research was undertaken by the Infrastructure & Planning directorate, where it was found that the current tariff structure compares very favourably, towards the consumer, against tariff structures locally and international; and
- Free sanitation (**the current 4,2 kℓ of 6 kℓ water is proposed to an increased benefit of 7 kℓ of 10 kℓ)** will be applicable to registered indigents.

The following table compares the current and proposed tariffs:

Table 9 Comparison between current sanitation charges and increases (Domestic)

Tariff Code	Detail	2022/2023		2021/2022		1.043
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%	
SE7A	SEWERAGE - SINGLE AND INTERMEDIATE RESIDENTIAL (Dwelling house and Duplex flats, Conventional Sewers, small bore sewers and conservancy tanks)					
SE7A1	0 - 35kl per kl (based on 70% of max 50kl water usage) - per unit per month , Conservancy tank service only during office hours per month. For after hours service, refer to tariff SE9B.	15.53	17.86	14.89	17.12	4.30%
SE7A2	Where no municipal water is used - per RUE per month. Conservancy tank service only during office hours per month. For after hours service, refer to tariff SE9B.	137.88	158.56	131.57	151.31	4.80%
	SEWERAGE - REGISTERED INDIGENT HOUSEHOLDS					
SE7A4	0 - 7 kl ~~4.2 kl~~ - **subsidised**	15.53	17.86	14.89	17.12	4.30%
SE7A5	~~4.3~~ 8 - 35kl per kl (based on 70% of max 50kl water usage) - per unit per month , Conservancy tank service only during office hours per month. For after hours service, refer to tariff SE9B.	15.53	17.86	14.89	17.12	4.30%
SE7B	SEWERAGE - GENERAL RESIDENTIAL (Blocks of flats and Residential Buildings)					
SE7B1	0 - 45kl per kl (based on 90% of max 50kl water usage) per unit per month	15.53	17.86	14.89	17.12	4.30%
SE7C	SEWERAGE - GUEST HOUSE; BED & BREAKFAST ESTABLISHMENTS					
SE7C1	per kl (based on 70% of water usage) per unit per month.	15.53	17.86	14.89	17.12	4.30%
SE7D	CONSUMPTION - ALL OTHER (Including Commercial, Industrial, School, Sport, etc)					
SE7D1	per kl (based on 90% of water usage) per unit per month - this percentage may be adjusted according to the Tariff Policy after investigation	15.53	17.86	14.89	17.12	4.30%
SE7E	CONSUMPTION - DEPARTMENTAL					
SE7E1	0 - 35 kl per kl (based on 70% of max 50kl water usage) per unit per month	15.53	17.86	14.89	17.12	4.30%
SE8	BASIC CHARGE					
SE8A	Basic Monthly Charge Developed sites per erf/unit per month	137.88	158.57	132.20	152.03	4.30%
SE8A1	Basic Monthly Subsidy Residential Indigent as per paragraph A of the Indigent Policy per month	137.88	158.57	132.20	152.03	4.30%
SE8A2	Basic Monthly Subsidy Residential Indigent as per paragraph B, C & E of the Indigent Policy per month	115.09	132.35	115.09	132.35	0.00%
SE8B	Basic Monthly Charge Undeveloped sites - can not connect to the network per erf/unit per	92.91	106.85	89.08	102.44	4.30%
SE8C	Basic Monthly Charge Undeveloped sites - can connect to the network per erf/unit per month	137.88	158.57	132.20	152.03	4.30%
SE8D	Basic Monthly Charge Developed sites - with a septic Tank per erf/unit per month	92.91	106.85	89.08	102.44	4.30%
SE8E	Basic Monthly Charge - Low Cost Housing & Single Quarters per erf/unit per month	92.91	106.85	89.08	102.44	4.30%
SE8F	Infrastructure					
SE8F1	Fixed Infrastructure Basic Charge per erf/unit per month (No 1 end date 30 June 2026)	9.60	11.04	9.60	11.04	0.00%
SE8F2	Fixed Infrastructure Basic Charge per erf/unit per month (No 2 end date 30 June 2029)	3.43	3.94	3.43	3.94	0.00%
SE8F3	Subsidised Fixed Infrastructure Basic Charge per erf/unit per month - Registered Indigent Households (No 2 end date 30 June 2029)	3.43	3.94	3.43	3.94	0.00%

The full proposed tariffs are included in Annexure C.

1.4.5 Waste Removal and Impact of Tariff Increases

The Overberg District Municipality officially re-launched the Karwyderskraal waste disposal on 29 March 2019, with Cell 4 and resumed operations at the site from 1 April 2019, and still operational.

A recommended tariff increase of at least 5.9% is proposed for 2022/23, in view of the nature of cost drivers for rendering the municipal waste removal service in a heavily regulated environment. Before-mentioned also inclusive of the new Hermanus Waste Management Facility completed and operational in the current financial year (2021/22).

Services relevant to refuse removal, refuse dumps and solid waste disposal mechanisms must comply with stringent legislative requirements such as the National Environmental Management: Waste Act, No 59 of 2008. This service will receive further revision of the solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term.

The following table compares current and proposed amounts payable from 1 July 2022:

Table 10 Comparison between current waste removal fees and increases (Domestic)

Tariff Code	Detail	2022/2023		2021/2022		1.0590
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%	
		R	R	R	R	
	DOMESTIC WASTE					
SAN1A	Residential (All registered erven/unit with approved building plan) 1 x removal per week (R/Month)	213.48	245.51	201.59	231.83	5.90%

All proposed refuse tariffs are listed in Annexure C.

1.4.6 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on large, medium and small household consumers (**with a pre-paid electricity meter**), as well as an indigent household receiving free basic services.

High Consumption with prepaid elect meter			2021/2022	2022/2023	Amount	%
Valuation	R3 500 000					
Rates			1 426.00	1 510.13	84.13	5.90
Sewer	**SE7A1+SE8A**		653.35	681.44	28.09	4.30
Infrastructure Basic Charge Water, Electricity & Sewer			53.54	53.54	0.00	0.00
Refuse	**1X Per Week**		201.59	213.48	11.89	5.90
Water	50 kl		1 246.73	1 307.82	61.09	4.90
VAT		15%	323.28	338.44	15.16	4.69
SUB TOTAL			**3 904.49**	**4 104.86**	**200.37**	**5.13**
Electricity Credit M	1500 kWh		4 074.73	4 495.65	420.92	10.33
VAT		15%	611.21	674.35	63.14	10.33
TOTAL			**8 590.43**	**9 274.86**	**684.43**	**7.97**
SRA Rate as might be applicable to be added						

Medium Consumption with prepaid elect meter			2021/2022	2022/2023	Amount	%
Valuation	R2 500 000					
Rates			1 012.67	1 072.41	59.75	5.90
Sewer	**SE7A1+SE8A**		392.78	409.66	16.89	4.30
Infrastructure Basic Charge Water, Electricity & Sewer			53.54	53.54	0.00	0.00
Refuse	**1X Per Week**		201.59	213.48	11.89	5.90
Water	25 kl		476.08	499.41	23.33	4.90
VAT		15%	168.60	176.41	7.82	4.64
SUB TOTAL			**2 305.25**	**2 424.92**	**119.68**	**5.19**
Electricity Prepaid	800 kWh		1 999.66	2 206.22	206.56	10.33
VAT		15%	299.95	330.93	30.98	10.33
TOTAL			**4 604.85**	**4 962.08**	**357.22**	**7.76**
SRA Rate as might be applicable to be added						

Low Consumption with prepaid elect meter			2021/2022	2022/2023	Amount	%
Valuation	R1 000 000					
Rates			392.67	415.83	23.17	5.90
Sewer	**SE7A1+SE8A**		288.55	300.95	12.41	4.30
Infrastructure Basic Charge Water, Electricity & Sewer			53.54	53.54	0.00	0.00
Refuse	**1X Per Week**		201.59	213.48	11.89	5.90
Water	15 kl		297.06	311.62	14.56	4.90
VAT		15%	126.11	131.94	5.83	4.62
SUB TOTAL			**1 359.51**	**1 427.37**	**67.85**	**4.99**
Electricity Prepaid	600 kWh		1 456.36	1 606.80	150.44	10.33
VAT		15%	218.45	241.02	22.57	10.33
SUB TOTAL			**3 034.32**	**3 275.18**	**240.86**	**7.94**
SRA Rate as might be applicable to be added						

Life-Line Consumption (ONE PART) (Indigent)			2021/2022	2022/2023	Amount	%
Valuation	R50 000					
Rates			0.00	0.00	0.00	0.00
Sewer	**SE7A1**		20.85	21.74	0.90	4.30
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	41.70	0.00	0.00
Refuse	**1X Per Week**		0.00	0.00	0.00	0.00
Water	8 kl		24.94	0.00	-24.94	-100.00
VAT		15%	13.12	9.52	-3.61	-27.48
SUB TOTAL			**100.61**	**72.96**	**-27.65**	**-27.48**
Electricity Pre-paid	300 kWh		438.72	484.04	45.32	10.33
VAT		15%	65.81	72.61	6.80	10.33
TOTAL			**605.14**	**629.60**	**24.47**	**4.04**
SRA Rate as might be applicable to be added						

Table 11 MBRR Table SA14 – Household bills

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework			
Rand/cent	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23 % incr.	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Monthly Account for Household - 'Middle Income Range'										
Rates and services charges:										
Property rates	233.78	247.14	258.27	268.67	268.67	268.67	5.97%	284.70	301.78	319.89
Electricity: Basic levy	291.60	335.34	356.20	408.17	408.17	408.17	10.33%	450.33	477.35	505.99
Electricity: Consumption	1 558.89	1 753.87	1 862.96	2 134.79	2 134.79	2 134.79	10.33%	2 355.29	2 496.61	2 646.40
Water: Basic levy	129.14	136.50	142.64	148.35	148.35	148.35	4.90%	155.62	164.96	174.85
Water: Consumption	377.69	400.93	419.04	435.81	435.81	435.81	4.90%	457.15	484.58	513.65
Sanitation	387.25	409.35	427.84	444.89	444.89	444.89	4.50%	464.91	492.80	522.37
Refuse removal	164.35	185.49	193.84	201.59	201.59	201.59	5.90%	213.48	226.29	239.87
Other	53.54	56.97	56.97	56.97	56.97	56.97	0.00%	56.97	56.97	56.97
sub-total	**3 196.24**	**3 525.59**	**3 717.76**	**4 099.24**	**4 099.24**	**4 099.24**	**8.30%**	**4 438.45**	**4 701.34**	**4 980.00**
VAT on Services	422.15	491.77	518.92	574.59	574.59	574.59		623.06	659.93	699.02
Total large household bill:	**3 618.39**	**4 017.36**	**4 236.68**	**4 673.83**	**4 673.83**	**4 673.83**	**8.30%**	**5 061.51**	**5 361.27**	**5 679.02**
% increase/-decrease		**11.0%**	**5.5%**	**10.3%**	**–**	**–**		**8.3%**	**5.9%**	**5.9%**
Monthly Account for Household - 'Affordable Range'										
Rates and services charges:										
Property rates	161.85	171.10	178.80	186.00	186.00	186.00	5.97%	197.10	208.93	221.46
Electricity: Basic levy	291.60	335.34	356.20	408.17	408.17	408.17	10.33%	450.33	477.35	505.99
Electricity: Consumption	608.63	683.08	725.57	831.44	831.44	831.44	10.33%	917.31	972.35	1 030.69
Water: Basic levy	129.14	136.50	142.64	148.35	148.35	148.35	4.90%	155.62	164.96	174.85
Water: Consumption	285.74	303.75	317.47	330.17	330.17	330.17	4.90%	346.34	367.12	389.15
Sanitation	341.89	361.40	377.72	392.78	392.78	392.78	4.50%	410.45	435.08	461.18
Refuse removal	164.35	185.49	193.84	201.59	201.59	201.59	5.90%	213.48	226.29	239.87
Other	53.54	56.97	56.97	56.97	56.97	56.97	0.00%	56.97	56.97	56.97
sub-total	**2 036.74**	**2 233.63**	**2 349.21**	**2 555.47**	**2 555.47**	**2 555.47**	**7.50%**	**2 747.60**	**2 909.04**	**3 080.16**
VAT on Services	267.17	309.38	325.56	355.42	355.42	355.42		382.58	405.02	428.81
Total small household bill:	**2 303.91**	**2 543.01**	**2 674.77**	**2 910.89**	**2 910.89**	**2 910.89**	**7.50%**	**3 130.18**	**3 314.06**	**3 508.97**
% increase/-decrease		**10.4%**	**5.2%**	**8.8%**	**–**	**–**		**7.5%**	**5.9%**	**5.9%**
Monthly Account for Household - 'Indigent' Household receiving free basic services										
Rates and services charges:										
Property rates	89.92	95.06	99.33	103.34	103.34	103.34	5.96%	109.50	116.07	123.03
Electricity: Basic levy	291.60	335.34	356.20	408.17	408.17	408.17	10.33%	450.33	477.35	505.99
Electricity: Consumption	371.42	415.98	441.84	506.31	506.31	506.31	10.33%	558.60	592.12	627.64
Water: Basic levy	129.14	136.50	142.64	148.35	148.35	148.35	4.90%	155.62	164.96	174.85
Water: Consumption	197.69	210.70	220.22	229.02	229.02	229.02	4.90%	240.24	254.65	269.93
Sanitation	296.53	313.45	327.60	340.66	340.66	340.66	4.50%	355.99	377.35	399.99
Refuse removal	164.35	185.49	193.84	201.59	201.59	201.59	5.90%	213.48	226.29	239.87
Other	(796.06)	(884.44)	(935.13)	(1 016.56)	(1 016.56)	(1 016.56)		(1 164.48)	(1 242.71)	(1 326.37)
sub-total	**744.59**	**808.08**	**846.54**	**920.88**	**920.88**	**920.88**	**-0.20%**	**919.28**	**966.08**	**1 014.94**
VAT on Services	93.29	106.95	112.08	122.63	122.63	122.63		121.47	127.50	133.79
Total small household bill:	**837.88**	**915.03**	**958.62**	**1 043.51**	**1 043.51**	**1 043.51**	**-0.30%**	**1 040.75**	**1 093.58**	**1 148.73**
% increase/-decrease		**9.2%**	**4.8%**	**8.9%**	**–**	**–**		**(0.3%)**	**5.1%**	**5.0%**

Please Note: Infrastructure Levy 2 – is subsidised for Indigent Households

1.5 Operating Expenditure Framework

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

- Balanced budget constraint (cash operating expenditure should not exceed cash operating revenue) unless there are sound reasons for utilising existing uncommitted cash-backed reserves to fund any deficit;
- The repairs and maintenance plan relating to the asset management strategy;
- Funding of the budget over the MTREF as informed by Section 18 and 19 of the MFMA;
- Reducing expenditure on non-core programmes;
- Implementing operational gains and efficiencies;
- Strict adherences to the principle of *no project plan no budget*. If there is no business plan no funding allocation will be made; and
- Taking cognisance of cost containment guidelines and assessing the status of current measures.

The following table is a high-level summary of the 2022/23 budget and MTREF (classified per main type of operating expenditure):

Table 12 Summary of operating expenditure by functional classification item

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Expenditure By Type									
Employee related costs	368 000	382 572	437 874	463 804	478 179	478 179	507 139	522 622	551 734
Remuneration of councillors	10 573	11 282	11 219	12 401	12 401	12 401	12 401	12 905	13 432
Debt impairment	17 500	23 434	12 138	21 500	13 544	13 544	13 564	13 699	13 836
Depreciation & asset impairment	131 114	134 574	140 110	145 663	145 663	145 663	146 596	145 685	148 275
Finance charges	44 921	46 570	48 805	51 804	51 804	51 804	48 056	47 734	47 159
Bulk purchases	242 614	278 548	298 272	353 707	353 707	353 707	393 853	438 555	488 331
Other materials	35 049	42 302	45 042	44 845	47 147	47 147	50 655	51 837	55 539
Contracted services	186 336	178 363	208 095	247 340	254 506	254 506	266 785	276 065	290 073
Transfers and subsidies	486	560	8 710	12 324	12 774	12 774	12 557	13 060	13 582
Other expenditure	71 333	91 238	110 367	141 620	151 193	151 193	164 163	137 237	121 406
Losses	610	1 639	303	–	–	–	–	–	–
Total Expenditure	**1 108 536**	**1 191 082**	**1 320 936**	**1 495 006**	**1 520 918**	**1 520 918**	**1 615 768**	**1 659 399**	**1 743 367**

The budgeted allocation for employee related costs and remuneration of councillors for the 2022/23 financial year totals R519,5m which equals 32,15 per cent of the total operating expenditure and is within the NT norm of 25 – 40 per cent. Of this total, the provisions relating to employee related costs amounts to R22,4m of which the majority of the amount is a long-term liability (post-retirement benefits) and therefore not cash remuneration.

The South African Local Government Bargaining Council (SALGBC) Salary and Wage Collective Agreement for municipalities for the period 01 July 2021 to 30 June 2024 was signed in 2021 and must be implemented by all municipalities on a national level.

The proposed increase in the salary budget is 4.9%, and notch increases, which average 2% have also been budgeted for in view of the SALGBC agreement between the employer organization (SALGA) and the respective unions. Staff vacancies are still frozen and may only be filled following a motivation to Senior Management. No new posts were considered for inclusion in the Draft Budget for 2022/23.
With effect from 1 July 2010, the Section 57 Employees (Directors) remuneration is determined by an independent consulting firm, appointed by the Employer to determine market related cost-to-employer remuneration packages. The afore-mentioned employees receive no bonuses, which principle was negotiated with them. The recommendation does compare the salaries of incumbents with similar job descriptions, whether it is the private or government sector. The remuneration model developed by the consultants for senior managers in the local government sector has been adjusted to reflect the remuneration trends in the labour market. This determination will be completed at a later stage for 2022/23. For budgeting purposes, a similar increase as for other employees has been factored into the budget for this category of employees.

Regulations have been promulgated, which provide for the Minister of Co-operative Governance to determine the total remuneration packages payable to any new employees to the posts of Municipal Manager and Section 57 Employees (Directors), with effect from 1 July 2014. Existing contracts however continue until they lapse.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The proclamation with regard to the 2019/20 increases was published in Government Notice 475, dated 24 April 2020. This Government Notice applies to date. An increase in remuneration of councillors has been factored into the 2022/23 budget, providing for normal inflationary trends, in the absence of specific indication.
The provision of debt impairment and write-off of bad debts for consumer accounts has been determined based on an annual collection rate of close to 99 per cent and the Debt Write-off Policy of the Municipality. The provision for impairment has however been revisited.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate of asset consumption. Budget appropriations in this regard total R146,6m for the 2022/23 financial year

and equates to 9,07 per cent of the total operating expenditure. Note that the implementation of the GRAP 17 accounting standard meant bringing a range of assets previously fully depreciated and not included in the assets register, back onto the assets register. This resulted in a significant increase in depreciation at implementation, relative to previous years. This aspect is further highlighted in para. 1.3 of this report.

Finance charges consist of the repayment of interest on long-term borrowing (cost of capital). Finance charges comprise 2,97 per cent of operating expenditure. The gearing ratio of borrowing to revenue is expected to below 40% for 2022/23, which is below the outer proposed limit of National Treasury.

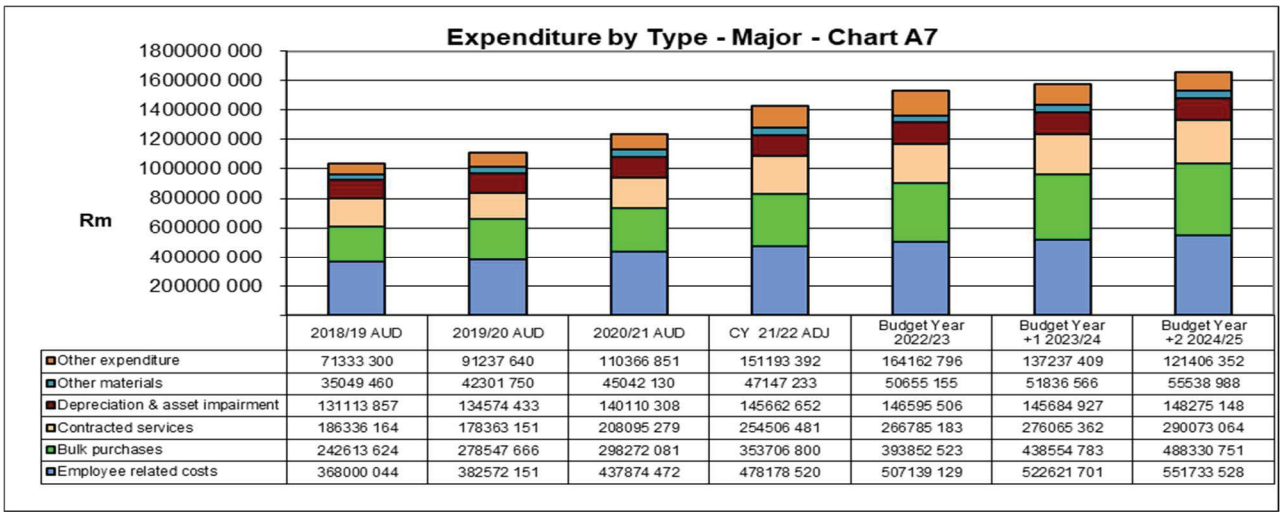
Bulk purchases are directly informed by the purchase of electricity from Eskom. The approval by NERSA for Eskom tariff increases has been published and in the absence of the Nersa Guideline for municipalities, the indicative increase in this budget report reflect a 11,35% bulk price increase to municipalities from 1 July 2022, which percentage will be adjusted in accordance with the final guideline when published.

Other materials, now classified as Inventory in mSCOA, comprise amongst others the purchase of materials for maintenance, cleaning materials, fuel, printing and stationery etc. In previous financial years the expenditure on top structures relating to Housing Projects funded through the Human Settlement Grant (Construction Contracts) that fluctuates from year to year causes major discrepancies in the trend for this type of expenditure.

In line with the Municipality's repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the Municipality's infrastructure. The introduction of further reclassification resulting from mSCOA caused a shift in expenditure budgeted under Repairs and maintenance as well as Contracted Services, in relation to figures in the past few years.
Contracted services have been identified as an area for the municipality to implement efficiencies. As part of the compilation of the 2022/23 MTREF this group of expenditure was critically evaluated and operational efficiencies are being enforced, a process that will be continued with. In the 2022/23 financial year, this group of expenditure totals R266,8m. Further details relating to contracted services can be seen in Table 62 MBRR SA1 (see page 99).

Other Expenditure, now classified as Operational Costs in mSCOA, comprises of various line items relating to the daily operations of the municipality. The introduction and reclassification resulting from mSCOA has caused a shift in expenditure previously classified and budgeted under general expenses to Inventory (materials) and contracted services. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Further details relating to other expenditure can be seen in Table 62 MBRR SA1 (see page 100). It is highlighted that the NT A Schedules, although revised, does not sufficiently reflect all mSCOA classifications relating to all types of expenditure.

The following table gives a breakdown of the major expenditure categories for the 2022/23 financial year.



	2018/19 AUD	2019/20 AUD	2020/21 AUD	CY 21/22 ADJ	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Other expenditure	71333 300	91237 640	110366 851	151193 392	164162 796	137237 409	121406 352
Other materials	35049 460	42301 750	45042 130	47147 233	50655 155	51836 566	55538 988
Depreciation & asset impairment	131113 857	134574 433	140110 308	145662 652	146595 506	145684 927	148275 148
Contracted services	186336 164	178363 151	208095 279	254506 481	266785 183	276065 362	290073 064
Bulk purchases	242613 624	278547 666	298272 081	353706 800	393852 523	438554 783	488330 751
Employee related costs	368000 044	382572 151	437874 472	478178 520	507139 129	522621 701	551733 528

Figure 1 Main operational expenditure categories for the 2022/23 financial year

1.5.1 Priority given to repairs and maintenance

Alignment to this priority has been given to preserving and maintaining the Municipality's current infrastructure, the 2022/23 budget and MTREF provides for continuing in the area of asset maintenance, as informed by the asset maintenance strategy and repairs and maintenance plan of the Municipality.

In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance.

Table 13 Operational repairs and maintenance

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
by Expenditure Item									
Employee related costs	89 415	96 484	101 119	126 792	122 805	122 805	125 237	132 851	141 069
Other materials	17 594	18 615	19 462	20 700	21 496	21 496	25 392	26 801	29 219
Contracted Services	85 762	58 168	80 996	95 771	102 535	102 535	104 388	109 469	114 854
Other Expenditure	22 253	15 250	9 324	10 971	10 793	10 793	12 586	13 050	13 583
Total Repairs and Maintenance Expenditure	215 024	188 517	210 901	254 233	257 628	257 628	267 602	282 171	298 725

During the compilation of the 2022/23 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure. As part of the 2022/23 MTREF this strategic imperative remains a priority. In relation to the total operating expenditure, repairs and maintenance comprises on average 16.6 per cent of the budget over the respective financial years of the MTREF.

The municipality has expanded on the implementation of Repairs and Maintenance allocated as projects in terms of the mSCOA version 6.6, which distorted the year-on-year comparative figures. This is also applicable to Contracted Services. These allocations are guided by the respective owner departments.

The table below provides a breakdown of the repairs and maintenance in relation to asset classes:

Table 14 Repairs and maintenance per asset class

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	**145 959**	**134 766**	**140 742**	**149 272**	**148 682**	**148 682**	**161 272**	**171 935**	**182 936**
Roads Infrastructure	61 860	65 691	67 439	67 503	67 115	67 115	72 281	79 183	83 626
Roads	61 860	61 812	64 190	67 503	67 115	67 115	72 281	79 183	83 626
Road Structures		3 879	3 249	–	–	–	–	–	–
Storm water Infrastructure	5 765	4 749	5 584	7 712	7 712	7 712	7 292	7 686	8 103
Drainage Collection	5 765	2 558	2 515	–	–	–	–	–	–
Storm water Conveyance		2 192	3 069	7 712	7 712	7 712	7 292	7 686	8 103
Electrical Infrastructure	23 082	36 812	31 045	33 421	33 479	33 479	39 233	40 356	43 933
Power Plants		383	436	–	–	–	–	–	–
HV Transmission Conductors		–	25	–	–	–	–	–	–
MV Networks	23 082	33 018	28 149	–	–	–	–	–	–
LV Networks		3 411	2 435	33 421	33 479	33 479	39 233	40 356	43 933
Water Supply Infrastructure	17 367	16 161	21 046	21 537	21 537	21 537	22 144	23 489	24 843
Water Treatment Works		–	–	577	577	577	297	316	336
Distribution	17 367	16 161	21 046	18 350	18 428	18 428	19 085	20 257	21 427
Distribution Points			–	2 610	2 531	2 531	2 761	2 916	3 080
Sanitation Infrastructure	14 967	10 072	12 980	12 162	12 331	12 331	13 002	13 535	14 307
Pump Station		–	–	–	–	–	–	–	–
Reticulation		800	–	6 946	6 946	6 946	7 344	7 797	8 284
Waste Water Treatment Works	14 967	9 134	12 980	5 216	5 386	5 386	5 658	5 737	6 023
Outfall Sewers		138	–	–	–	–	–	–	–
Solid Waste Infrastructure	22 918	1 168	2 535	6 936	6 506	6 506	7 320	7 686	8 123
Landfill Sites		36	61	–	–	–	–	–	–
Waste Transfer Stations	22 918	11	1 186	–	–	–	–	–	–
Waste Processing Facilities		152	272	2 332	2 048	2 048	2 397	2 465	2 588
Waste Drop-off Points		929	1 009	4 604	4 458	4 458	4 924	5 221	5 535
Waste Separation Facilities		39	7	–	–	–	–	–	–
Coastal Infrastructure	–	113	110	–	–	–	–	–	–
Promenades		113	110	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	1	–	–	–	–	–	–
Data Centres	–	–	1	–	–	–	–	–	–
Community Assets	**39 801**	**33 597**	**44 371**	**61 656**	**57 933**	**57 933**	**58 100**	**57 982**	**60 947**
Community Facilities	27 117	29 422	37 364	46 573	42 120	42 120	43 340	43 186	45 648
Halls	4 287	3 502	5 332	5 069	5 011	5 011	6 008	6 415	6 807
Centres		–	67	–	–	–	–	–	–
Fire/Ambulance Stations		344	440	–	–	–	–	–	–
Testing Stations		–	54	–	–	–	–	–	–
Libraries	28	93	121	–	–	–	–	–	–
Cemeteries/Crematoria	1 059	693	967	1 074	516	516	1 112	1 149	1 189
Police		209	358	–	–	–	–	–	–
Parks		20 368	25 542	31 644	32 020	32 020	31 581	30 681	32 429
Public Open Space	21 743	4 213	4 304	8 193	4 224	4 224	3 652	3 890	4 114
Nature Reserves		–	–	–	–	–	–	–	–
Public Ablution Facilities	–	–	178	594	348	348	988	1 050	1 108
Sport and Recreation Facilities	12 685	4 176	7 007	15 083	15 813	15 813	14 759	14 797	15 299
Indoor Facilities	–	–	–	–	–	–	–	–	–
Outdoor Facilities	12 685	4 176	7 007	15 083	15 813	15 813	14 759	14 797	15 299
Other assets	**8 009**	**1 582**	**2 137**	**11 914**	**15 973**	**15 973**	**15 246**	**16 876**	**17 880**
Operational Buildings	8 009	1 582	2 136	11 914	15 973	15 973	15 246	16 876	17 880
Municipal Offices	8 009	1 539	2 086	11 876	15 935	15 935	15 208	16 838	17 842
Building Plan Offices		28	35	–	–	–	–	–	–
Stores		15	–	–	–	–	–	–	–
Depots			16	38	38	38	38	38	38
Housing	–	–	1	–	–	–	–	–	–
Social Housing	–	–	1	–	–	–	–	–	–
Intangible Assets	–	6 009	5 672	6 528	6 471	6 471	6 994	7 381	7 794
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	–	6 009	5 672	6 528	6 471	6 471	6 994	7 381	7 794
Computer Software and Applications		6 009	5 672	6 528	6 471	6 471	6 994	7 381	7 794
Computer Equipment	4 890	766	1 947	2 280	2 799	2 799	2 280	2 391	2 508
Computer Equipment	4 890	766	1 947	2 280	2 799	2 799	2 280	2 391	2 508
Furniture and Office Equipment	16 364	242	1 128	6 095	6 418	6 418	6 330	6 644	6 951
Furniture and Office Equipment	16 364	242	1 128	6 095	6 418	6 418	6 330	6 644	6 951
Machinery and Equipment	–	–	–	5 548	5 363	5 363	5 601	6 518	6 561
Machinery and Equipment	–	–	–	5 548	5 363	5 363	5 601	6 518	6 561
Transport Assets	–	11 555	14 904	10 940	13 990	13 990	11 779	12 444	13 149
Transport Assets		11 555	14 904	10 940	13 990	13 990	11 779	12 444	13 149
Total Repairs and Maintenance Expenditure	**215 024**	**188 517**	**210 901**	**254 233**	**257 628**	**257 628**	**267 602**	**282 171**	**298 725**

For the 2022/23 financial year, 16.6 per cent or R267.6m of the total budget will be spent on repairs and maintenance, of which R161.2m is for infrastructure. Roads infrastructure has received a significant proportion of the infrastructure allocation totalling 44.82 per cent (R72.3m), followed by community assets at 21.71 per cent (R58.1m) and electricity at 14.67 per cent (R39.2m) on the total repairs and maintenance allocation.

1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are indigent or face other circumstances that limit their ability to pay for services. To receive these free/subsidised services the households are required to register in terms of the Municipality's Indigent Policy. The budgeted indigent households for 2022/23 is estimated at 7 500.

The following is an extract from NT Budget Circular 85:
"The change in the treatment of cost of free basic services indicates that municipalities must not disclose the support to indigents on table SA21 "Transfers and grants". The change in the treatment of free basic services has been fully implemented during the 2017/2018 financial year already.

Details relating to free services and basic service delivery measurement is contained in Table 26 MBRR A10 (Basic Service Delivery Measurement) on page 45.

The cost of the social package of the registered indigent households is fully covered by the local government equitable share received in terms of the annual Division of Revenue Act and that portion relating to a specific service has been apportioned as revenue to that specific service.

Grants-in-aid to organisations has not been budgeted for 2022/23, after due consideration by the Budget Steering Committee, with budget constraints identified as a major challenge in this regard.

Table 15 MBRR Table SA21 – Transfers and grants made by the municipality

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Cash Transfers to Organisations									
Operational	486	560	–	–	–	–	–	–	–
Capital	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Organisations	486	560	–	–	–	–	–	–	–
Cash Transfers to Groups of Individuals									
Operational	–	–	8 710	12 324	12 774	12 774	12 557	13 060	13 582
Capital	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Groups Of Individuals:	–	–	8 710	12 324	12 774	12 774	12 557	13 060	13 582
TOTAL CASH TRANSFERS AND GRANTS	486	560	8 710	12 324	12 774	12 774	12 557	13 060	13 582

1.6 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote and functional area:

Table 16 2022/23 Medium-term capital budget per function

Vote Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Capital Expenditure - Functional									
Governance and administration	7 231	4 049	7 054	3 775	3 775	3 775	1 875	–	–
Executive and council	295	2	355	5	5	5	5	–	–
Finance and administration	6 936	4 048	6 699	3 770	3 770	3 770	1 870	–	–
Internal audit	–	–	–	–	–	–	–	–	–
Community and public safety	68 172	112 758	96 981	79 999	88 762	88 762	46 594	32 098	19 697
Community and social services	5 164	1 330	16 072	9 991	5 617	5 617	5 109	–	–
Sport and recreation	23 923	9 981	22 886	7 752	9 674	9 674	400	10 868	13 297
Public safety	4 809	15 694	8 425	7 897	9 605	9 605	1 300	–	–
Housing	34 276	85 753	49 598	54 359	63 865	63 865	39 785	21 230	6 400
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	13 407	6 865	29 200	19 511	14 211	14 211	11 737	5 000	6 000
Planning and development	1 346	1 220	8 466	7 987	3 412	3 412	390	–	–
Road transport	12 061	5 645	20 734	11 524	10 799	10 799	11 347	5 000	6 000
Environmental protection	–	–	–	–	–	–	–	–	–
Trading services	84 872	87 384	121 565	171 489	133 231	133 231	152 602	65 500	73 314
Energy sources	28 893	21 428	10 436	68 211	35 311	35 311	65 389	22 000	24 314
Water management	12 270	31 752	35 574	51 982	37 334	37 334	39 290	19 000	23 400
Waste water management	42 210	26 893	57 190	47 481	55 980	55 980	45 939	24 500	19 100
Waste management	1 499	7 311	18 365	3 815	4 606	4 606	1 984	–	6 500
Other	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	173 682	211 056	254 800	274 775	239 979	239 979	212 808	102 598	99 011

For 2022/23 an amount of R152,6m has been appropriated for the development of basic services infrastructure which represents 71.1 per cent of the total capital budget of R212,8. In the outer years this amount totals R65,5m, 63.8 per cent and R73,3m, 74.4 per cent respectively for each of these financial years. Waste water infrastructure has the second highest allocation at R45,9m in 2022/23 which equates to 30.1 per cent of the basic services infrastructure allocation, followed by water management at 25.7 per cent, R39,2 million, waste management 1.3 per cent, R1,9m and electricity as the highest allocation at 42.8 per cent, R65,3m. Over the MTREF the capital housing grant expenditure relating to housing infrastructure provision amounts to R67,4 million.

Further detail relating to asset classes and proposed capital expenditure is contained in Table 25 MBRR A9 (Asset Management) on page 42. In addition to the MBRR Table A9, MBRR Tables SA34a, b, c & e provides a detailed breakdown of the capital programme relating to new assets construction as well as operational repairs and maintenance by asset class (refer to page 92). Some of the salient projects to be undertaken during 2022/23 includes, amongst others:

Top 10 Capital Projects

Project Description	Ward	AMOUNT
LCH SERVICES CONSTRUCTION CONTRACTS	Overstrand	39 785 000
FKRAAL KBAAI BHEAD NEW 66 11KV SUBSTATION	Multi-ward Gansbaai Area	37 500 000
UPGRADING OF PUMPSTATIONS & RISING MAINS	Overstrand	23 639 000
KLEINMOND WWTW REFURBISH UPGRADE	Multi-ward Kleinmond Area	20 200 000
REPLACEMENT OF OVERSTRAND WATER PIPES	Overstrand	16 472 000
ELECTRIFICATION OF LOW COST HOUSING AREAS	Overstrand	16 000 000
MASAKHANE HOUSING PROJECT BUS ROUTE(PHASE 1)	Ward 02	11 013 000
UPGRADE WATER LINES & NEW BOOSTER PUMPSTATION VALVES	Ward 02	7 000 000
UPGRADE BULK WATER	Ward 01	5 615 000
ZWELIHLE LIBRARY	Ward 12	4 373 611

Furthermore, pages 96 to 99 and Annexure E contains a detailed breakdown of the capital budget per project over the medium-term.

The following graph provides a breakdown of the capital budget to be spent per vote over the MTREF.

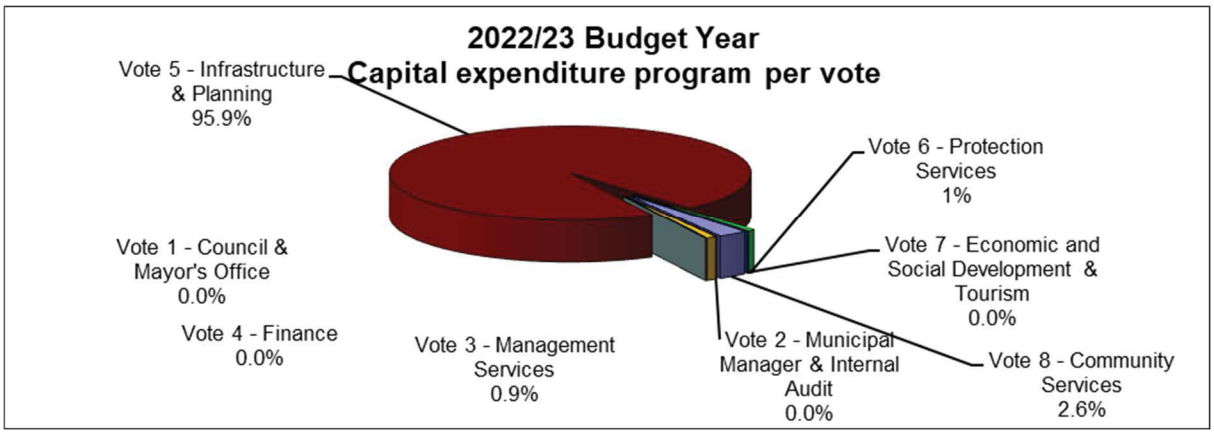


Figure 2 Capital Infrastructure Programme

1.6.1 Future operational cost of new infrastructure

An estimate has been included in Table 58 MBRR SA35 on page 92. Furthermore, a long term financial plan implementation policy has been developed to encompass costs over the long term. It needs to be noted that as part of the 2022/23 MTREF, this expenditure has been factored into the two outer years of the operational budget.

1.7 Annual Budget Tables

The following section of the report presents the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2022/23 budget and MTREF to be approved and/or noted by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 17 MBRR Table A1 - Budget Summary

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Financial Performance									
Property rates	**233 093**	240 910	261 222	275 637	275 637	275 637	287 941	300 836	314 308
Service charges	648 033	698 179	733 197	793 858	793 858	793 858	873 575	944 565	1 021 904
Investment revenue	41 767	48 146	30 504	27 456	27 456	27 456	24 871	25 991	27 161
Transfers recognised - operational	106 306	123 140	140 895	139 692	157 281	157 281	166 040	174 999	192 746
Other own revenue	127 227	178 453	121 523	180 196	184 321	184 321	184 756	144 125	110 104
Total Revenue (excluding capital transfers and contributions)	1 156 425	1 288 828	1 287 342	1 416 839	1 438 553	1 438 553	1 537 183	1 590 516	1 666 223
Employee costs	368 000	382 572	437 874	463 804	478 179	478 179	507 139	522 622	551 734
Remuneration of councillors	10 573	11 282	11 219	12 401	12 401	12 401	12 401	12 905	13 432
Depreciation & asset impairment	131 114	134 574	140 110	145 663	145 663	145 663	146 596	145 685	148 275
Finance charges	44 921	46 570	48 805	51 804	51 804	51 804	48 056	47 734	47 159
Materials and bulk purchases	277 663	320 849	343 314	398 552	400 854	400 854	444 508	490 391	543 870
Transfers and grants	486	560	8 710	12 324	12 774	12 774	12 557	13 060	13 582
Other expenditure	275 779	294 674	330 903	410 460	419 244	419 244	444 512	427 002	425 316
Total Expenditure	1 108 536	1 191 082	1 320 936	1 495 006	1 520 918	1 520 918	1 615 768	1 659 399	1 743 367
Surplus/(Deficit)	47 890	97 746	(33 594)	(78 168)	(82 365)	(82 365)	(78 586)	(68 883)	(77 144)
Transfers and subsidies - capital (monetary allocations) (	31 952	37 392	37 219	46 354	49 062	49 062	72 398	31 368	32 611
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	26 685	3 730	27 223	14 243	3 597	3 597	12 442	–	–
Surplus/(Deficit) after capital transfers & contributions	106 526	138 868	30 848	(17 571)	(29 706)	(29 706)	6 255	(37 515)	(44 533)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	106 526	138 868	30 848	(17 571)	(29 706)	(29 706)	6 255	(37 515)	(44 533)
Capital expenditure & funds sources									
Capital expenditure	**173 682**	211 056	254 800	274 775	239 979	239 979	212 808	102 598	99 011
Transfers recognised - capital	**91 574**	117 493	83 490	111 555	113 123	113 123	124 625	52 598	39 011
Public contributions & donations	**–**	3 730	23 919	–	–	–	–	–	–
Borrowing	**36 495**	50 476	45 443	94 066	72 761	72 761	72 033	50 000	60 000
Internally generated funds	**45 613**	39 358	101 949	69 154	54 094	54 094	16 149	–	–
Total sources of capital funds	**173 682**	211 056	254 800	274 775	239 979	239 979	212 808	102 598	99 011
Financial position									
Total current assets	**684 399**	809 609	765 709	583 272	707 463	707 463	622 854	623 337	652 506
Total non current assets	**3 712 914**	3 795 371	3 921 556	4 096 878	4 062 082	4 062 082	4 141 636	4 112 032	4 076 402
Total current liabilities	**220 717**	294 861	310 222	341 312	382 500	382 500	333 782	318 072	425 363
Total non current liabilities	**645 090**	642 137	678 212	657 833	695 824	695 824	711 285	711 957	617 158
Community wealth/Equity	**3 531 506**	3 667 983	3 698 830	3 681 004	3 691 222	3 691 222	3 719 423	3 705 339	3 686 388
Cash flows									
Net cash from (used) operating	**215 983**	319 091	210 220	215 101	201 184	201 184	96 144	82 030	88 150
Net cash from (used) investing	**(178 314)**	(212 740)	(258 734)	(279 748)	(244 949)	(244 949)	(217 788)	(107 578)	(103 991)
Net cash from (used) financing	**20 552**	14 275	7 424	(2 646)	(2 646)	(2 646)	1 377	(6 592)	10 761
Cash/cash equivalents at the year end	**533 188**	653 813	612 723	450 836	566 312	566 312	446 034	413 894	408 814
Cash backing/surplus reconciliation									
Cash and investments available	**583 711**	700 328	667 001	512 994	628 466	628 466	516 039	491 883	494 937
Application of cash and investments	**72 028**	74 124	150 993	178 704	192 531	192 531	107 298	43 617	18 440
Balance - surplus (shortfall)	**511 683**	626 204	516 008	334 290	435 936	435 936	408 741	448 266	476 497
Asset management									
Asset register summary (WDV)	**3 662 386**	3 748 856	3 867 277	4 034 713	3 999 918	3 999 918	4 071 630	4 034 043	3 990 279
Depreciation	**131 114**	134 574	140 110	145 663	145 663	145 663	146 596	145 685	148 275
Renewal of Existing Assets	**–**	3 606	15 499	33 945	31 515	31 515	20 730	18 650	29 500
Repairs and Maintenance	**215 024**	188 517	210 901	254 233	257 628	257 628	267 602	282 171	298 725
Free services									
Cost of Free Basic Services provided	**27 602**	30 628	30 760	33 117	33 117	33 117	42 962	45 540	48 272
Revenue cost of free services provided	**50 983**	–	–	–	–	–	–	–	–
Households below minimum service level									
Water:	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's service delivery and commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
    a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
    b. Capital expenditure is balanced by capital funding sources, of which
        i. Transfers recognised is reflected on the Financial Performance Budget;
        ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
        iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive and stable, indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows a decrease in cash over the MTREF.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Table 18 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue - Functional									
Governance and administration	**327 040**	**347 612**	**362 831**	**357 072**	**360 937**	**360 937**	**379 688**	**393 584**	**399 096**
Executive and council	27 347	30 254	38 681	31 359	32 134	32 134	45 165	44 584	34 973
Finance and administration	299 607	317 322	324 150	325 712	328 802	328 802	334 524	349 000	364 123
Internal audit	86	36	–	–	–	–	–	–	–
Community and public safety	**118 499**	**164 043**	**125 463**	**164 655**	**184 498**	**184 498**	**167 619**	**135 469**	**105 603**
Community and social services	8 471	8 071	8 291	7 145	9 367	9 367	8 776	7 189	7 660
Sport and recreation	30 199	18 801	29 089	10 133	12 855	12 855	10 772	22 097	25 031
Public safety	32 372	32 801	16 193	39 531	42 023	42 023	35 995	38 413	40 148
Housing	47 457	104 370	71 891	107 845	120 253	120 253	112 075	67 770	32 763
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	**16 861**	**15 503**	**16 035**	**16 227**	**17 887**	**17 887**	**24 599**	**16 637**	**16 231**
Planning and development	10 337	8 315	11 638	9 362	11 298	11 298	13 252	11 293	9 880
Road transport	6 229	7 166	4 365	6 828	6 103	6 103	11 310	5 304	6 310
Environmental protection	295	21	32	37	487	487	37	39	41
Trading services	**752 662**	**802 791**	**847 454**	**939 483**	**927 890**	**927 890**	**1 050 116**	**1 076 195**	**1 177 904**
Energy sources	419 560	458 532	481 695	570 263	559 013	559 013	638 320	674 436	748 530
Water management	145 980	153 663	153 115	157 061	147 446	147 446	165 889	161 617	171 831
Waste water management	110 345	103 934	117 987	116 972	124 991	124 991	146 050	134 538	142 087
Waste management	76 777	86 662	94 657	95 187	96 441	96 441	99 858	105 603	115 457
Other	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	**1 215 062**	**1 329 949**	**1 351 784**	**1 477 435**	**1 491 212**	**1 491 212**	**1 622 023**	**1 621 884**	**1 698 834**
Expenditure - Functional									
Governance and administration	**222 134**	**216 164**	**258 657**	**284 904**	**296 957**	**296 957**	**315 492**	**312 936**	**324 798**
Executive and council	56 567	39 624	69 529	66 557	71 292	71 292	74 135	65 674	67 611
Finance and administration	162 899	174 217	186 367	214 255	221 574	221 574	237 192	242 867	252 547
Internal audit	2 668	2 322	2 761	4 091	4 091	4 091	4 165	4 394	4 640
Community and public safety	**159 878**	**171 527**	**192 423**	**257 893**	**262 788**	**262 788**	**280 648**	**261 330**	**251 642**
Community and social services	16 972	15 216	22 122	19 164	21 384	21 384	21 285	22 212	23 647
Sport and recreation	43 905	44 289	52 169	59 600	60 673	60 673	63 214	63 089	65 995
Public safety	80 702	82 675	87 169	115 407	114 195	114 195	118 010	123 383	129 268
Housing	18 299	29 347	30 963	63 723	66 537	66 537	78 138	52 646	32 731
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	**146 841**	**156 576**	**170 202**	**187 466**	**191 121**	**191 121**	**198 519**	**207 252**	**213 885**
Planning and development	36 688	39 397	43 396	51 373	53 194	53 194	53 344	53 031	55 707
Road transport	103 331	107 277	110 465	116 270	116 706	116 706	122 093	129 975	132 972
Environmental protection	6 821	9 902	16 340	19 823	21 221	21 221	23 082	24 246	25 206
Trading services	**576 651**	**643 817**	**696 761**	**761 149**	**766 457**	**766 457**	**817 550**	**874 215**	**949 260**
Energy sources	313 606	368 705	384 141	442 180	442 480	442 480	490 011	535 087	590 344
Water management	107 916	112 899	120 612	129 815	131 067	131 067	130 791	136 847	148 880
Waste water management	84 120	90 406	95 785	102 665	99 684	99 684	104 107	109 313	113 142
Waste management	71 009	71 808	96 223	86 489	93 226	93 226	92 641	92 967	96 894
Other	**3 031**	**2 998**	**2 893**	**3 595**	**3 595**	**3 595**	**3 558**	**3 667**	**3 783**
Total Expenditure - Functional	**1 108 536**	**1 191 082**	**1 320 936**	**1 495 006**	**1 520 918**	**1 520 918**	**1 615 768**	**1 659 399**	**1 743 367**
Surplus/(Deficit) for the year	**106 526**	**138 868**	**30 848**	**(17 571)**	**(29 706)**	**(29 706)**	**6 255**	**(37 515)**	**(44 533)**

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by functional classification) - mSCOA – Function/Sub Function

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per functional classification. The modified GFS functional classification, now Function/Sub Function, divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas, which enables National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised: capital) and so does not balance to the operating revenue shown on Table A4.

Table 19 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue by Vote									
Vote 1 - Council & Mayor's Office	27 246	30 091	38 321	31 285	31 735	31 735	45 007	44 425	34 813
Vote 2 - Municipal Manager & Internal Audit	86	36	–	–	–	–	–	–	–
Vote 3 - Management Services	1 070	1 189	2 564	869	2 934	2 934	869	907	946
Vote 4 - Finance	292 876	300 506	309 284	318 650	318 650	318 650	327 436	341 845	356 898
Vote 5 - Infrastructure & Planning	496 225	584 067	585 823	691 845	692 670	692 670	768 118	758 813	796 482
Vote 6 - Protection Services	32 267	32 797	16 193	39 531	42 673	42 673	35 995	38 413	40 148
Vote 7 - Economic and Social Development & Tourism	2 030	2 914	3 860	2 838	4 773	4 773	2 811	71	224
Vote 8 - Community Services	363 260	378 350	395 739	392 418	397 776	397 776	441 787	437 410	469 323
Vote 9 - Costing Services	–	–	–	–	–	–	–	–	–
Vote 10 - Main Ledger Services	–	–	–	–	–	–	–	–	–
Total Revenue by Vote	**1 215 062**	**1 329 949**	**1 351 784**	**1 477 435**	**1 491 212**	**1 491 212**	**1 622 023**	**1 621 884**	**1 698 834**
Expenditure by Vote *to be appropriated*									
Vote 1 - Council & Mayor's Office	38 174	19 927	44 089	37 047	42 989	42 989	44 658	34 502	34 661
Vote 2 - Municipal Manager & Internal Audit	5 050	5 361	5 885	8 040	8 040	8 040	8 042	8 437	8 857
Vote 3 - Management Services	46 736	50 129	54 639	60 741	62 976	62 976	65 889	68 244	71 390
Vote 4 - Finance	74 680	69 425	77 490	95 684	95 289	95 289	106 313	106 744	112 252
Vote 5 - Infrastructure & Planning	449 522	529 692	577 728	672 313	684 869	684 869	755 611	782 435	828 925
Vote 6 - Protection Services	81 089	83 725	91 326	115 502	115 586	115 586	118 480	123 434	128 971
Vote 7 - Economic and Social Development & Tourism	10 303	12 042	13 558	17 311	19 247	19 247	17 686	15 510	16 237
Vote 8 - Community Services	402 983	420 782	456 221	488 368	491 922	491 922	499 089	520 094	542 073
Vote 9 - Costing Services	–	–	–	–	–	–	–	–	–
Vote 10 - Main Ledger Services	–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	**1 108 536**	**1 191 082**	**1 320 936**	**1 495 006**	**1 520 918**	**1 520 918**	**1 615 768**	**1 659 399**	**1 743 367**
Surplus/(Deficit) for the year	**106 526**	**138 868**	**30 848**	**(17 571)**	**(29 706)**	**(29 706)**	**6 255**	**(37 515)**	**(44 533)**

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote) – mSCOA – Own Segment

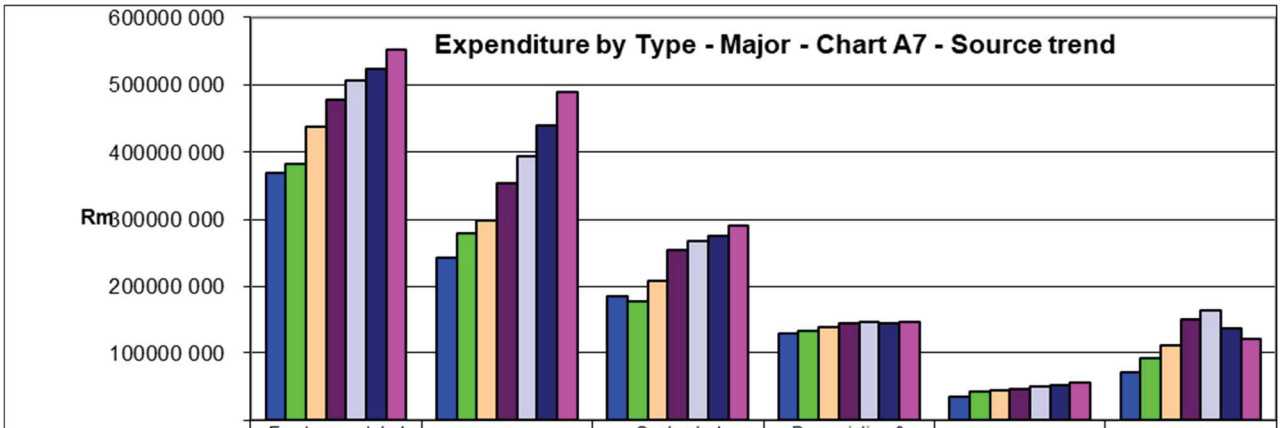
1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per own segment: municipal vote (directorate). This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised: capital) and so does not balance to the operating revenue shown on Table A4.

Table 20 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue By Source									
Property rates	233 093	240 910	261 222	275 637	275 637	275 637	287 941	300 836	314 308
Service charges - electricity revenue	378 693	415 960	442 792	499 317	499 317	499 317	560 796	616 798	678 418
Service charges - water revenue	129 858	133 037	131 113	132 168	132 168	132 168	138 138	144 354	150 851
Service charges - sanitation revenue	77 719	80 925	87 094	87 631	87 631	87 631	95 791	99 911	104 207
Service charges - refuse revenue	61 763	68 256	72 198	74 741	74 741	74 741	78 850	83 502	88 427
Rental of facilities and equipment	6 278	5 735	4 068	3 440	3 440	3 440	4 573	4 778	4 989
Interest earned - external investments	41 767	48 146	30 504	27 456	27 456	27 456	24 871	25 991	27 161
Interest earned - outstanding debtors	4 193	5 040	4 244	4 681	4 681	4 681	3 982	4 161	4 348
Dividends received			–	–	–	–	–	–	–
Fines, penalties and forfeits	25 672	18 211	1 095	28 223	20 223	20 223	20 344	22 188	23 174
Licences and permits	2 526	1 975	2 227	2 039	2 538	2 538	2 636	2 750	2 869
Agency services	4 885	4 376	6 189	6 680	6 680	6 680	7 858	8 211	8 580
Transfers and subsidies	106 306	123 140	140 895	139 692	157 281	157 281	166 040	174 999	192 746
Other revenue	83 673	139 226	96 156	126 909	138 535	138 535	137 139	93 814	57 920
Gains	–	3 890	7 545	8 225	8 225	8 225	8 225	8 225	8 225
Total Revenue (excluding capital transfers and contributions)	**1 156 425**	**1 288 828**	**1 287 342**	**1 416 839**	**1 438 553**	**1 438 553**	**1 537 183**	**1 590 516**	**1 666 223**
Expenditure By Type									
Employee related costs	368 000	382 572	437 874	463 804	478 179	478 179	507 139	522 622	551 734
Remuneration of councillors	10 573	11 282	11 219	12 401	12 401	12 401	12 401	12 905	13 432
Debt impairment	17 500	23 434	12 138	21 500	13 544	13 544	13 564	13 699	13 836
Depreciation & asset impairment	131 114	134 574	140 110	145 663	145 663	145 663	146 596	145 685	148 275
Finance charges	44 921	46 570	48 805	51 804	51 804	51 804	48 056	47 734	47 159
Bulk purchases	242 614	278 548	298 272	353 707	353 707	353 707	393 853	438 555	488 331
Other materials	35 049	42 302	45 042	44 845	47 147	47 147	50 655	51 837	55 539
Contracted services	186 336	178 363	208 095	247 340	254 506	254 506	266 785	276 065	290 073
Transfers and subsidies	486	560	8 710	12 324	12 774	12 774	12 557	13 060	13 582
Other expenditure	71 333	91 238	110 367	141 620	151 193	151 193	164 163	137 237	121 406
Losses	610	1 639	303	–	–	–	–	–	–
Total Expenditure	**1 108 536**	**1 191 082**	**1 320 936**	**1 495 006**	**1 520 918**	**1 520 918**	**1 615 768**	**1 659 399**	**1 743 367**
Surplus/(Deficit)	**47 890**	**97 746**	**(33 594)**	**(78 168)**	**(82 365)**	**(82 365)**	**(78 586)**	**(68 883)**	**(77 144)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	31 952	37 392	37 219	46 354	49 062	49 062	72 398	31 368	32 611
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	–	–	8 465	14 243	3 597	3 597	12 442	–	–
Transfers and subsidies - capital (in-kind - all)	26 685	3 730	18 757	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**106 526**	**138 868**	**30 848**	**(17 571)**	**(29 706)**	**(29 706)**	**6 255**	**(37 515)**	**(44 533)**
Taxation	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation	**106 526**	**138 868**	**30 848**	**(17 571)**	**(29 706)**	**(29 706)**	**6 255**	**(37 515)**	**(44 533)**
Attributable to minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	**106 526**	**138 868**	**30 848**	**(17 571)**	**(29 706)**	**(29 706)**	**6 255**	**(37 515)**	**(44 533)**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	**106 526**	**138 868**	**30 848**	**(17 571)**	**(29 706)**	**(29 706)**	**6 255**	**(37 515)**	**(44 533)**

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total operating revenue is R1,438 billion in 2021/22 and indicates an increase to R1,537 billion in 2022/23.
2. Revenue to be generated from property rates is R275,6 million in the 2021/22 financial year and increases to R287,9 million by 2022/23 which represents 18,7 per cent of the operating revenue base of the Municipality and therefore remains a significant funding source for the municipality.
3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R793,9 million for the 2021/22 financial year and indicates an increase to R873,6 million by 2022/23. For the 2022/23 financial year services charges amount to 56,8 per cent of the operating revenue base.
4. Transfers recognised – operating grants includes the local government equitable share and other operating grants from national and provincial government.
5. The following graph illustrates the major expenditure items per type.



	Employee related costs	Bulk purchases	Contracted services	Depreciation & asset impairment	Other materials	Other expenditure
2018/19 AUD	368000 044	242613 624	186336 164	131113 857	35049 460	71333 300
2019/20 AUD	382572 151	278547 666	178363 151	134574 433	42301 750	91237 640
2020/21 AUD	437874 472	298272 081	208095 279	140110 308	45042 130	110366 851
CY 21/22 ADJ	478178 520	353706 800	254506 481	145662 652	47147 233	151193 392
Budget Year 2022/23	507139 129	393852 523	266785 183	146595 506	50655 155	164162 796
Budget Year +1 2023/24	522621 701	438554 783	276065 362	145684 927	51836 566	137237 409
Budget Year +2 2024/25	551733 528	488330 751	290073 064	148275 148	55538 988	121406 352

Figure 3 Expenditure by major type

6. Bulk purchases have significantly increased over the 2018/19 to 2024/25 period escalating from R242,6 million to R488,3 million. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom over the past years. The change in the trend for contracted services also relates to the reclassification of expenditure resulting from mSCOA implementation.
7. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

Table 21 MBRR Table A5 - Budgeted Capital Expenditure by vote, functional classification and funding source

Vote Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Capital expenditure - Vote									
Multi-year expenditure *to be appropriated*									
Vote 1 - Council & Mayor's Office	–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager & Internal Audit	–	–	–	–	–	–	–	–	–
Vote 3 - Management Services	–	–	–	3 715	3 715	3 715	1 815	–	–
Vote 4 - Finance	–	–	–	60	60	60	60	–	–
Vote 5 - Infrastructure & Planning	63 169	15 575	73 712	190 806	162 383	162 383	191 130	102 598	99 011
Vote 6 - Protection Services	4 809	–	–	354	704	704	300	–	–
Vote 7 - Economic and Social Development & Tourism	–	–	–	45	45	45	45	–	–
Vote 8 - Community Services	66 541	58 300	36 053	4 297	4 297	4 297	735	–	–
Vote 9 - Costing Services	–	–	–	–	–	–	–	–	–
Vote 10 - Main Ledger Services	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	**134 520**	**73 875**	**109 765**	**199 277**	**171 204**	**171 204**	**194 085**	**102 598**	**99 011**
Single-year expenditure *to be appropriated*									
Vote 1 - Council & Mayor's Office	–	–	352	–	–	–	–	–	–
Vote 2 - Municipal Manager & Internal Audit	–	–	–	–	–	–	–	–	–
Vote 3 - Management Services	295	3 966	2 288	–	–	–	–	–	–
Vote 4 - Finance	–	22	57	–	–	–	–	–	–
Vote 5 - Infrastructure & Planning	28 195	93 905	80 221	40 514	36 807	36 807	13 015	–	–
Vote 6 - Protection Services	–	12 064	8 160	7 535	8 893	8 893	1 000	–	–
Vote 7 - Economic and Social Development & Tourism	–	375	498	–	–	–	–	–	–
Vote 8 - Community Services	10 672	26 849	53 459	27 449	23 075	23 075	4 708	–	–
Vote 9 - Costing Services	–	–	–	–	–	–	–	–	–
Vote 10 - Main Ledger Services	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total	**39 162**	**137 181**	**145 035**	**75 498**	**68 775**	**68 775**	**18 723**	**–**	**–**
Total Capital Expenditure - Vote	**173 682**	**211 056**	**254 800**	**274 775**	**239 979**	**239 979**	**212 808**	**102 598**	**99 011**
Capital Expenditure - Functional									
Governance and administration	**7 231**	**4 049**	**7 054**	**3 775**	**3 775**	**3 775**	**1 875**	**–**	**–**
Executive and council	295	2	355	5	5	5	5	–	–
Finance and administration	6 936	4 048	6 699	3 770	3 770	3 770	1 870	–	–
Internal audit	–	–	–	–	–	–	–	–	–
Community and public safety	**68 172**	**112 758**	**96 981**	**79 999**	**88 762**	**88 762**	**46 594**	**32 098**	**19 697**
Community and social services	5 164	1 330	16 072	9 991	5 617	5 617	5 109	–	–
Sport and recreation	23 923	9 981	22 886	7 752	9 674	9 674	400	10 868	13 297
Public safety	4 809	15 694	8 425	7 897	9 605	9 605	1 300	–	–
Housing	34 276	85 753	49 598	54 359	63 865	63 865	39 785	21 230	6 400
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	**13 407**	**6 865**	**29 200**	**19 511**	**14 211**	**14 211**	**11 737**	**5 000**	**6 000**
Planning and development	1 346	1 220	8 466	7 987	3 412	3 412	390	–	–
Road transport	12 061	5 645	20 734	11 524	10 799	10 799	11 347	5 000	6 000
Environmental protection	–	–	–	–	–	–	–	–	–
Trading services	**84 872**	**87 384**	**121 565**	**171 489**	**133 231**	**133 231**	**152 602**	**65 500**	**73 314**
Energy sources	28 893	21 428	10 436	68 211	35 311	35 311	65 389	22 000	24 314
Water management	12 270	31 752	35 574	51 982	37 334	37 334	39 290	19 000	23 400
Waste water management	42 210	26 893	57 190	47 481	55 980	55 980	45 939	24 500	19 100
Waste management	1 499	7 311	18 365	3 815	4 606	4 606	1 984	–	6 500
Other	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Capital Expenditure - Functional	**173 682**	**211 056**	**254 800**	**274 775**	**239 979**	**239 979**	**212 808**	**102 598**	**99 011**
Funded by:									
National Government	30 445	31 528	35 100	45 754	45 754	45 754	72 398	31 368	32 611
Provincial Government	35 615	85 965	48 390	600	3 308	3 308			
District Municipality									
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational	25 514			65 201	64 061	64 061	52 227	21 230	6 400
Transfers recognised - capital	**91 574**	**117 493**	**83 490**	**111 555**	**113 123**	**113 123**	**124 625**	**52 598**	**39 011**
Public contributions & donations		3 730	23 919	–	–	–	–	–	–
Borrowing	36 495	50 476	45 443	94 066	72 761	72 761	72 033	50 000	60 000
Internally generated funds	45 613	39 358	101 949	69 154	54 094	54 094	16 149	–	–
Total Capital Funding	**173 682**	**211 056**	**254 800**	**274 775**	**239 979**	**239 979**	**212 808**	**102 598**	**99 011**

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, functional classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by functional classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. The capital expenditure amounts to R212,8 million in 2022/23.
3. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality.
4. The capital programme is funded from national and provincial grants and transfers, public contributions and donations, borrowing and internally generated funds from previous year surpluses. For 2022/23, capital transfers total R124,6 million. Borrowing has been provided at R72 million (inclusive of roll-over borrowing), finance leases (nil) and internally generated funding totaling R16,1 million. These funding sources are further discussed in detail in paragraph 2.6 (Overview of Budget Funding).
5. Rolled over borrowing amounts to R22m.

Table 22 MBRR Table A6 - Budgeted Financial Position

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
ASSETS									
Current assets									
Cash	123 988	143 570	202 482	50 829	166 302	166 302	46 034	13 894	8 814
Call investment deposits	409 200	510 243	410 241	400 000	400 000	400 000	400 000	400 000	400 000
Consumer debtors	74 000	88 509	83 846	84 475	84 475	84 475	107 292	128 134	150 753
Other debtors	61 176	57 060	56 404	38 027	46 027	46 027	58 620	70 119	81 522
Current portion of long-term receivables	7	4	–	–	–	–	–	–	–
Inventory	16 029	10 222	12 736	9 940	10 659	10 659	10 908	11 190	11 416
Total current assets	**684 399**	**809 609**	**765 709**	**583 272**	**707 463**	**707 463**	**622 854**	**623 337**	**652 506**
Non current assets									
Long-term receivables	4	–	–	–	–	–	–	–	–
Investments	50 524	46 515	54 278	62 165	62 165	62 165	70 005	77 989	86 123
Investment property	117 433	122 921	127 538	127 346	127 346	127 346	132 846	138 346	143 846
Investment in Associate	–	–	–	–	–	–	–	–	–
Property, plant and equipment	3 405 429	3 485 840	3 599 818	3 772 076	3 733 041	3 733 041	3 799 653	3 756 986	3 708 173
Agricultural	–	–	–	–	–	–	–	–	–
Biological	–	–	–	–	–	–	–	–	–
Intangible	8 597	9 168	8 993	4 363	8 603	8 603	8 203	7 783	7 332
Other non-current assets	130 928	130 928	130 928	130 928	130 928	130 928	130 928	130 928	130 928
Total non current assets	**3 712 914**	**3 795 371**	**3 921 556**	**4 096 878**	**4 062 082**	**4 062 082**	**4 141 636**	**4 112 032**	**4 076 402**
TOTAL ASSETS	**4 397 313**	**4 604 980**	**4 687 265**	**4 680 150**	**4 769 546**	**4 769 546**	**4 764 490**	**4 735 369**	**4 728 908**
LIABILITIES									
Current liabilities									
Bank overdraft	–	–	–	–	–	–	–	–	–
Borrowing	39 725	45 458	53 957	50 263	50 263	50 263	58 592	51 239	155 011
Consumer deposits	40 020	40 992	42 248	64 074	64 074	64 074	66 074	68 074	70 074
Trade and other payables	107 963	165 950	164 032	180 596	215 812	215 812	160 905	145 725	145 375
Provisions	33 010	42 460	49 986	46 378	52 351	52 351	48 210	53 034	54 903
Total current liabilities	**220 717**	**294 861**	**310 222**	**341 312**	**382 500**	**382 500**	**333 782**	**318 072**	**425 363**
Non current liabilities									
Borrowing	422 933	431 475	430 400	430 795	430 795	430 795	421 184	419 946	324 935
Provisions	222 157	210 662	247 812	227 039	265 029	265 029	290 101	292 012	292 223
Total non current liabilities	**645 090**	**642 137**	**678 212**	**657 833**	**695 824**	**695 824**	**711 285**	**711 957**	**617 158**
TOTAL LIABILITIES	**865 807**	**936 998**	**988 434**	**999 146**	**1 078 323**	**1 078 323**	**1 045 067**	**1 030 030**	**1 042 521**
NET ASSETS	**3 531 506**	**3 667 983**	**3 698 830**	**3 681 004**	**3 691 222**	**3 691 222**	**3 719 423**	**3 705 339**	**3 686 388**
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	3 528 279	3 664 755	3 695 603	3 677 777	3 687 995	3 687 995	3 716 200	3 702 122	3 683 175
Reserves	3 227	3 227	3 227	3 228	3 228	3 228	3 223	3 218	3 213
TOTAL COMMUNITY WEALTH/EQUITY	**3 531 506**	**3 667 983**	**3 698 830**	**3 681 004**	**3 691 222**	**3 691 222**	**3 719 423**	**3 705 339**	**3 686 388**

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is largely aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table 64 is supported by an extensive table of notes (SA3 which can be found on page 104) providing a detailed analysis of the major components of a number of items, including:
    - Call investments deposits;
    - Consumer debtors;
    - Property, plant and equipment;
    - Trade and other payables;
    - Provisions non-current;
    - Changes in net assets; and
    - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 23 MBRR Table A7 - Budgeted Cash Flow Statement

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	230 566	238 449	262 672	279 664	279 664	279 664	282 135	295 703	308 946
Service charges	643 620	689 210	737 211	792 663	792 663	792 663	856 588	929 001	1 004 943
Other revenue	128 882	175 357	131 492	159 489	152 925	152 925	162 798	110 562	76 348
Transfers and Subsidies - Operational	110 341	120 949	133 792	139 692	157 281	157 281	166 040	174 999	192 746
Transfers and Subsidies - Capital	32 017	60 675	37 219	46 354	49 062	49 062	72 398	31 368	32 611
Interest	45 960	53 186	34 748	27 456	27 456	27 456	24 871	25 991	27 161
Dividends	–	–	–	–	–	–	–	–	–
Payments									
Suppliers and employees	(929 996)	(971 606)	(1 069 400)	(1 166 090)	(1 193 289)	(1 193 289)	(1 408 073)	(1 424 801)	(1 493 864)
Finance charges	(44 921)	(46 570)	(48 805)	(51 804)	(51 804)	(51 804)	(48 056)	(47 734)	(47 159)
Transfers and Grants	(486)	(560)	(8 710)	(12 324)	(12 774)	(12 774)	(12 557)	(13 060)	(13 582)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**215 983**	**319 091**	**210 220**	**215 101**	**201 184**	**201 184**	**96 144**	**82 030**	**88 150**
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	(566)	3 289	940	–	–	–	–	–	–
Decrease (increase) in non-current receivables	8	7	4	–	–	–	–	–	–
Decrease (increase) in non-current investments	(4 980)	(4 980)	(4 878)	(4 980)	(4 980)	(4 980)	(4 980)	(4 980)	(4 980)
Payments									
Capital assets	(172 777)	(211 056)	(254 800)	(274 775)	(239 979)	(239 979)	(212 808)	(102 598)	(99 011)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(178 314)**	**(212 740)**	**(258 734)**	**(279 748)**	**(244 949)**	**(244 949)**	**(217 788)**	**(107 578)**	**(103 991)**
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	54 000	54 000	54 000	50 000	50 000	50 000	50 000	50 000	60 000
Increase (decrease) in consumer deposits	–	–	–	2 000	2 000	2 000	2 000	2 000	2 000
Payments									
Repayment of borrowing	(33 448)	(39 725)	(46 576)	(54 646)	(54 646)	(54 646)	(50 623)	(58 592)	(51 239)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**20 552**	**14 275**	**7 424**	**(2 646)**	**(2 646)**	**(2 646)**	**1 377**	**(6 592)**	**10 761**
NET INCREASE/ (DECREASE) IN CASH HELD	**58 220**	**120 626**	**(41 091)**	**(67 293)**	**(46 410)**	**(46 410)**	**(120 268)**	**(32 140)**	**(5 080)**
Cash/cash equivalents at the year begin:	**474 967**	**533 188**	**653 813**	518 129	612 723	612 723	**566 302**	**446 034**	**413 894**
Cash/cash equivalents at the year end:	**533 188**	**653 813**	**612 723**	**450 836**	**566 312**	**566 312**	**446 034**	**413 894**	**408 814**

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. It can be seen that the expected cash levels of the Municipality indicates a decrease over the 2022/23 to 2023/24 period, with an increase in 2024/25.
4. The 2022/23 MTREF has been informed by the planning principle of ensuring adequate cash over the medium-term.
5. Cash and cash equivalents totals R446 million as at the end of the 2022/23 financial year and is estimated to decrease to R408,8 million by 2024/25.

Table 24 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Cash and investments available									
Cash/cash equivalents at the year end	533 188	653 813	612 723	450 836	566 312	566 312	446 034	413 894	408 814
Other current investments > 90 days	0	–	–	(7)	(10)	(10)	0	(0)	0
Non current assets - Investments	50 524	46 515	54 278	62 165	62 165	62 165	70 005	77 989	86 123
Cash and investments available:	**583 711**	**700 328**	**667 001**	**512 994**	**628 466**	**628 466**	**516 039**	**491 883**	**494 937**
Application of cash and investments									
Unspent conditional transfers	–	31 133	24 030	–	12 442	12 442	–	–	–
Unspent borrowing	38 199	–	44 066	44 066	22 761	22 761	22 033	–	–
Statutory requirements	–	–	–	–	–	–	–	–	–
Other working capital requirements	(26 508)	(9 362)	(3 156)	59 046	74 998	74 998	(478)	(45 920)	(79 171)
Other provisions	6 587	2 612	28 547	10 200	16 936	16 936	12 515	8 330	8 276
Long term investments committed	50 524	46 515	54 278	62 165	62 165	62 165	70 005	77 989	86 123
Reserves to be backed by cash/investments	3 227	3 227	3 227	3 228	3 228	3 228	3 223	3 218	3 213
Total Application of cash and investments:	**72 028**	**74 124**	**150 993**	**178 704**	**192 531**	**192 531**	**107 298**	**43 617**	**18 440**
Surplus(shortfall)	**511 683**	**626 204**	**516 008**	**334 290**	**435 936**	**435 936**	**408 741**	**448 266**	**476 497**

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. As part of the budgeting and planning guidelines that informs the compilation of the 2022/23 MTREF the end objective of the medium-term framework is to ensure the budget is funded and aligned to section 18 of the MFMA.
5. As can be seen the budget has been modelled to ensure that the budget is funded.

Table 25 MBRR Table A9 - Asset Management

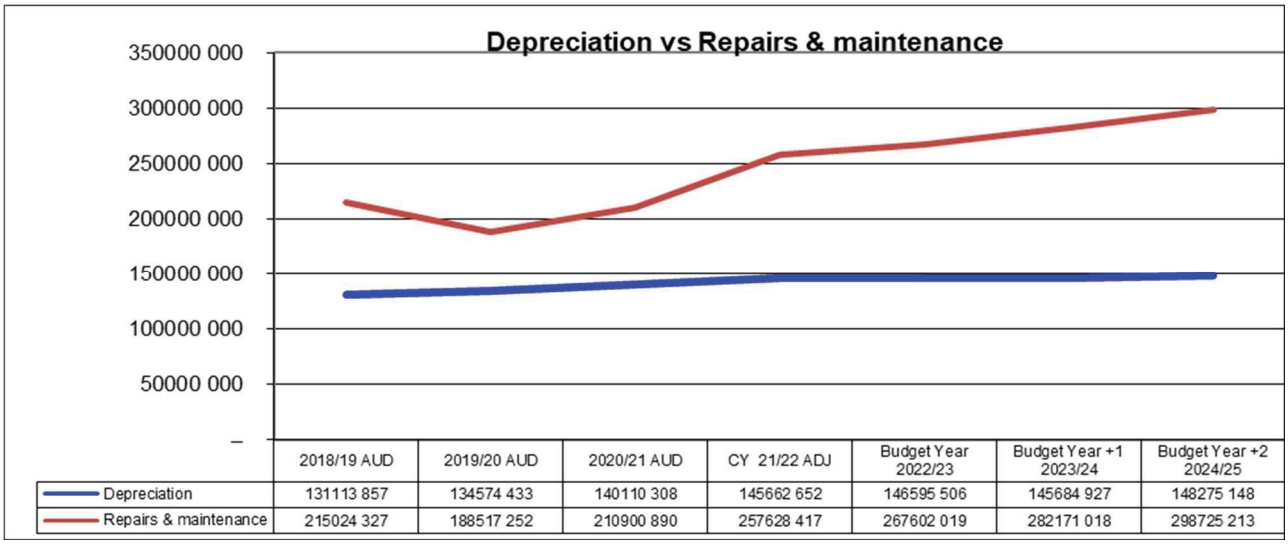
Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
CAPITAL EXPENDITURE									
Total New Assets	**173 682**	**188 804**	**199 520**	**191 795**	**155 115**	**155 115**	**125 175**	**48 730**	**24 814**
Roads Infrastructure	12 061	5 638	20 553	10 218	9 493	9 493	11 013	5 000	6 000
Storm water Infrastructure	7 247	7 918	14 169	6 590	6 590	6 590	–	8 500	–
Electrical Infrastructure	28 893	13 557	9 392	57 808	24 908	24 908	53 500	12 000	9 314
Water Supply Infrastructure	12 270	29 001	22 404	11 372	4 469	4 469	11 803	2 000	3 100
Sanitation Infrastructure	34 963	13 339	12 940	9 368	10 097	10 097	–	–	–
Solid Waste Infrastructure	1 499	7 311	12 254	3 262	4 516	4 516	–	–	–
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Infrastructure	***96 933***	***76 763***	***91 712***	***98 618***	***60 072***	***60 072***	***76 316***	***27 500***	***18 414***
Community Facilities	30 804	2 084	10 999	15 352	6 403	6 403	4 374	–	–
Sport and Recreation Facilities	–	2 447	15 000	7 481	7 081	7 081	400	–	–
Community Assets	***30 804***	***4 531***	***25 999***	***22 833***	***13 485***	***13 485***	***4 774***	**–**	**–**
Heritage Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Investment properties	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings	3 092	1 749	4 581	6 636	5 457	5 457	1 000	–	–
Housing	34 276	85 753	49 598	52 259	61 765	61 765	39 785	21 230	6 400
Other Assets	***37 368***	***87 502***	***54 179***	***58 895***	***67 222***	***67 222***	***40 785***	***21 230***	***6 400***
Biological or Cultivated Assets	**–**	**–**	**–**	**–**	**226**	**226**	**–**	**–**	**–**
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	–	–	–	–	–	–	–	–	–
Intangible Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment	**1 346**	**3 345**	**5 152**	**3 933**	**3 933**	**3 933**	**1 800**	**–**	**–**
Furniture and Office Equipment	**295**	**246**	**802**	**875**	**1 225**	**1 225**	**765**	**–**	**–**
Machinery and Equipment	**–**	**533**	**486**	**1 641**	**1 791**	**1 791**	**735**	**–**	**–**
Transport Assets	**6 936**	**15 884**	**21 189**	**5 000**	**7 161**	**7 161**	**–**	**–**	**–**
Land	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Total Renewal of Existing Assets	–	3 606	15 499	33 945	31 515	31 515	20 730	18 650	29 500
Roads Infrastructure	–	8	–	–	–	–	–	–	–
Storm water Infrastructure	–	–	–	–	–	–	–	–	–
Electrical Infrastructure	–	–	915	1 000	1 000	1 000	1 058	1 500	2 000
Water Supply Infrastructure	–	887	11 297	32 295	29 865	29 865	19 172	16 450	20 300
Sanitation Infrastructure	–	2 711	3 287	650	650	650	500	700	700
Solid Waste Infrastructure	–	–	–	–	–	–	–	–	6 500
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Infrastructure	–	*3 606*	*15 499*	*33 945*	*31 515*	*31 515*	*20 730*	*18 650*	*29 500*
Community Facilities	–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities	–	–	–	–	–	–	–	–	–
Community Assets	–	–	–	–	–	–	–	–	–
Heritage Assets	–	–	–	–	–	–	–	–	–
Revenue Generating	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Operational Buildings	–	–	–	–	–	–	–	–	–
Housing	–	–	–	–	–	–	–	–	–
Other Assets	–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	–	–	–	–	–	–	–	–	–
Intangible Assets	–	–	–	–	–	–	–	–	–
Computer Equipment	–	–	–	–	–	–	–	–	–
Furniture and Office Equipment	–	–	–	–	–	–	–	–	–
Machinery and Equipment	–	–	–	–	–	–	–	–	–
Transport Assets	–	–	–	–	–	–	–	–	–
Land	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–
Total Upgrading of Existing Assets	–	18 646	39 781	49 034	53 349	53 349	66 903	35 218	44 697
Roads Infrastructure	–	–	181	–	–	–	–	–	–
Storm water Infrastructure	–	1 285	12 258	–	–	–	–	–	–
Electrical Infrastructure	–	7 871	120	7 173	7 173	7 173	10 831	8 500	13 000
Water Supply Infrastructure	–	1 863	1 873	8 315	3 000	3 000	8 315	550	–
Sanitation Infrastructure	–	32	14 286	30 873	38 643	38 643	45 439	15 300	18 400
Solid Waste Infrastructure	–	–	3 262	553	90	90	1 984	–	–
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Infrastructure	–	*11 051*	*31 980*	*46 913*	*48 906*	*48 906*	*66 569*	*24 350*	*31 400*
Community Facilities	–	–	830	100	100	100	334	–	–
Sport and Recreation Facilities	–	7 534	6 971	2 021	4 343	4 343	–	10 868	13 297
Community Assets	–	*7 534*	*7 801*	*2 121*	*4 443*	*4 443*	*334*	*10 868*	*13 297*
Heritage Assets	–	–	–	–	–	–	–	–	–
Revenue Generating	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Operational Buildings	–	61	–	–	–	–	–	–	–
Housing	–	–	–	–	–	–	–	–	–
Other Assets	–	*61*	–	–	–	–	–	–	–
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	–	–	–	–	–	–	–	–	–
Total Capital Expenditure	173 682	211 056	254 800	274 775	239 979	239 979	212 808	102 598	99 011
Roads Infrastructure	12 061	5 645	20 734	10 218	9 493	9 493	11 013	5 000	6 000
Storm water Infrastructure	7 247	9 202	26 427	6 590	6 590	6 590	–	8 500	–
Electrical Infrastructure	28 893	21 428	10 427	65 981	33 081	33 081	65 389	22 000	24 314
Water Supply Infrastructure	12 270	31 752	35 574	51 982	37 334	37 334	39 290	19 000	23 400
Sanitation Infrastructure	34 963	16 081	30 513	40 891	49 390	49 390	45 939	16 000	19 100
Solid Waste Infrastructure	1 499	7 311	15 517	3 815	4 606	4 606	1 984	–	6 500
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Infrastructure	*96 933*	*91 420*	*139 192*	*179 477*	*140 493*	*140 493*	*163 615*	*70 500*	*79 314*
Community Facilities	30 804	2 084	11 829	15 452	6 503	6 503	4 708	–	–
Sport and Recreation Facilities	–	9 981	21 971	9 502	11 424	11 424	400	10 868	13 297
Community Assets	*30 804*	*12 065*	*33 801*	*24 954*	*17 928*	*17 928*	*5 108*	*10 868*	*13 297*
Heritage Assets	–	–	–	–	–	–	–	–	–
Revenue Generating	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Operational Buildings	3 092	1 810	4 581	6 636	5 457	5 457	1 000	–	–
Housing	34 276	85 753	49 598	52 259	61 765	61 765	39 785	21 230	6 400
Other Assets	*37 368*	*87 563*	*54 179*	*58 895*	*67 222*	*67 222*	*40 785*	*21 230*	*6 400*
Biological or Cultivated Assets	–	–	–	–	226	226	–	–	–
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	–	–	–	–	–	–	–	–	–
Intangible Assets	–	–	–	–	–	–	–	–	–
Computer Equipment	1 346	3 345	5 152	3 933	3 933	3 933	1 800	–	–
Furniture and Office Equipment	295	246	802	875	1 225	1 225	765	–	–
Machinery and Equipment	–	533	486	1 641	1 791	1 791	735	–	–
Transport Assets	6 936	15 884	21 189	5 000	7 161	7 161	–	–	–
Land	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class	173 682	211 056	254 800	274 775	239 979	239 979	212 808	102 598	99 011

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
ASSET REGISTER SUMMARY - PPE (WDV)	3 662 386	3 748 856	3 867 277	4 034 713	3 999 918	3 999 918	4 071 630	4 034 043	3 990 279
Roads Infrastructure	1 068 859	1 056 127	1 092 369	977 558	976 832	976 832	950 122	916 812	886 416
Storm water Infrastructure		214 067	233 963	247 201	247 201	247 201	239 209	239 701	232 495
Electrical Infrastructure	525 175	520 173	503 932	552 006	519 106	519 106	555 433	548 549	542 442
Water Supply Infrastructure	464 323	474 519	481 726	532 361	517 713	517 713	533 438	529 358	523 908
Sanitation Infrastructure	582 010	398 307	410 831	435 850	444 350	444 350	472 739	471 189	472 953
Solid Waste Infrastructure	26 500	24 634	40 153	48 809	49 600	49 600	48 323	45 061	48 461
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Infrastructure	***2 666 867***	***2 687 827***	***2 762 974***	***2 793 785***	***2 754 801***	***2 754 801***	***2 799 265***	***2 750 670***	***2 706 676***
Community Assets	204 522	206 866	226 656	–	–	–	–	–	–
Heritage Assets	130 928	130 928	130 928	130 928	130 928	130 928	130 928	130 928	130 928
Investment properties	117 433	122 921	127 538	127 346	127 346	127 346	132 846	138 346	143 846
Other Assets	534 039	496 877	494 213	860 822	858 061	858 061	889 041	906 211	910 831
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Intangible Assets	8 597	9 168	8 993	4 363	8 603	8 603	8 203	7 784	7 333
Computer Equipment			–	–	–	–	–	–	–
Furniture and Office Equipment		10 174	10 999	15 935	16 285	16 285	15 315	12 086	8 984
Machinery and Equipment		6 022	9 544	5 933	6 159	6 159	5 209	3 656	2 134
Transport Assets		78 074	95 432	95 602	97 734	97 734	90 823	84 363	79 548
Land			–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–		–	–	–	–	–	–	–
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	**3 662 386**	**3 748 856**	**3 867 277**	**4 034 713**	**3 999 918**	**3 999 918**	**4 071 630**	**4 034 043**	**3 990 279**
EXPENDITURE OTHER ITEMS									
Depreciation	131 114	134 574	140 110	145 663	145 663	145 663	146 596	145 685	148 275
Repairs and Maintenance by Asset Class	**215 024**	**188 517**	**210 901**	**254 233**	**257 628**	**257 628**	**267 602**	**282 171**	**298 725**
Roads Infrastructure	61 860	65 691	67 439	67 503	67 115	67 115	72 281	79 183	83 626
Storm water Infrastructure	5 765	4 749	5 584	7 712	7 712	7 712	7 292	7 686	8 103
Electrical Infrastructure	23 082	36 812	31 045	33 421	33 479	33 479	39 233	40 356	43 933
Water Supply Infrastructure	17 367	16 161	21 046	21 537	21 537	21 537	22 144	23 489	24 843
Sanitation Infrastructure	14 967	10 072	12 980	12 162	12 331	12 331	13 002	13 535	14 307
Solid Waste Infrastructure	22 918	1 168	2 535	6 936	6 506	6 506	7 320	7 686	8 123
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	113	110	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	1	–	–	–	–	–	–
Infrastructure	***145 959***	***134 766***	***140 742***	***149 272***	***148 682***	***148 682***	***161 272***	***171 935***	***182 936***
Community Facilities	27 117	29 422	37 364	46 573	42 120	42 120	43 340	43 186	45 648
Sport and Recreation Facilities	12 685	4 176	7 007	15 083	15 813	15 813	14 759	14 797	15 299
Community Assets	***39 801***	***33 597***	***44 371***	***61 656***	***57 933***	***57 933***	***58 100***	***57 982***	***60 947***
Heritage Assets	–	–	–	–	–	–	–	–	–
Revenue Generating	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Operational Buildings	8 009	1 582	2 136	11 914	15 973	15 973	15 246	16 876	17 880
Housing	–	–	1	–	–	–	–	–	–
Other Assets	***8 009***	***1 582***	***2 137***	***11 914***	***15 973***	***15 973***	***15 246***	***16 876***	***17 880***
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	–	6 009	5 672	6 528	6 471	6 471	6 994	7 381	7 794
Intangible Assets	–	***6 009***	***5 672***	***6 528***	***6 471***	***6 471***	***6 994***	***7 381***	***7 794***
Computer Equipment	**4 890**	**766**	**1 947**	**2 280**	**2 799**	**2 799**	**2 280**	**2 391**	**2 508**
Furniture and Office Equipment	**16 364**	**242**	**1 128**	**6 095**	**6 418**	**6 418**	**6 330**	**6 644**	**6 951**
Machinery and Equipment	–	–	–	**5 548**	**5 363**	**5 363**	**5 601**	**6 518**	**6 561**
Transport Assets	–	**11 555**	**14 904**	**10 940**	**13 990**	**13 990**	**11 779**	**12 444**	**13 149**
Libraries	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–
TOTAL EXPENDITURE OTHER ITEMS	**346 138**	**323 092**	**351 011**	**399 896**	**403 291**	**403 291**	**414 198**	**427 856**	**447 000**
Renewal and upgrading of Existing Assets as % of total capex	*0.0%*	*10.5%*	*21.7%*	*30.2%*	*35.4%*	*35.4%*	*41.2%*	*52.5%*	*74.9%*
Renewal and upgrading of Existing Assets as % of deprecn	*0.0%*	*16.5%*	*39.5%*	*57.0%*	*58.3%*	*58.3%*	*59.8%*	*37.0%*	*50.0%*
R&M as a % of PPE	*6.3%*	*5.4%*	*5.9%*	*6.7%*	*6.9%*	*6.9%*	*7.0%*	*7.5%*	*8.1%*
Renewal and upgrading and R&M as a % of PPE	*6.0%*	*6.0%*	*7.0%*	*8.0%*	*9.0%*	*9.0%*	*9.0%*	*8.0%*	*9.0%*

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal/upgrading of existing assets, as well as spending on repairs and maintenance by asset class.
2. The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF.



	2018/19 AUD	2019/20 AUD	2020/21 AUD	CY 21/22 ADJ	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Depreciation	131113 857	134574 433	140110 308	145662 652	146595 506	145684 927	148275 148
Repairs & maintenance	215024 327	188517 252	210900 890	257628 417	267602 019	282171 018	298725 213

Figure 4 Depreciation in relation to repairs and maintenance over the MTREF

Table 26 MBRR Table A10 - Basic Service Delivery Measurement

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Household service targets									
Water:									
Piped water inside dwelling	29 800	29 946	30 111	30 111	30 111	30 111	30 412	30 716	31 023
Piped water inside yard (but not in dwelling)	–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	3 620	3 675	3 779	3 779	3 779	3 779	4 650	4 900	5 000
Other water supply (at least min.service level)	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total	33 420	33 621	33 890	33 890	33 890	33 890	35 062	35 616	36 023
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	**33 420**	**33 621**	**33 890**	**33 890**	**33 890**	**33 890**	**35 062**	**35 616**	**36 023**
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	29 361	30 060	30 420	30 420	30 420	30 420	30 724	31 031	31 342
Flush toilet (with septic tank)	–	–	–	–	–	–	–	–	–
Chemical toilet	–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)	–	–	–	–	–	–	–	–	–
Other toilet provisions (> min.service level)	3 620	3 675	3 779	3 731	3 731	3 731	4 650	4 900	5 000
Minimum Service Level and Above sub-total	32 981	33 735	34 199	34 151	34 151	34 151	35 374	35 931	36 342
Bucket toilet	–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)	–	–	–	–	–	–	–	–	–
No toilet provisions	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	**32 981**	**33 735**	**34 199**	**34 151**	**34 151**	**34 151**	**35 374**	**35 931**	**36 342**
Energy:									
Electricity (at least min.service level)	5 831	5 946	5 826	5 706	5 706	5 706	5 586	5 466	5 346
Electricity - prepaid (min.service level)	19 464	19 731	20 146	20 561	20 561	20 561	20 976	21 391	21 806
Minimum Service Level and Above sub-total	25 295	25 677	25 972	26 267	26 267	26 267	26 562	26 857	27 152
Electricity (< min.service level)	–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–
Other energy sources	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	**25 295**	**25 677**	**25 972**	**26 267**	**26 267**	**26 267**	**26 562**	**26 857**	**27 152**
Refuse:									
Removed at least once a week	33 105	33 366	30 420	33 895	33 895	33 895	34 234	34 576	34 922
Minimum Service Level and Above sub-total	33 105	33 366	30 420	33 895	33 895	33 895	34 234	34 576	34 922
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	**33 105**	**33 366**	**30 420**	**33 895**	**33 895**	**33 895**	**34 234**	**34 576**	**34 922**
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	2 757 787	3 062 304	3 065 494	3 239 424	3 239 424	3 239 424	4 069 011	4 313 152	4 571 941
Sanitation (free minimum level service)	4 983 794	5 244 196	5 252 736	5 553 374	5 553 374	5 553 374	6 946 656	7 363 456	7 805 263
Electricity/other energy (50kwh per household per month)	4 812 394	5 415 995	5 512 648	6 422 904	6 422 904	6 422 904	8 482 421	8 991 366	9 530 848
Refuse (removed at least once a week)	15 047 886	16 905 559	16 929 210	17 901 192	17 901 192	17 901 192	23 463 779	24 871 606	26 363 902
Cost of Free Basic Services provided - Formal Settlements (R'000)									
Water (6 kilolitres per **indigent** household per month)	2 758	3 062	3 065	3 239	3 239	3 239	4 069	4 313	4 572
Sanitation (free sanitation service to **indigent households**)	4 984	5 244	5 253	5 553	5 553	5 553	6 947	7 363	7 805
Electricity/other energy (50kwh per **indigent** household per month)	4 812	5 416	5 513	6 423	6 423	6 423	8 482	8 991	9 531
Refuse (removed once a week **for indigent households**)	15 048	16 906	16 929	17 901	17 901	17 901	23 464	24 872	26 364
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	–	–	–	–	–	–	–	–	–
Total cost of FBS provided	**27 602**	**30 628**	**30 760**	**33 117**	**33 117**	**33 117**	**42 962**	**45 540**	**48 272**
Highest level of free service provided per household									
Property rates (R value threshold)	220 000	220 000	220 000	220 000	220 000	220 000	220 000	220 000	220 000
Water (kilolitres per household per month)	6	6	6	6	6	6	10	10	10
Sanitation (kilolitres per household per month)	4	4	4	4	4	4	7	7	7
Sanitation (Rand per household per month)	78	82	86	89	89	89	93	99	105
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50	50
Refuse (average litres per week)	210	210	210	210	210	210	210	210	210
Revenue cost of subsidised services provided (R'000)									
Property rates **(tariff adjustment)** (**impermissable values per section 17 of MPRA**)	–	–	–	–	–	–	–	–	–
Property rates exemptions, reductions and rebates **and impermissable values in excess of section 17 of MPRA)**	50 983	–	–	–	–	–	–	–	–
Water **(in excess of 6 kilolitres per indigent household per month)**	–	–	–	–	–	–	–	–	–
Sanitation **(in excess of free sanitation service to indigent households)**	–	–	–	–	–	–	–	–	–
Electricity/other energy **(in excess of 50 kwh per indigent household per month)**	–	–	–	–	–	–	–	–	–
Refuse **(in excess of one removal a week for indigent households)**	–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates	–	–	–	–	–	–	–	–	–
Housing - top structure subsidies	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided	**50 983**	–	–	–	–	–	–	–	–

The Figures for households above, relating to household service targets, includes both formal and informal households.

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. Good progress is being made with the eradication of current services backlogs. Housing remains a challenge.
    a. Electricity services – the current backlog has provisionally been eliminated.
3. The budget provides for 7 500 households to be registered as indigent in 2022/23, and therefore entitled to receiving Free Basic Services. The number is set to increase over the MTREF, especially by poor people seeking economic opportunities.
4. It is anticipated that the cost of these Free Basic Services will amount to R97m in 2022/23. This is covered by the municipality's equitable share allocation from national government.
5. In addition to the Free Basic Services, other rates rebates also apply to households.

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Full-time Councillors, Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the MMC for Finance.

The primary aims of the Budget Steering Committee are to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2021) a time schedule that sets out the process to prepare the IDP and prepare the budget.

The Mayor tabled in Council the required IDP and budget time schedule on 24 August 2021. Key dates applicable to the process are as follows:

- **July 2021** – Budget Office submits current 3 year Capital Budget to the Strategic Office. Review status of Samras Budget Portal functionality and MTREF budget information;
- **September/October 2021** – Mayoral strategic session with Councillors and Senior Management to determine Strategic direction for the 2022/23 IDP review;
- **October 2021** – Top management meeting to discuss budget proposals and affordability;
- **October 2021** – Mayoral directional IDP/Budget speech;
- **October/December 2021** – Various Budget Steering Committee and Management meetings relating to draft Capex and Opex budgets;
- **November 2021**– Submission of tariff proposals and tariff workshops;
- **November 2021**– Workshop on tariffs and tariff related policies;
- **November 2021/February 2022**– Review of all budget related policies;
- **December 2021 –** Mid-year review by the BSC of the 2021/2022 progress and review of 2022/2025 draft operational expenditure including financial forecasting and scenario considerations;
- **January 2022** – Tariff finalisation, consider budget related policies changes and overview of draft 2022/23 Capex & Opex;
- **January 2022**- Council considered the 2021/2022 Mid-year Review;
- **January 2022** – Finalisation of adjustments budget;
- **January 2022** – Ward Committees met to review their current ward priorities for 2022/23;
- **February 2022** – Final tariffs and adjustments budget review;
- **February 2022** – BSC review/finalises draft Capex/Opex;
- **15 March 2022** – OMAF Consultation & Budget Proposals;

- **28 March 2022** – Budget office finalises budget report;
- **30 March 2022** - Tabling in Council of the draft 2022/23 IDP, SDBIP and 2022/23 MTREF for public consultation;
- **6 April 2022 – 29 April 2022** – Draft Budget available to the public and any other stakeholders for perusal and the submission of comments and representations;
- **29 April 2022** - Closing date for written comments;
- **5 May 2022** – BSC considered all comments received and amendments to the Draft Budget;
- **8-20 May 2022** – Finalisation of the 2022/23 IDP and 2022/23 MTREF, taking into consideration comments received from the public, comments from NT & PT and updated information from the most recent DoRA and financial framework;
- **9-20 May 2022** – Budget Office compiles final report and schedules and final review of budget report and schedules ;
- **27 May 2022** – Final budget distribution; and
- **31 May 2022** - Tabling of the 2022/23 MTREF in Council for consideration and approval.

2.1.2 IDP and Service Delivery and Budget Implementation Plan

The Draft 2017/2023 Amended IDP as accepted by the newly elected council, in terms of section 25 (3), Municipal Systems Act (MSA), 2000, reflects the wording Overstrand for all in the Mission statement to read: *"Creation of sustainable communities by delivering optimal services to support economic, social and environmental goals in a politically stable environment as an OVERSTRAND FOR ALL."*

The Mayor's new 3 C priorities of Communication, Crime Prevention & Law Enforcement and Cost and Ease of doing business with Overstrand **support** the implementation of the current 5 strategic objectives. The vision and strategic goals remain unchanged.

The Mayors' new 3 C's priorities – Communication, Crime Prevention & Law Enforcement and Cost and Ease of doing business with Overstrand has an overarching linkage with the existing programmes. Funding are allocated in this draft budget for specific projects in this regard, whilst in other instances, the focus on the Cost and Ease of doing business with Overstrand are reflected in the revision of various tariffs relating to before-mentioned, as well as the envisaged promotion of measures/tariff structures already in place, to create awareness in our communities.

The draft amended IDP (2017/2023) is to be tabled on 30 March 2022 and the Final to serve before adopted by Council in May 2022 for adoption. The amended IDP process followed after approval of the IDP/Budget Time Schedule for the 2022/23 MTREF in August 2021, and the Local Government elections on 1 November 2021.

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation, which directly inform the Service Delivery and Budget Implementation Plan (SDBIP). The IDP/Budget time schedule applicable to the Draft IDP included the following key IDP processes and deliverables:

- Ward committees reviewed and reprioritised their community needs;
- Written inputs from the respective directorates for compilation of the draft amended IDP;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the draft Top Layer SDBIP, and
- The review of the performance management and monitoring processes.

2.1.3 Financial Modelling and Key Planning Drivers

Strategic objectives of the compilation of the 2022/23 MTREF include the undertaking of extensive financial modelling to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2022/23 MTREF:

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate (global risks and trends, inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2021/22 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circular 112 & 115 was taken into consideration in the planning and prioritisation process.

The municipality has expanded on the implementation of Repairs and Maintenance allocated as projects in terms of the mSCOA version 6.6. These allocations are guided by the respective owner departments.

Emphasis is placed on the Municipal Cost Containment Regulations, 2019 as published in June 2019, and which took effect on 1 July 2019. Cost containment has already been implemented across the organisation over the past four years. The measures as per the Cost Containment Circular in place prior to 2020/21, was incorporated to a large extent in existing policies, prior to the existence of the Overstrand Cost Containment Policy.

2.1.4 Community Consultation on the Draft Budget

The draft 2022/23 MTREF will be tabled in Council on 30 March 2022 and will be made available to the community as follows:

Copies of the document can be viewed:

- At the offices of all Area Managers
- All public libraries within the municipality
- At the website: www.overstrand.gov.za

The tabling of the draft budget will be advertised in all local newspapers and a copy of the advertisement will be placed on the notice boards at municipal offices and libraries. All documents in the appropriate format (electronic) will provided to National Treasury and Provincial Treasury in accordance with section 23 of the MFMA, to provide an opportunity for comment.

The Executive Mayor, also MMC for Finance, other full time Councillors, Municipal Manager and Area Managers, all Directors and officials from the Budget Office and Strategic Planning Office, will engage the community at the Draft IDP Review And Draft Budget 2022/23 Public Consultation process during April 2022, to present the draft budget for engagement with the public. These engagements will be arranged and the dates, times and other information will be published through the media in the different administrative areas.

The public will have the opportunity to comment, in writing, on Overstrand Municipality's Draft Amended Integrated Development Plan (IDP) for 2022/23 and the Draft Budget for 2022/23 until 29 April 2022.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and capital projects will be considered by the Budget Steering Committee at a meeting to be held by 6 May 2022, for the finalisation of the 2022/23 Budget.
Comments from the community and the municipality's responses thereto will be included as an Annexure to the final report.

2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realised through a credible integrated developmental planning process. Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five-year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership, and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery. Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality. It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities. The aim of the five-year IDP cycle is to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

To be noted that the 2017/2023 6th year Amended IDP was accepted by the newly elected council, in terms of section 25 (3), Municipal Systems Act (MSA), 2000,

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2015 Vision;
- National Spatial Development Perspective (NSDP);
- The National Priority Outcomes; and
- National Development Plan

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2022/23 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 27 IDP Strategic Objectives

2022/23 MTREF
The provision of democratic, accountable and ethical governance
The provision and maintenance of municipal services
The encouragement of structured community participation in the matters of the municipality
The creation and maintenance of a safe and healthy environment
The promotion of tourism, economic and social development

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

SO1 The provision of democratic, accountable and ethical governance

- 1.a Effective co-operative government within the Constitutional Mandate
- 1.b Effective communication and community development
- 1.c Sound municipal administration/ Institutional development
- 1.d Effective Financial Management

SO 2 The provision and maintenance of Municipal Services

- 2.a Effective development of Municipal Infrastructure
- 2.b Promote proactive maintenance of Municipal infrastructure
- 2.c Promote the development, maintenance and management of Public Launching Sites
- 2.d. Street and Storm water maintenance
- 2.e. Replacement of deteriorating fleet items

SO 3 The encouragement of structured community participation in the matters of the municipality

- 3.a Enhance the involvement of Ward Committees in public participation
- 3.b Enhance customer care

SO 4 The creation and maintenance of a safe and healthy environment

- 4.a Enhancement of road safety (Traffic Services)
- 4.b Law enforcement
- 4.c Enhancement of Fire & Disaster Management
- 4.d Environmental Management

SO 5 The promotion of tourism, economic and social development

- 5.a. Development of integrated Human Settlements
- 5.b Spatial Planning
- 5.c Local Economic Development and Tourism
- 5.d. Social development in a municipal context
- 5.e Enhance Sport, Recreation and Culture

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme, now 2017/2023 6th year Amended IDP as accepted by the newly elected council, responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

In addition to the IDP, the Municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years for infrastructure planning. This process is aimed at influencing the development path to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity. It provides direction to the Municipality's IDP, associated sectorial plans and strategies, and the allocation of resources of the Municipality and other service delivery partners.

This development strategy introduces important policy shifts which have further been translated into seven strategic focus areas/objectives as outlined below:

- Developing dormant areas;
- Enforcing hard development lines – so as to direct private investment;
- Maintaining existing urban areas;
- Strengthening key economic clusters;
- Building social cohesion;
- Strong developmental initiatives in relation to the municipal institution as a whole; and
- Sound financial fundamentals.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the amended 6th year IDP of the 2018/2023 cycle, including:

- Strengthening the analysis and strategic planning processes of the Municipality;
- Initiating zonal planning processes that involve the communities in the analysis and planning processes. More emphasis was placed on area-based interventions, within the overall holistic framework;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The 2022/23 MTREF has therefore been directly informed by the 6th year (amended) of the 2018/2023 IDP process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 28 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

Strategic Objective	Goal	Goal Code	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
The provision of democratic, accountable and ethical governance	Good Governance	1	328 011	347 612	362 831	357 072	360 937	360 937	379 688	393 584	399 096
The provision and maintenance of municipal services	Basic Service Delivery	2	752 662	802 791	847 454	939 483	927 890	927 890	1 050 116	1 077 442	1 179 161
The encouragement of structured community participation in the matters of the municipality	Good Governance	3									
The creation and maintenance of a safe and healthy environment	Safe and Healthy Environment	4	70 070	59 673	53 573	56 809	64 245	64 245	55 544	67 699	72 839
The promotion of tourism, economic and social development	Economic Development and Social upliftment	5	64 318	119 873	87 926	124 072	138 140	138 140	136 675	83 160	47 738
Allocations to other priorities											
Total Revenue (excluding capital transfers and contributions)			1 215 062	1 329 949	1 351 784	1 477 435	1 491 212	1 491 212	1 622 023	1 621 884	1 698 834

Table 29 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	Goal Code	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
The provision of democratic, accountable and ethical governance	Good Governance	1	222 134	217 320	257 275	283 779	295 755	295 755	315 492	312 936	324 798
The provision and maintenance of municipal services	Basic Service Delivery	2	576 651	641 935	696 761	761 149	766 057	766 057	817 550	874 215	949 260
The encouragement of structured community participation in the matters of the municipality	Good Governance	3	1 250	725	1 382	1 125	1 125	1 125			
The creation and maintenance of a safe and healthy environment	Safe and Healthy Environment	4	141 579	171 527	161 460	194 170	197 488	197 488	202 510	208 684	218 910
The promotion of tourism, economic and social development	Economic Development and Social upliftment	5	166 921	159 574	204 057	254 784	260 493	260 493	280 215	263 565	250 400
Allocations to other priorities											
Total Expenditure			1 108 536	1 191 082	1 320 936	1 495 006	1 520 918	1 520 918	1 615 768	1 659 399	1 743 367

Table 30 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Strategic Objective	Goal	Goal Code	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
The provision of democratic, accountable and ethical governance	Good Governance	1	7 231	4 049	7 054	3 775	3 775	3 775	1 875		
The provision and maintenance of municipal services	Basic Service Delivery	2	84 872	87 384	121 565	171 489	133 231	133 231	152 602	65 500	73 314
The encouragement of structured community participation in the matters of the municipality	Good Governance	3									
The creation and maintenance of a safe and healthy environment	Safe and Healthy Environment	4	33 896	27 005	47 383	25 640	24 897	24 897	6 809	10 868	13 297
The promotion of tourism, economic and social development	Economic Development and Social upliftmnent	5	47 683	92 618	78 798	73 871	78 076	78 076	51 522	26 230	12 400
Allocations to other priorities											
Total Capital Expenditure			**173 682**	**211 056**	**254 800**	**274 775**	**239 979**	**239 979**	**212 808**	**102 598**	**99 011**

2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality does targets, monitor, assess and review organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly at each quarter, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting, and reporting cycle can be graphically illustrated as follows:

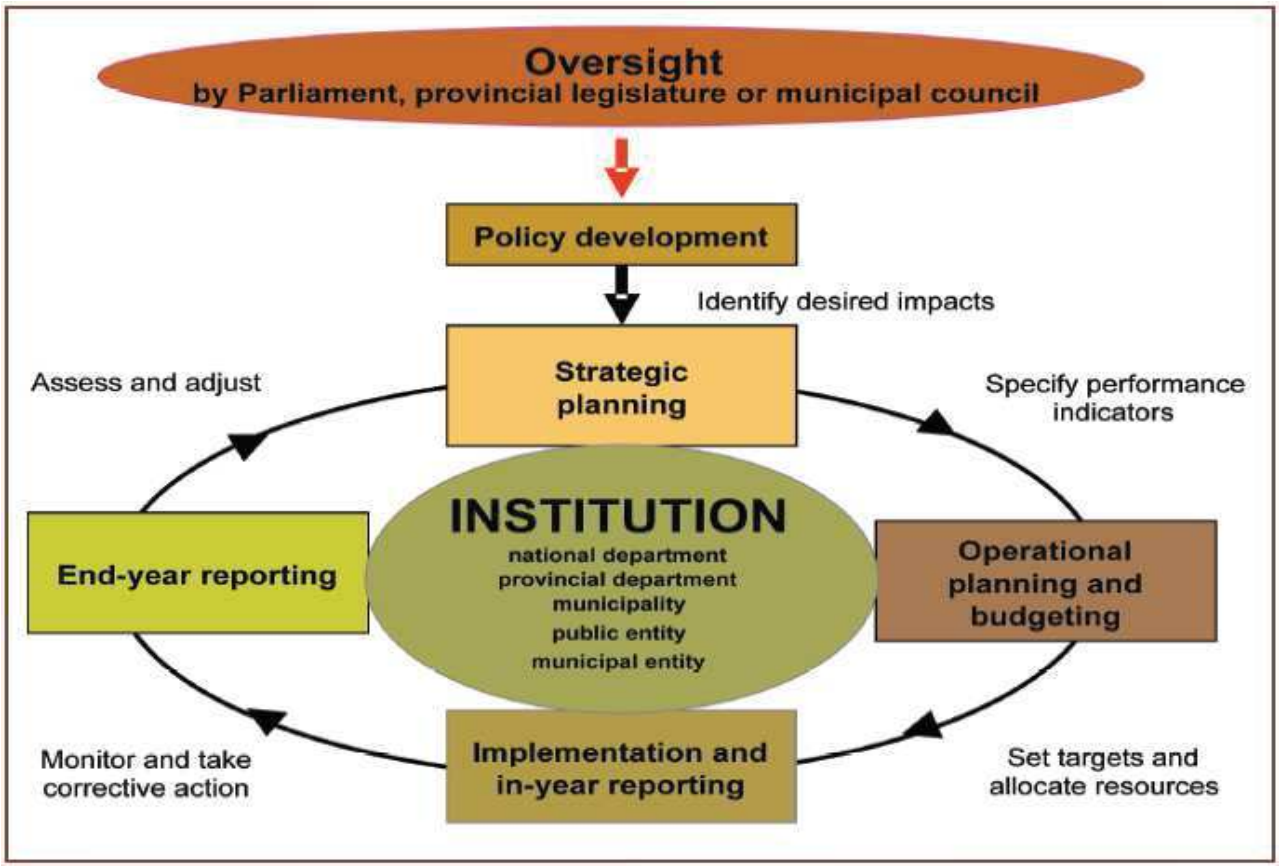


Figure 5 Planning, budgeting and reporting cycle

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the ***Framework of Managing Programme Performance Information*** issued by the National Treasury:

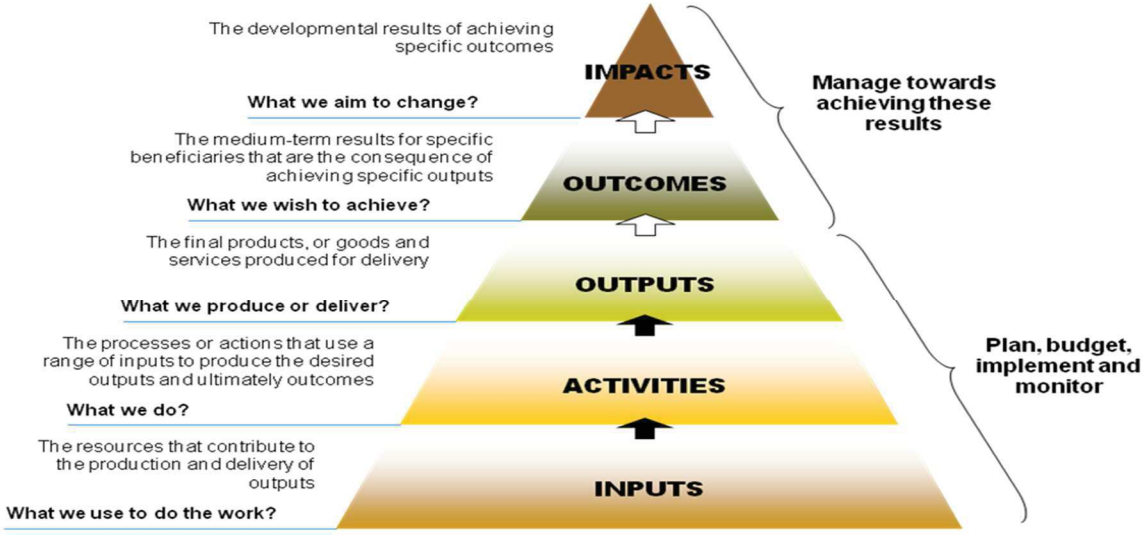


Figure 6 Definition of performance information concepts

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

Table 31 MBRR Table SA7 - Measurable performance objectives

Description	Unit of measurement	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Council and Municipal Manager										
Municipal Manager										
Submit three progress reports on the revision of the top 10 risks as a corrective action to the Top Management Team	Number of progress reports submitted	3	4	4	4	0	4	3	4	3
Percentage of a municipality's capital budget actually spent on capital projects identified for 2022/23 in terms of the municipality's IDP {(Actual amount spent on projects as identified for the year in the IDP/Total amount budgeted on capital projects) x 100 (MPPMR Reg 10 (c))	% of the capital budget spent	99.39%	76.53%	90.9%	95%	0	95%	95.0%	95.0%	95.0%
Sign section 56 performance agreements with all directors by the end of July 2022	Number of agreements signed	6	6	6	6	0	6	6	6	6
Monitor the implementation of the action plan developed to address all the issues raised in the management letter of the Auditor General and submit three progress reports to Executive Mayor	Number of progress reports monitored and submitted to Executive Mayor	6	5	7	4	0	4	3	4	3
Bi- annual formal performance appraisals of the section 56 appointees for the previous financial period April to June 2022 to be completed by Sept 2022 and the current period October to December 2022 to be completed by February 2023.	Number of appraisals	12	12	12	12	0	12	12	12	12
Draft the annual report and submit to the Auditor-General by end of August 2022	Draft Annual report submitted	1	1	1	1	0	1	1	1	1
Submit the final Annual report and oversight report to Council before end March 2023	Final Annual report and oversight report submitted	1	1	1	1	0	1	1	1	1
Prepare the final IDP for submission to Council by the end of May 2023	Final IDP submitted	1	1	1	1	0	1	1	1	1
Submit the Final MTREF Budget by the end of May 2023	Final Budget submitted	1	1	1	1	0	1	1	1	1
Management Services										
Director: Management Services										
Human Resources										
92% of the approved and funded organogram filled {(actual number of posts filled dived by the funded posts budgeted) x100}	% filled	92.30%	90.64%	92.08%	92.0%	0.0%	92%	92.0%	92.0%	92.0%
The number of people from employment equity target groups employed in the	The number of people from	68	71	71	74	0	74	75	75	75
The percentage of a municipality's budget (training budget) actually spent on implementing its workplace skills plan	% of the training budget spent on implementation of the WSP	100.0%	84.5%	100.0%	100.0%	0.0%	100%	100.0%	100.0%	100.0%
Review the Municipal Organisational Staff Structure by the end of June 2023	Structure reviewed	1	1	1	1	0	1	1	1	1
Corporate Support Services										
Revise the Section 14 Access to Information Manual by the end of June 2023 to ensure compliant and up to date policies	Manual revised	1	1	1	1	0	1	1	1	1

Description	Unit of measurement	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Finance										
Director: Finance										
Director Finance										
Financial viability measured in terms of the available cash to cover fixed operating expenditure ((Available cash+ investments)/ Monthly fixed operating expenditure) (MPPMR Reg 10 (g))	Ratio achieved	6.55	7.63%	6.27%	3	0	3	3	3	3
Financial viability measured in terms of the municipality's ability to meet it's service debt obligations ((Total operating revenue-operating grants received)/debt service payments due within the year) (MPPR Reg 10 (g))	Ratio achieved	22.91%	25.06	23.56%	15	0	15	15	15	15
Financial viability measured in terms of the outstanding service debtors (Total outstanding service debtors/ revenue received for services) (MPPR Reg 10 (g))	% achieved	10.02%	12.33%	11.37%	16.0%	0.0%	16%	16%	16%	16%
Submit a reviewed long term financial plan to the CFO by the end of October 2022	Reviewed long term financial plan submitted	1	1	1	1	0	1	1	1	1
Financial statements submitted to the Auditor General by end August 2022	Financial statements submitted	0	1	1	1	0	1	1	1	1
Provision of free basic electricity, refuse removal, sanitation and water in terms of the equitable share requirements	Number of indgent households	7630	7595	7278	7750	7000	7 000	7 500	7 500	7 500
Achieve a debt recovery rate not less than 95% (Receipts/total billed for 12 months period x 100)	% Recovered	98.6%	97.10%	100.15%	80%	0.0%	95%	95%	95%	95%
Community Services										
Director: Community Services										
Director: Community Services										
98% of the operational conditional grant (Libraries, CDW) spent (Actual expenditure divided by the total grant received)	% of total conditional operational grants spent (Libraries, CDW)	100.0%	98.49%	100.0%	98.0%	0.0%	98.0%	98.0%	98.0%	98.0%
m² of roads patched and resealed according to approved Pavement Management System within available budget	m² of roads patched and resealed	112 982	104 952	105 067	110 000	0	110 000	110 000	110 000	110 000
Limit unaccounted water to less than 20% {(Number of kiloliter water purified - Number of kiloliter water sold)/Number of kiloliter purified x 100)}	% of water unaccounted for	24.25%	23%	28.3%	18%	0.0%	18.0%	20.0%	20.0%	20.0%
Ward committee meetings held to facilitate consistent and regular communication with residents	No of ward committee meetings per ward per annum (UOM revised in 2018/19 - Number of ward committees per annum)	114	77	79	97	97	97	126	126	126
Provision of water to informal households (excluding invaded state owned land and private land) based on the standard of 1 water point to 25 households (MPPMR Reg 10 (a))	The number of taps installed in relation to the number of informal households (excluding invaded state owned land and private land)	285	317	341	320	320	320	328	328	328
Provision of cleaned piped water to all formal households within 200 m from households	No of formal households that meet agreed service standards for piped water	29 800	29 946	30 111	30 396	30 111	30 111	32 563	32 563	32 563
Provision of refuse removal, refuse dumps and solid waste disposal to all formal households at least once a week (A household is a residenntial unit being billed for the particular services rendered by way of the financial system (SAMRAS)	Number of formal households for which refuse is removed at least once a week	33 105	33 366	33 895	34 098	33 895	33 895	36 175	36 175	36 175
Provision of refuse removal, refuse dumps and solid waste disposal to all informal households at least once a week	Number of weekly removal of refuse in informal households (once per week = 52 weeks per annum)	52	53	52	52	0	52	52	52	52
The provision of sanitation services to informal households (excluding invaded state owned land and private land) based on the standard of 1 toilette to 5 households (MPPMR Reg 10 (a))	The number of toilets provided in relation to the number of informal households (excluding invaded state owned land and private land)	881	885	934	930	980	980	1 020	1 020	1 020
Provision of sanitation services to formal residential households (A household is a residenntial unit being billed for the particular services rendered by way of the financial system (SAMRAS)	No of formal residential households which are billed for sewerage in accordance to the SAMRAS financial system	29 631	30 060	30 420	30 520	30 420	30 420	32 279	32 279	32 279
Provision of water to informal households on invaded land with available funding ("Land Invasion" refers to the illegal occupation of land, with the intention of establishing dwellings / a settlement upon it. An invasion may be by one individual or by hundreds of households).	The number of taps installed for informal households on invaded land with available funding	88	104	80	70		70	70	70	70
The provision of sanitation services to informal households on invaded land with available funding ("Land Invasion" refers to the illegal occupation of land, with the intention of establishing dwellings / a settlement upon it. An invasion may be by one individual or by hundreds of households).	The number of toilets provided for informal households on invaded land with available funding	120	137	139	105	95	95	95	95	95

Description	Unit of measurement	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Infrastructure & Planning										
Director: Infrastructure and Planning										
Water Treatment										
Quality of effluent comply 75% with license and/or general limit in terms of the Water Act (Act 36 of 1998)	% compliance	95.77%	86.34%	79.61%	75.0%	0.0%	75.0%	75.0%	75.0%	75.0%
Quality of potable water comply 95% with SANS 241	% compliance with SANS 241	98.90%	98.45%	98.83%	95%	0.0%	95%	95%	95%	95%
Report on the implementation of the Water Service Development plan annually by the end of October	Report submitted	1	1	1	1	0	1	1	1	1
Electricity										
Limit electricity losses to 7.5% or less {(Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated) × 100}	% of electricity unaccounted for	6.45%	6.02%	7.35%	7.5%	0.0%	7.5%	7.5%	7.5%	7.5%
Provision of Electricity: Number of metered electrical connections in formal area (Eskom Areas excluded) (Definition: refers to residential households (RE) and pensioners (PR) as per the Finance department's billed households)	Number of formal household that meet agreed service standards	21 332	21 546	21 914	21 500	-	21 500	22 000	22 000	22 000
MIG										
100% of the Municipal Infrastructure Grant (MIG) spent by 30 June 2022 (Actual MIG expenditure/Allocation received)	% Expenditure of allocated funds	100.0%	77.0%	100%	100%	0.0%	100%	100%	100%	100%
Protection Services										
Director Protection Services										
Protection Services										
Arrange public awareness sessions on Protection Services	Number of sessions held	90	103	103	100	0	100	100	100	100
Collect R10 000 000 Public Safety Income by 30 June 2023 (Actual revenue, excluding the fine impairment amount)	R-value of public safety collected income (excluding fines impairment amount)	R15 493 008	R17 347 607	R19 716 064	R10 000 000	R0	R10 000 000	R10 000 000	R10 000 000	R10 000 000
Review Community Safety Plan in three year cycle by end of June 2022 in conjuction with the Department of Community Safety	Plan reviewed	no kpi set	0	0	1	0	1	0	0	1
Disaster and Fire Manangement										
Annually review and submit Disaster Management Plan to Council by the end of October	Reviewed plan submitted	1	1	1	1	0	1	1	1	1
Local Economic Development and Social Development										
Director: LED										
LED and Social Development										
Provide three progress reports on LED and Social Development initiatives to Council by end June 2023 (Refers to three progress reports for the 2022/23 financial year)	Number of progress reports on LED and Social Development initiatives	3	4	3	3	0	3	3	3	3
Provide a schedule of funded events to the Executive Mayor for sign off by end of July 2021	Number of schedules submitted	1	1	0	removed from TL SDBIP			removed from TL SDBIP	removed from TL SDBIP	removed from TL SDBIP
Support 130 SMME's in terms of the SMME Development Programme by 30 June 2023	Number of SMME's supported	120	160	172	130	0	130	130	130	130
Support 60 Emerging Contractors in terms of the Emerging Contractor Development Programme by 30 June 2023	Number of emerging contractors supported	52	61	65	60	0	60	60	60	60
Report on projects/ initiatives in collaboration with other stakeholders for local economic development and social development	Number of projects / initiatives collaborated on	14	28	13	28	0	28	15	15	15
The number of job opportunities created through the EPWP programme and as per set targets (grant agreement - FTE's, translates to 1028 work opportunities)	Number of temporary jobs created	1048	1060	1238	1028	0	1028	1028	1028	1028
Managers LED and Social Development report on the hosting of Thusong/Outreach for the financial year to the Director Economic and Social Development by 30 June 2023	Report on the Thusong/Outreach programme	no kpi set	no kpi set	no kpi set	1	0	1	1	1	1
And so on for the rest of the Votes										

The following table sets out the municipalities main performance objectives and benchmarks for the 2022/23 MTREF.

Table 32 MBRR Table SA8 - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Borrowing Management										
Credit Rating										
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	7.1%	7.2%	7.2%	7.1%	7.0%	7.0%	6.1%	6.4%	5.6%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	7.5%	7.4%	8.3%	8.3%	8.3%	8.3%	7.2%	7.5%	6.7%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	65.8%	60.1%	36.6%	30.6%	39.4%	39.4%	56.7%	100.0%	100.0%
Safety of Capital										
Gearing	Long Term Borrowing/ Funds & Reserves	13106.3%	13370.1%	13335.9%	13347.6%	13347.6%	13347.6%	13070.1%	13051.9%	10114.7%
Liquidity										
Current Ratio	Current assets/current liabilities	3.1	2.7	2.5	1.7	1.8	1.8	1.9	2.0	1.5
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	3.1	2.7	2.5	1.7	1.8	1.8	1.9	2.0	1.5
Liquidity Ratio	Monetary Assets/Current Liabilities	2.4	2.2	2.0	1.3	1.5	1.5	1.3	1.3	1.0
Revenue Management										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		99.2%	98.8%	100.5%	100.3%	100.3%	100.3%	98.0%	98.3%	98.3%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	11.7%	11.3%	10.9%	8.6%	9.1%	9.1%	10.8%	12.5%	13.9%
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%
Creditors Management										
Creditors System Efficiency	% of Creditors Paid Within Terms (within`MFMA' s 65(e))	99.5%	99.6%	99.6%	99.8%	99.8%	99.8%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		18.4%	20.6%	22.8%	40.1%	35.9%	35.9%	36.1%	35.2%	35.6%
Other Indicators										
Electricity Distribution Losses (2)	Total Volume Losses (kW)	16 537 242	14 613 426	18 855 038	15 054 751	15 054 751	15 054 751	15 205 299	15 357 352	15 357 352
	Total Cost of Losses (Rand '000)	12 219	13 111	17 146	13 507	13 507	13 507	13 642	13 779	13 779
	% Volume (units purchased and generated less units sold)/units purchased and generated	0.06	0.06	7.35	0.06	0.06	0.06	0.06	0.06	0.06
Water Distribution Losses (2)	Total Volume Losses (kℓ)	1 701	1 836	2 077	1 892	1 892	1 892	1 910	1 930	1 930
	Total Cost of Losses (Rand '000)	2 308 814	2 428 709	2 616 008	2 502 056	2 502 056	2 502 056	2 527 077	2 552 347	2 552 347
	% Volume (units purchased and generated less units sold)/units purchased and generated	0.24	0.26	28.25	0.25	0.25	0.25	0.25	0.25	0.25
Employee costs	Employee costs/(Total Revenue - capital revenue)	31.8%	29.7%	34.0%	32.7%	33.2%	33.2%	33.0%	32.9%	33.1%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	32.7%	30.6%	34.9%	33.6%	34.1%	34.1%	33.8%	33.7%	33.9%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	18.6%	14.6%	16.4%	17.9%	17.9%	17.9%	17.4%	17.7%	17.9%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	15.2%	14.1%	14.7%	13.9%	13.7%	13.7%	12.7%	12.2%	11.7%
IDP regulation financial viability indicators										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	11.3	14.3	14.0	15.6	15.6	15.6	16.2	18.1	18.8
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	15.2%	15.4%	14.0%	11.4%	12.2%	12.2%	14.2%	15.9%	17.3%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	7.3	8.4	7.1	4.6	5.7	5.7	4.2	3.7	3.4

2.3.1 Performance indicators and benchmarks

Overstrand has been compiling and including in the annual budget documentation the Financial Ratios and Norms in terms of MFMA Circular 71 dated 17 January 2014, for each of the budget year's being compiled, since 2014/2015.

National Treasury requested information based on the ratios and norms in respect of the 2018/19 and 2019/20 and 2020/21 audit outcomes. This, and information relating to the current financial year (2021/22) and all three years of the 2022/23 MTREF has been compiled and is included in Annexure H of this report. The six-year horizon has thus been compiled and analised.

It should be noted that instances where indicators are not favourable with the norms indicated by NT, are not necessarily a negative indication, as the Overstrand financial strategy may differ from the envisaged outcome of the ratios and norms. In most instances the trend for those indicators are the same over the six-year horizon. In other instances Overstrand is well above some of the ratios and norms over the six year horizon.

2.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Overstrand's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the Municipality's debt portfolio is dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the 2022/23 MTREF:

- *Capital charges to operating expenditure* is a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing remains steady. While borrowing is considered a prudent financial instrument in financing capital infrastructure development, this indicator will have to be carefully monitored going forward.

- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The average over the MTREF is 86 per cent which indicates that the amount available from own sources to finance capital has shown a decrease.

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the Municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs. As part of the compilation of the 2011/2012 MTREF the potential of smoothing out the debt profile over the longer term was investigated and borrowing was capped at 60% in the borrowing policy. The gearing on borrowing had to be reduced by 10 per cent over a period of ten years as started in 2012. To date this has now been achieved, with the indication that the 2022/23 budget year is estimated to end below 40%.

2.3.1.2 Safety of Capital

- *The gearing ratio* is a measure of the total long-term borrowings over funds and reserves. This ratio is not conducive to the GRAP accounting framework due to the low amount of reserves.

2.3.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a bottom limit of 1.5, therefore at no point in time should this ratio be less than 1.5. Over the 2022/23 MTREF the current ratio is 1,86 decreasing to 1,53 by 2024/25. National Treasury has set a current ratio minimum of 1.5 in circular 71. Going forward it will be necessary to preserve this ratio, notwithstanding that it could tie up cash needed for capital investment.

- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Overstrand Municipality's liquidity ratio is at an average of more than 1.7 over the MTREF. The liquidity includes consumer deposits and provisions which are not likely to be realised in the short term. As part of the longer-term financial planning objectives this ratio should be preserved as mentioned, notwithstanding that it could tie up cash needed for capital investment.

2.3.1.4 Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.

2.3.1.5 Creditors Management

- The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. By applying daily cash flow management the municipality has managed to ensure compliance to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for the Municipality's business.

2.3.1.6 Other Indicators

- The electricity distribution losses have been managed downwards from 8.3 per cent in the 2010/2011 financial year to 6 per cent over the MTREF. This includes measurable technical losses, which further reduces the percentage of losses. The initiatives to ensure these targets are achieved include managing illegal connections, regular meter audits and managing theft of electricity by rolling out smart metering systems, including prepaid meters. It should be noted that technical losses range substantially below 10 per cent over the Overstrand area. When taking this into consideration it is evident that distribution losses are well managed.

- The water distribution losses have been significantly reduced from 27,4 per cent in 2009/10 to 25 per cent over the 2022/23 MTREF. This has been achieved with investing in the upgrading of water reticulation infrastructure, which is set to continue over the MTREF. Active attention is also given to reported leaks by the public and a further measure is to install flow limiters.

- Employee costs as a percentage of operating revenue remains stable. This is primarily owing to limited expansion of the personnel structure.

- In real terms, repairs and maintenance has increased as part of the municipality's strategy to ensure the management of its asset base

2.3.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. Only registered indigents qualify for the free basic services.

For the 2022/23 financial year 7 500 registered indigents have been provided for in the budget. In terms of the municipality's indigent policy, registered households are now entitled to 10kℓ (previously 6kℓ) free water, 50 kWh of electricity on qualifying in terms of the particular Indigent Policy requirements, weekly refuse removal and, where applicable, sewer services which includes sewage output based on 70% of the water consumption and the latest infrastructure levy for water and waste water. Further subsidies are capped at the full revenue cost of the basic services provided above. Households with a property valuation of R220 000, qualifying upon registration as indigents, for particular subsidised levels, will be phased out and offered the opportunity to apply for full indigent status as from 1 July 2022.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 26 MBRR A10 (Basic Service Delivery Measurement) on page 45.

Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes) are not taken into account in the table noted above due to the measuring criteria.

2.3.3 Providing clean water and managing waste water

The Department of Water Affairs conducts performance rating of water and sewage treatment works, presenting a Blue Drop or Green Drop award (2014/15 most recent) respectively to potable water treatment works and waste water treatment works that meet certain criteria of excellence.

The municipality has achieved Blue Drop and Green Drop awards during the latest review, indicating that the municipality's drinking water is of good quality.

The following is briefly the challenges facing the municipality:

- Some infrastructure is old and insufficient to treat the increased volumes of waste water to the necessary compliance standard - the municipality has actively prioritise this as far as possible
- Shortage of skilled personnel makes proper operations and maintenance difficult – the maintenance contract awarded in this regard thus attending to this challenge.

2.4 Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

2.4.1 Customer Care, Credit Control and Debt Collection Policy

The 2022/23 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 98 per cent on current billings year to date. In addition the collection of debt in excess of 90 days has been prioritised, as well as debt older than two years, where interest could be waived, subject to a signed agreement for the remainder of the debt.

2.4.2 Asset Management Policy

The Asset Management Policy is considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the revenue base.

2.4.3 Budget Policy

The budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the Municipality continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

2.4.4 Supply Chain Management Policy

The Supply Chain Management Policy was first adopted by Council in 2008. The policy is continually revised to incorporate amending legislation.

2.4.5 Virement Policy

The Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the Municipality's system of delegations.

2.4.6 Investment, Liquidity & Cash Management Policy

The aim of the policy is to ensure that the Municipality's surplus cash and investments are prudently and adequately managed.

2.4.7 Tariff Policy

The Municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery.

2.4.8 Long term Financial Planning & Implementation Policy

Funding for the compiling of a The Long-term Financial Planning Policy was acquired from the Provincial Government. A long-term financial plan has been compiled in 2014/15, after a service provider had been appointed. The policy is reviewed annually.

2.4.9 Contract Management Policy

This policy has been introduced to further enhance the supply chain management function.

2.4.10 Pay Day Policy

This policy has been introduced to give effect to the council resolution in this regard.

The following policies have also been subject to review:

- Property Rates Policy;
- Funding and Reserves Policy;
- Borrowing Policy;
- Indigent Policy;
- Travelling & Subsistence;
- Petty Cash
- Special rating Area Policy
- Unauthorised, Irregular and Fruitless & Wasteful Expenditure Policy
- Cost Containment Policy

2.5 Overview of budget assumptions

2.5.1 External factors

According to the Provincial Treasury Circular, the Western Cape GDP is expected to follow the national trajectory, expanding by 4.3 per cent in 2021, by 2.0 per cent in 2022 and by 1.9 per cent in 2023. This outlook partly reflects a slowing recovery. A more rapid implementation of economic reforms, complemented by fiscal consolidation, will ease investor concerns and support faster recovery and higher levels of economic growth over the long term. Significant risks to the economic outlook include new COVID-19 variants leading to new waves of infections, continued interruptions in power supply, rising inflation resultant from supply chain disruptions and increasing energy prices, fiscal risks as well as global economic uncertainty.

2.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2022/23MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on Municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and fuel; and
- The increase in the cost of remuneration. Employee related costs comprise 31,4 per cent of total operating expenditure in the 2022/23 MTREF and therefore increases above inflation places a disproportionate upward pressure on the expenditure budget

2.5.3 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The municipality chiefly engages in amortisation-style loans requiring both regular principal and interest payments. Surplus cash is invested and re-invested at short intervals.

2.5.4 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate linked to CPI over the medium term. It is also assumed that current economic conditions, and relative inflationary conditions, will continue for the forecasted term.

The revenue collection rate is currently expressed as a percentage (99.42%) of annual billings up to February 2022. Cash flow is expected to be less than this historic performance up to date, due to the impact of the COVID-19 virus, the subsequent lockdown from end of March 2020 and the ongoing slow economic recovery. The Disaster Management Regulations alert level 1 is currently still in place.

2.5.5 Growth or decline in tax base of the municipality

Debtors' revenue is assumed to increase at a rate that is influenced by the consumer debtors' collection rate, tariff/rate pricing, real growth rate of the Municipality, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' mainly limits consumption to the level of free basic services.

2.5.6 Salary increases

The South African Local Government Bargaining Council (SALGBC) Salary and Wage Collective Agreement for municipalities for the period 01 July 2021 to 30 June 2024 was signed in 2021 and must be implemented by all municipalities on a national level.
The proposed increase in the salary budget is 4.9%, and notch increases, which average 2% have also been budgeted for in view signing of the multi-year agreement.

2.5.7 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

Western Cape Government (WCG) priorities sumarised as follows:
The 2022 Budget focuses on implementing the Western Cape Recovery Plan priorities namely, Jobs, Safety, and Wellbeing, while maintaining a response to COVID-19. The budget policy priorities will support economic growth and job creation; strengthen law enforcement and social protection; and ensure human dignity by protecting human rights and supporting mental wellbeing.
The 2022 Budget is informed by the WCG's Fiscal Strategy which is based on four key fiscal decision-making principles, namely, Protect basic services outcomes; Unlock allocative efficiency; Enhance productive efficiency; and Enable long-run fiscal sustainability.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

2.5.8 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of 99 per cent could be achieved on operating expenditure and 95 per cent on the capital programme for the 2022/23 MTREF.

2.6 Overview of budget funding

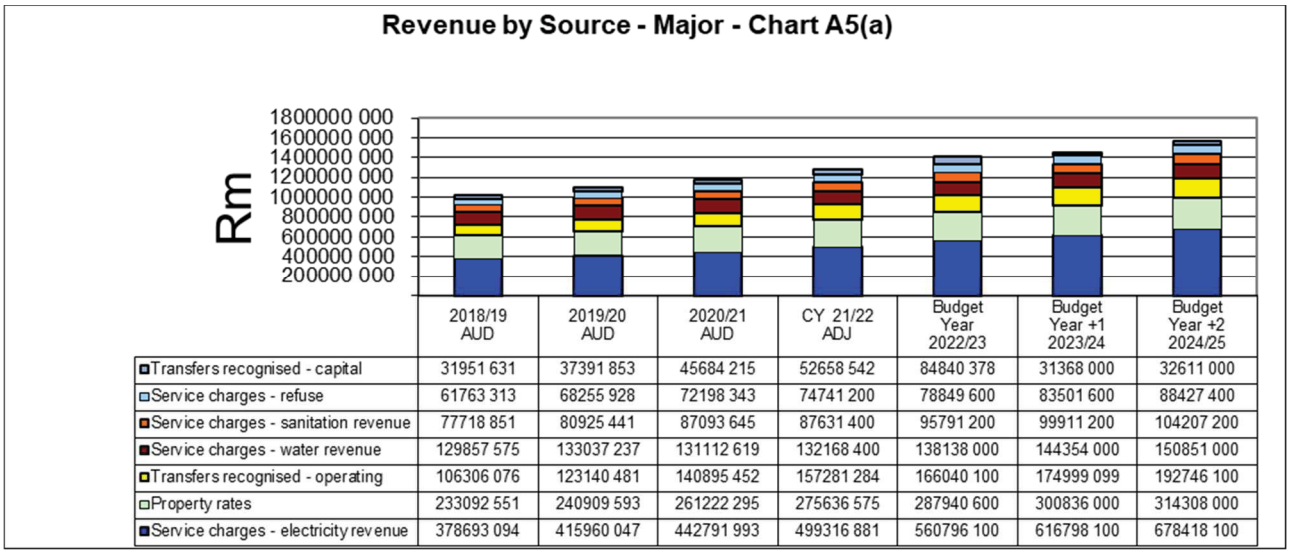
2.6.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Table 33 Breakdown of the operating revenue over the medium-term

Description R thousand	2022/23 Medium Term Revenue & Expenditure Framework		
	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue By Source			
Property rates	287 941	300 836	314 308
Service charges	873 575	944 565	1 021 904
Rental of facilities and equipment	4 573	4 778	4 989
Interest earned	28 853	30 152	31 509
Transfers recognised - operational	166 040	174 999	192 746
Other revenue	176 201	135 187	100 768
Total Revenue (excluding capital transfers and contributions)	**1 537 183**	**1 590 516**	**1 666 223**

The following graph is a breakdown of the operational revenue per main category for the 2022/23 financial year.



	2018/19 AUD	2019/20 AUD	2020/21 AUD	CY 21/22 ADJ	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Transfers recognised - capital	31951 631	37391 853	45684 215	52658 542	84840 378	31368 000	32611 000
Service charges - refuse	61763 313	68255 928	72198 343	74741 200	78849 600	83501 600	88427 400
Service charges - sanitation revenue	77718 851	80925 441	87093 645	87631 400	95791 200	99911 200	104207 200
Service charges - water revenue	129857 575	133037 237	131112 619	132168 400	138138 000	144354 000	150851 000
Transfers recognised - operating	106306 076	123140 481	140895 452	157281 284	166040 100	174999 099	192746 100
Property rates	233092 551	240909 593	261222 295	275636 575	287940 600	300836 000	314308 000
Service charges - electricity revenue	378693 094	415960 047	442791 993	499316 881	560796 100	616798 100	678418 100

Figure 7 Breakdown of operating revenue over the 2022/23 MTREF

The following grants have been published in the DORA:

NATIONAL	2022/2023	2023/2024	2024/2025
EQUITABLE SHARE	141 896 000	155 547 000	170 708 000
FMG	1 550 000	1 550 000	1 550 000
EPWP	2 593 000		
MIG	24 628 000	25 568 000	26 569 000
INEP	21 331 000	7 000 000	7 314 000
ENERGY EFFICIENCY & DEMAND-SIDE MANAGEMENT	5 000 000	4 200 000	6 000 000
WATER INFRASTRUCTURE GRANT	27 439 000		
	224 437 000	**193 865 000**	**212 141 000**
PROVINCIAL			
RESOURCE FUNDING FOR ESTASBLISH & SUPPORT OF K9 UNIT	2 420 000	2 516 000	2 616 000
REACTION UNIT	2 958 000	2 965 000	3 123 000
HUMAN SETTLEMENTS DEVELOPMENT GRANT	111 740 000	67 420 000	32 400 000
CONSTRUCTION OF TRANSPORT INFRASTRUCTURE	140 000	140 000	140 000
PROVINCIAL LIBRARY SERVICES GRANT	8 258 000	6 806 000	7 112 000
THUSONG SERVICES CENTRES GRANT	150 000		150 000
COMMUNITY DEVELOPMENT WORKERS	75 000	75 000	75 000
	125 741 000	**79 922 000**	**45 616 000**
	350 178 000	**273 787 000**	**257 757 000**

Tariff setting plays a major role in ensuring desired levels of revenue. 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 goods and services such as water, electricity, sanitation, 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 municipality and economic development;
- Revenue management and enhancement;
- Achievement of 99 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- 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; and
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004), as amended (MPRA).

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

Table 34 Proposed tariff increases for 2022/23

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework			
Rand/cent	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23 % incr.	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Monthly Account for Household - 'Affordable Range'										
Rates and services charges:										
Property rates	161.85	171.10	178.80	186.00	186.00	186.00	5.97%	197.10	208.93	221.46
Electricity: Basic levy	291.60	335.34	356.20	408.17	408.17	408.17	10.33%	450.33	477.35	505.99
Electricity: Consumption	608.63	683.08	725.57	831.44	831.44	831.44	10.33%	917.31	972.35	1 030.69
Water: Basic levy	129.14	136.50	142.64	148.35	148.35	148.35	4.90%	155.62	164.96	174.85
Water: Consumption	285.74	303.75	317.47	330.17	330.17	330.17	4.90%	346.34	367.12	389.15
Sanitation	341.89	361.40	377.72	392.78	392.78	392.78	4.50%	410.45	435.08	461.18
Refuse removal	164.35	185.49	193.84	201.59	201.59	201.59	5.90%	213.48	226.29	239.87
Other	53.54	56.97	56.97	56.97	56.97	56.97	0.00%	56.97	56.97	56.97
sub-total	**2 036.74**	**2 233.63**	**2 349.21**	**2 555.47**	**2 555.47**	**2 555.47**	**7.50%**	**2 747.60**	**2 909.04**	**3 080.16**
VAT on Services	267.17	309.38	325.56	355.42	355.42	355.42		382.58	405.02	428.81
Total small household bill:	**2 303.91**	**2 543.01**	**2 674.77**	**2 910.89**	**2 910.89**	**2 910.89**	**7.50%**	**3 130.18**	**3 314.06**	**3 508.97**
% increase/-decrease		**10.4%**	**5.2%**	**8.8%**	**–**	**–**		**7.5%**	**5.9%**	**5.9%**

Refer to Annexure C for Tariffs increases

The levying of property rates is considered a strategic revenue source.

Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket.

Operational grants and subsidies have shown increases over the MTREF. It needs to be noted that in real terms the grants receipts from national government are growing over the MTREF. This can be seen in the increase in equitable share over the MTREF (excluding the 2020/21 Covid-19 Equitable Share allocation)

Investment revenue contributes to the revenue base. It needs to be noted that these allocations have been conservatively estimated. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

The tables below provide detail investment information and investment particulars by maturity.

Table 35 MBRR SA15 – Detail Investment Information

Investment type	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		409 200	510 243	410 241	400 000	400 000	400 000	400 000	400 000	400 000
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)		50 524	46 515	54 278	62 165	62 165	62 165	70 005	77 989	81 005
Repurchase Agreements - Banks										
Municipal Bonds										
Consolidated total:		**459 723**	**556 758**	**464 519**	**462 165**	**462 165**	**462 165**	**470 005**	**477 989**	**481 005**

Table 36 MBRR SA16 – Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate ³	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Parent municipality												
LIBERTY 15934476	15 Years	Policy	Yes	Variable	Fair Value Adjustment	#N/A	01/09/2025	19 134 925	1 238 343		1 500 000	21 873 267
LIBERTY 21196964	14 Years	Policy	Yes	Variable	Fair Value Adjustment	#N/A	01/09/2025	31 647 280	1 444 543		3 120 000	36 211 823
MOMENTUM 3853776	15 Years	Policy	Yes	Variable	Fair Value Adjustment	#N/A	01/07/2026	3 677 806	41 662		360 000	4 079 468
Deposits - Bank	2 to 6 Months	Bank investments	Yes	Fixed		#N/A	30/06/2022	410 240 607	23 986 458	-934 227 065	900 000 000	400 000 000
TOTAL INVESTMENTS AND INTEREST								464 700 617		-934 227 065	904 980 000	462 164 558

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The surplus is intended to partly fund capital expenditure from own sources as well as ensure adequate cash backing of reserves and funds.

2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2022/23 medium-term capital programme:

Table 37 Sources of capital revenue over the MTREF

Vote Description R thousand	2018/19 Audited Outcome	2019/20 Audited Outcome	2020/21 Audited Outcome	Current Year 2021/22 Original Budget	 Adjusted Budget	 Full Year Forecast	2022/23 Medium Term Revenue & Expenditure Framework Budget Year 2022/23	 Budget Year +1 2023/24	 Budget Year +2 2024/25
Funded by:									
National Government	30 445	31 528	35 100	45 754	45 754	45 754	72 398	31 368	32 611
Provincial Government	35 615	85 965	48 390	600	3 308	3 308			
District Municipality									
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	25 514			65 201	64 061	64 061	52 227	21 230	6 400
Transfers recognised - capital	**91 574**	**117 493**	**83 490**	**111 555**	**113 123**	**113 123**	**124 625**	**52 598**	**39 011**
Public contributions & donations		3 730	23 919	–	–	–	–	–	–
Borrowing	36 495	50 476	45 443	94 066	72 761	72 761	72 033	50 000	60 000
Internally generated funds	45 613	39 358	101 949	69 154	54 094	54 094	16 149	–	–
Total Capital Funding	**173 682**	**211 056**	**254 800**	**274 775**	**239 979**	**239 979**	**212 808**	**102 598**	**99 011**

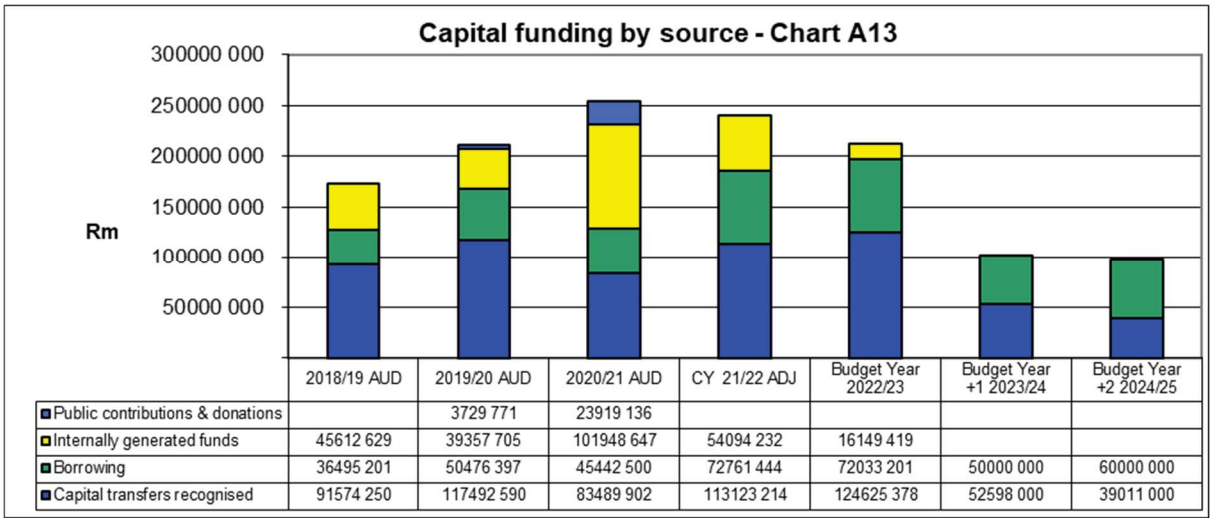


Figure 8 Sources of capital revenue for the 2022/23 financial year

Capital grants and receipts equates to 58,5 per cent of the total funding source which represents R124,6 million for the 2022/23 financial year.

Table 38 MBRR Table SA18 - Capital transfers and grant receipts

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Capital Transfers and Grants									
National Government:	25 901	39 077	27 618	46 754	46 754	46 754	72 398	31 368	32 611
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	4 262	7 000	6 000	18 519	18 519	18 519	21 331	7 000	7 314
Municipal Infrastructure Grant [Schedule 5B]	21 639	32 010	21 618	23 053	23 053	23 053	23 628	24 368	25 297
Water Services Infrastructure Grant [Schedule 5B]	–	–		5 182	5 182	5 182	27 439	–	–
Municipal Disaster Relief Grant	–	67		–	–	–	–	–	–
Provincial Government:	25 463	1 500	732	52 859	63 881	63 881	39 785	21 230	6 400
Capacity Building	–		–						
Capacity Building and Other	–		732						
Disaster and Emergency Services									
Health									
Housing	25 463			52 259	61 765	61 765	39 785	21 230	6 400
Infrastructure				600	2 116	2 116	–	–	–
Libraries, Archives and Museums									
Other	–								
Public Transport	–								
Road Infrastructure		1 500							
District Municipality:	–	–	–	–	–	–	–	–	–
All Grants	–	–	–	–	–	–	–	–	–
Other Grant Providers:	–	–	–	–	–	–	–	–	–
Departmental Agencies and Accounts	–	–	–	–	–	–	–	–	–
Foreign Government and International Organisations	–	–	–	–	–	–	–	–	–
Households				–	–	–	–	–	–
Non-Profit Institutions	–	–	–	–	–	–	–	–	–
Private Enterprises	–	–	–	–	–	–	–	–	–
Public Corporations	–	–	–					–	–
Higher Educational Institutions	–	–	–	–	–	–	–	–	–
Parent Municipality / Entity	–	–	–	–	–	–	–	–	–
Transfer from Operational Revenue	–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	51 364	40 577	28 350	99 613	110 635	110 635	112 183	52 598	39 011

Borrowing still remains a significant funding source (one-third) for the own capital programme over the medium-term with an estimated R160 million new borrowing.

The following table is a detailed analysis of the Municipality's borrowing liability.

Table 39 MBRR Table SA17 - Detail of borrowings

Borrowing - Categorised by type	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Parent municipality									
Annuity and Bullet Loans	322 933	331 475	330 400	330 795	330 795	330 795	321 184	319 946	224 935
Long-Term Loans (non-annuity)	100 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000
Local registered stock	–	–	–	–	–	–	–	–	–
Municipality sub-total	422 933	431 475	430 400	430 795	430 795	430 795	421 184	419 946	324 935
Total Borrowing	422 933	431 475	430 400	430 795	430 795	430 795	421 184	419 946	324 935
Unspent Borrowing - Categorised by type									
Parent municipality									
Long-Term Loans (annuity/reducing balance)	38 199	–	44 066	44 066	22 761	22 761	22 033	–	–
Municipality sub-total	38 199	–	44 066	44 066	22 761	22 761	22 033	–	–
Total Unspent Borrowing	38 199	–	44 066	44 066	22 761	22 761	22 033	–	–

Internally generated funds consist of a mixture between surpluses generated on the operating statement of financial performance, cash backed reserves and proceeds on land sales. In determining the credibility of this funding source it becomes necessary to review the cash flow budget as well as the cash backed reserves and accumulated funds reconciliation, as discussed below. Internally generated funds consist of R16,1 million in 2022/23.
It should be noted that the level of borrowings decreases over the MTREF, from R72m in 2022/23 to R60m in 2023/2024.

The following graph illustrates the growth in outstanding borrowing for the 2017/18 to 2024/25 period.

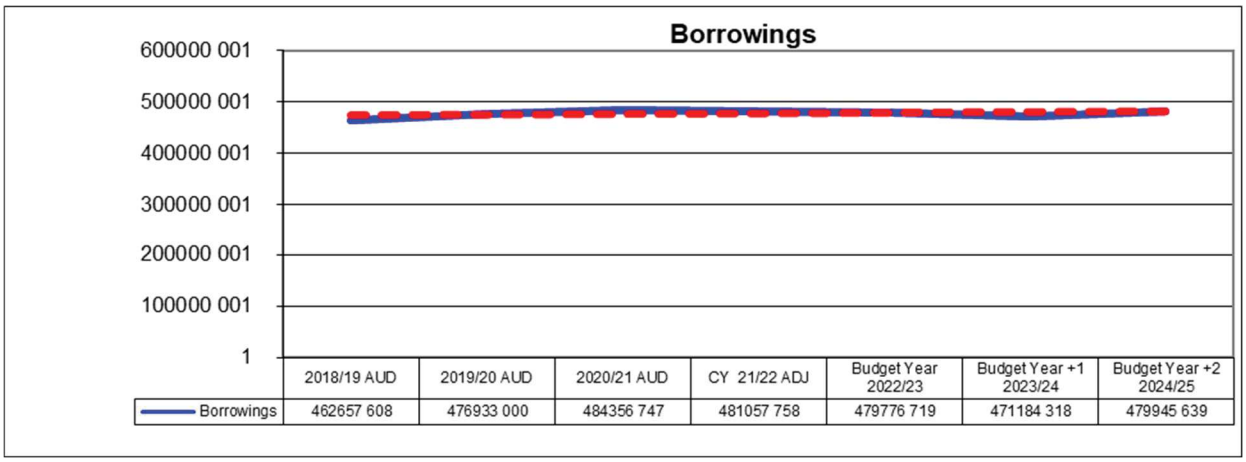


Figure 9 Growth in outstanding borrowing (long-term liabilities)

Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understanding for councillors and management.

Table 40 MBRR Table A7 - Budgeted cash flow statement

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	230 566	238 449	262 672	279 664	279 664	279 664	282 135	295 703	308 946
Service charges	643 620	689 210	737 211	792 663	792 663	792 663	856 588	929 001	1 004 943
Other revenue	128 882	175 357	131 492	159 489	152 925	152 925	162 798	110 562	76 348
Transfers and Subsidies - Operational	110 341	120 949	133 792	139 692	157 281	157 281	166 040	174 999	192 746
Transfers and Subsidies - Capital	32 017	60 675	37 219	46 354	49 062	49 062	72 398	31 368	32 611
Interest	45 960	53 186	34 748	27 456	27 456	27 456	24 871	25 991	27 161
Dividends	–	–	–	–	–	–	–	–	–
Payments									
Suppliers and employees	(929 996)	(971 606)	(1 069 400)	(1 166 090)	(1 193 289)	(1 193 289)	(1 408 073)	(1 424 801)	(1 493 864)
Finance charges	(44 921)	(46 570)	(48 805)	(51 804)	(51 804)	(51 804)	(48 056)	(47 734)	(47 159)
Transfers and Grants	(486)	(560)	(8 710)	(12 324)	(12 774)	(12 774)	(12 557)	(13 060)	(13 582)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**215 983**	**319 091**	**210 220**	**215 101**	**201 184**	**201 184**	**96 144**	**82 030**	**88 150**
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	(566)	3 289	940	–	–	–	–	–	–
Decrease (increase) in non-current receivables	8	7	4	–	–	–	–	–	–
Decrease (increase) in non-current investments	(4 980)	(4 980)	(4 878)	(4 980)	(4 980)	(4 980)	(4 980)	(4 980)	(4 980)
Payments									
Capital assets	(172 777)	(211 056)	(254 800)	(274 775)	(239 979)	(239 979)	(212 808)	(102 598)	(99 011)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(178 314)**	**(212 740)**	**(258 734)**	**(279 748)**	**(244 949)**	**(244 949)**	**(217 788)**	**(107 578)**	**(103 991)**
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	54 000	54 000	54 000	50 000	50 000	50 000	50 000	50 000	60 000
Increase (decrease) in consumer deposits	–	–	–	2 000	2 000	2 000	2 000	2 000	2 000
Payments									
Repayment of borrowing	(33 448)	(39 725)	(46 576)	(54 646)	(54 646)	(54 646)	(50 623)	(58 592)	(51 239)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**20 552**	**14 275**	**7 424**	**(2 646)**	**(2 646)**	**(2 646)**	**1 377**	**(6 592)**	**10 761**
NET INCREASE/ (DECREASE) IN CASH HELD	**58 220**	**120 626**	**(41 091)**	**(67 293)**	**(46 410)**	**(46 410)**	**(120 268)**	**(32 140)**	**(5 080)**
Cash/cash equivalents at the year begin:	**474 967**	**533 188**	**653 813**	518 129	612 723	612 723	**566 302**	**446 034**	**413 894**
Cash/cash equivalents at the year end:	**533 188**	**653 813**	**612 723**	**450 836**	**566 312**	**566 312**	**446 034**	**413 894**	**408 814**

The above table shows the cash and cash equivalents of the Municipality from the 2018/2019 to 2024/25 financial years. For the 2022/23 MTREF the budget has been prepared to ensure acceptable levels of cash and cash equivalents over the medium-term with cash levels anticipated to remain stable.

2.6.3 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- The predicted cash and investments available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded' It is also important to analyse trends to understand the consequences. Cash surpluses have been realised over the past three years, which is inevitably utilised to finance capital. The working capital has to be optimally managed.

Table 41 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

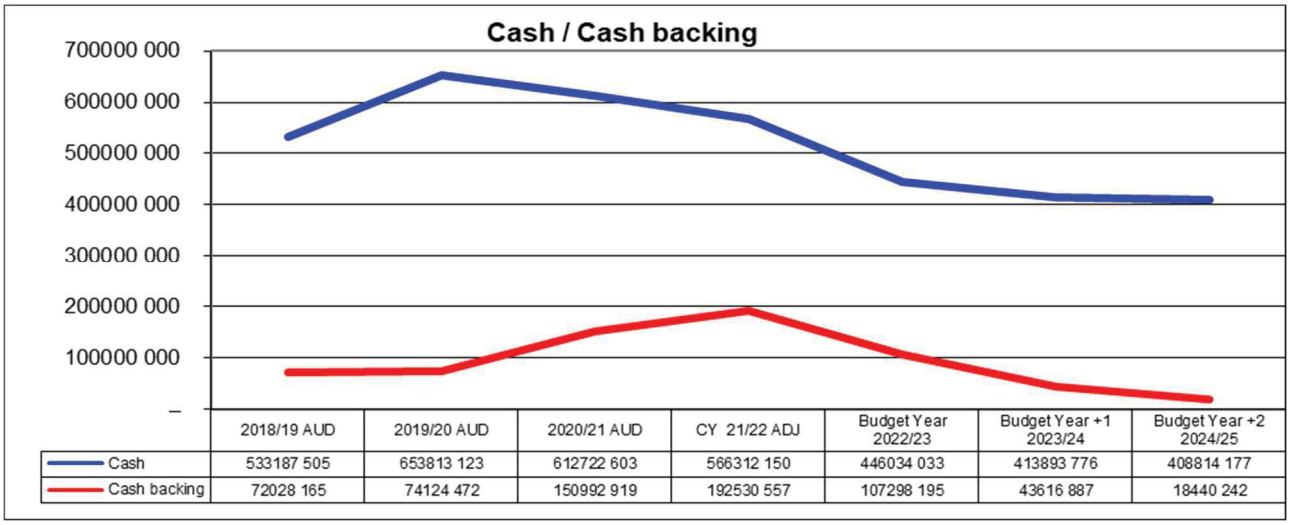
Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Cash and investments available									
Cash/cash equivalents at the year end	533 188	653 813	612 723	450 836	566 312	566 312	446 034	413 894	408 814
Other current investments > 90 days	0	–	–	(7)	(10)	(10)	0	(0)	0
Non current assets - Investments	50 524	46 515	54 278	62 165	62 165	62 165	70 005	77 989	86 123
Cash and investments available:	**583 711**	**700 328**	**667 001**	**512 994**	**628 466**	**628 466**	**516 039**	**491 883**	**494 937**
Application of cash and investments									
Unspent conditional transfers	–	31 133	24 030	–	12 442	12 442	–	–	–
Unspent borrowing	38 199	–	44 066	44 066	22 761	22 761	22 033	–	–
Statutory requirements	–	–	–	–	–	–	–	–	–
Other working capital requirements	(26 508)	(9 362)	(3 156)	59 046	74 998	74 998	(478)	(45 920)	(79 171)
Other provisions	6 587	2 612	28 547	10 200	16 936	16 936	12 515	8 330	8 276
Long term investments committed	50 524	46 515	54 278	62 165	62 165	62 165	70 005	77 989	86 123
Reserves to be backed by cash/investments	3 227	3 227	3 227	3 228	3 228	3 228	3 223	3 218	3 213
Total Application of cash and investments:	**72 028**	**74 124**	**150 993**	**178 704**	**192 531**	**192 531**	**107 298**	**43 617**	**18 440**
Surplus(shortfall)	**511 683**	**626 204**	**516 008**	**334 290**	**435 936**	**435 936**	**408 741**	**448 266**	**476 497**

From the above table it can be seen that the cash and investments total R628.5 million in the 2021/22 financial year and R516 million in 2022/23, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. Stringent measures have been implemented by NT regarding unspent grants.
- Unspent borrowing amounting to R44m from the previous financial year is anticipated. Borrowings are only drawn down once substantial expenditure has incurred against the particular projects.
- Provisions for statutory requirements could include VAT owing to SARS at year end.
- The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. For the purpose of the cash backed reserves and accumulated surplus reconciliation, at least two months operational expenditure is covered at all times. It needs to be noted that although this can be considered prudent, the desired cash levels should be 90 days to ensure continued liquidity of the municipality. Any underperformance in relation to collections could place upward pressure on the ability of the Municipality to meet its creditor obligations.
- Long term investments consist primarily of the sinking funds for the repayment of future borrowings. The sinking fund value is held within long term investments and must be 'held to maturity' and is not available for spending.

When considering the funding requirements of section 18 and 19 of the MFMA, it needs to be noted that for all practical purposes the 2022/23 MTREF is funded, from a pure cash flow perspective (cash out flow versus cash inflow) and is therefore credible. The challenge for the Municipality will be to ensure that the underlying planning and cash flow assumptions are meticulously managed, especially the performance against the collection rate.

The following graph supplies an analysis of the trends relating cash and cash equivalents and the cash backed reserves/accumulated funds reconciliation over a seven year perspective.



	2018/19 AUD	2019/20 AUD	2020/21 AUD	CY 21/22 ADJ	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Cash	533187 505	653813 123	612722 603	566312 150	446034 033	413893 776	408814 177
Cash backing	72028 165	74124 472	150992 919	192530 557	107298 195	43616 887	18440 242

Figure 10 Cash and cash equivalents / Cash backed reserves and accumulated funds

2.6.4 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 42 MBRR SA10 – Funding compliance measurement

Description	MFMA section	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Funding measures										
Cash/cash equivalents at the year end - R'000	18(1)b	533 188	653 813	612 723	450 836	566 312	566 312	446 034	413 894	408 814
Cash + investments at the yr end less applications - R'000	18(1)b	511 683	626 204	516 008	334 290	435 936	435 936	408 741	448 266	476 497
Cash year end/monthly employee/supplier payments	18(1)b	7.3	8.4	7.1	4.6	5.7	5.7	4.2	3.7	3.4
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	106 526	138 868	30 848	(17 571)	(29 706)	(29 706)	6 255	(37 515)	(44 533)
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	N.A.	0.6%	(0.1%)	1.5%	(6.0%)	(6.0%)	2.6%	1.2%	1.3%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	99.5%	99.0%	102.1%	99.2%	98.4%	98.4%	97.3%	96.7%	96.7%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	2.0%	2.5%	1.2%	2.0%	1.3%	1.3%	1.2%	1.1%	1.0%
Capital payments % of capital expenditure	18(1)c;19	99.5%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	65.8%	57.7%	31.5%	30.6%	39.4%	39.4%	56.7%	100.0%	100.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a							68.1%	75.4%	87.4%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	7.7%	(3.7%)	(12.7%)	6.5%	0.0%	27.1%	19.5%	17.2%
Long term receivables % change - incr(decr)	18(1)a	N.A.	(100.0%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	6.3%	5.4%	5.9%	6.7%	6.9%	6.9%	7.0%	7.5%	8.1%
Asset renewal % of capital budget	20(1)(vi)	0.0%	1.7%	6.1%	12.4%	13.1%	13.1%	9.7%	18.2%	29.8%
Supporting indicators										
% incr *total service charges (incl prop rates)*	18(1)a		6.6%	5.9%	7.5%	0.0%	0.0%	8.6%	7.2%	7.3%
% incr Property Tax	18(1)a		3.4%	8.4%	5.5%	0.0%	0.0%	4.5%	4.5%	4.5%
% incr Service charges - electricity revenue	18(1)a		9.8%	6.5%	12.8%	0.0%	0.0%	12.3%	10.0%	10.0%
% incr Service charges - water revenue	18(1)a		2.4%	(1.4%)	0.8%	0.0%	0.0%	4.5%	4.5%	4.5%
% incr Service charges - sanitation revenue	18(1)a		4.1%	7.6%	0.6%	0.0%	0.0%	9.3%	4.3%	4.3%
% incr Service charges - refuse revenue	18(1)a		10.5%	5.8%	3.5%	0.0%	0.0%	5.5%	5.9%	5.9%
% incr in Service charges - other	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18(1)a	881 125	939 088	994 419	1 069 494	1 069 494	1 069 494	1 161 516	1 245 401	1 336 212
Service charges		881 125	939 088	994 419	1 069 494	1 069 494	1 069 494	1 161 516	1 245 401	1 336 212
Property rates		233 093	240 910	261 222	275 637	275 637	275 637	287 941	300 836	314 308
Service charges - electricity revenue		378 693	415 960	442 792	499 317	499 317	499 317	560 796	616 798	678 418
Service charges - water revenue		129 858	133 037	131 113	132 168	132 168	132 168	138 138	144 354	150 851
Service charges - sanitation revenue		77 719	80 925	87 094	87 631	87 631	87 631	95 791	99 911	104 207
Service charges - refuse removal		61 763	68 256	72 198	74 741	74 741	74 741	78 850	83 502	88 427
Service charges - other		–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		6 278	5 735	4 068	3 440	3 440	3 440	4 573	4 778	4 989
Capital expenditure excluding capital grant funding		82 108	93 564	171 310	163 219	126 856	126 856	88 183	50 000	60 000
Cash receipts from ratepayers	18(1)a	1 003 068	1 103 016	1 131 375	1 231 817	1 225 252	1 225 252	1 301 521	1 335 267	1 390 237
Ratepayer & Other revenue	18(1)a	1 008 353	1 113 651	1 108 397	1 241 466	1 245 591	1 245 591	1 338 047	1 381 302	1 438 091
Change in consumer debtors (current and non-current)		9 839	10 387	(5 324)	(17 748)	(9 748)	(9 748)	43 410	32 340	34 023
Operating and Capital Grant Revenue	18(1)a	138 258	160 532	178 114	186 046	206 343	206 343	238 438	206 367	225 357
Capital expenditure - total	20(1)(vi)	173 682	211 056	254 800	274 775	239 979	239 979	212 808	102 598	99 011
Capital expenditure - renewal	20(1)(vi)	–	3 606	15 499	33 945	31 515	31 515	20 730	18 650	29 500
Supporting benchmarks										
Growth guideline maximum		6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
CPI guideline		4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%
DoRA operating grants total MFY								152 039	162 497	179 530
DoRA capital grants total MFY								72 398	31 368	32 611
Provincial operating grants								85 956	58 692	39 216
Provincial capital grants								39 785	21 230	6 400
District Municipality grants								–	–	–
Total gazetted/advised national, provincial and district grants								350 178	273 787	257 757
Average annual collection rate (arrears inclusive)										
DoRA operating										
Operational Revenue:General Revenue:Equitable Share								141 896	155 547	170 708
Energy Efficiency and Demand-side [Schedule 5B]								5 000	4 200	6 000
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]								2 593	–	–
Local Government Financial Management Grant [Schedule 5B]								1 550	1 550	1 550
Municipal Infrastructure Grant [Schedule 5B]								1 000	1 200	1 272
								152 039	**162 497**	**179 530**
DoRA Capital										
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]								21 331	7 000	7 314
Municipal Infrastructure Grant [Schedule 5B]								23 628	24 368	25 297
Water Services Infrastructure Grant [Schedule 5B]								27 439	–	–
								72 398	**31 368**	**32 611**
Trend										
Change in consumer debtors (current and non-current)		9 839	10 387	(5 324)	(17 748)	(9 748)	(9 748)	43 410	32 340	34 023
Total Operating Revenue		1 156 425	1 288 828	1 287 342	1 416 839	1 438 553	1 438 553	1 537 183	1 590 516	1 666 223
Total Operating Expenditure		1 108 536	1 191 082	1 320 936	1 495 006	1 520 918	1 520 918	1 615 768	1 659 399	1 743 367
Operating Performance Surplus/(Deficit)		47 890	97 746	(33 594)	(78 168)	(82 365)	(82 365)	(78 586)	(68 883)	(77 144)
Cash and Cash Equivalents (30 June 2012)								446 034		
Revenue										
% Increase in Total Operating Revenue			11.4%	(0.1%)	10.1%	1.5%	0.0%	6.9%	3.5%	4.8%
% Increase in Property Rates Revenue			3.4%	8.4%	5.5%	0.0%	0.0%	4.5%	4.5%	4.5%
% Increase in Electricity Revenue			9.8%	6.5%	12.8%	0.0%	0.0%	12.3%	10.0%	10.0%
% Increase in Property Rates & Services Charges			6.6%	5.9%	7.5%	0.0%	0.0%	8.6%	7.2%	7.3%
Expenditure										
% Increase in Total Operating Expenditure			7.4%	10.9%	13.2%	1.7%	0.0%	6.2%	2.7%	5.1%
% Increase in Employee Costs			4.0%	14.5%	5.9%	3.1%	0.0%	6.1%	3.1%	5.6%
% Increase in Electricity Bulk Purchases			14.8%	7.1%	18.6%	0.0%	0.0%	11.4%	11.3%	11.4%
Average Cost Per Budgeted Employee Position (Remuneration)				414653.8559	391065.3954			423675.1287		
Average Cost Per Councillor (Remuneration)				448751.24	496039.6			459296		
R&M % of PPE		6.3%	5.4%	5.9%	6.7%	6.9%	6.9%	7.0%	7.5%	8.1%
Asset Renewal and R&M as a % of PPE		6.0%	6.0%	7.0%	8.0%	9.0%	9.0%	9.0%	8.0%	9.0%
Debt Impairment % of Total Billable Revenue		2.0%	2.5%	1.2%	2.0%	1.3%	1.3%	1.2%	1.1%	1.0%
Capital Revenue										
Internally Funded & Other (R'000)		45 613	43 087	125 868	69 154	54 094	54 094	16 149	–	–
Borrowing (R'000)		36 495	50 476	45 443	94 066	72 761	72 761	72 033	50 000	60 000
Grant Funding and Other (R'000)		91 574	117 493	83 490	111 555	113 123	113 123	124 625	52 598	39 011
Internally Generated funds % of Non Grant Funding		55.6%	46.1%	73.5%	42.4%	42.6%	42.6%	18.3%	0.0%	0.0%
Borrowing % of Non Grant Funding		44.4%	53.9%	26.5%	57.6%	57.4%	57.4%	81.7%	100.0%	100.0%
Grant Funding % of Total Funding		52.7%	55.7%	32.8%	40.6%	47.1%	47.1%	58.6%	51.3%	39.4%
Capital Expenditure										
Total Capital Programme (R'000)		173 682	211 056	254 800	274 775	239 979	239 979	212 808	102 598	99 011
Asset Renewal		–	3 606	15 499	33 945	31 515	31 515	20 730	18 650	29 500
Asset Renewal % of Total Capital Expenditure		0.0%	1.7%	6.1%	12.4%	13.1%	13.1%	9.7%	18.2%	29.8%
Cash										
Cash Receipts % of Rate Payer & Other		99.5%	99.0%	102.1%	99.2%	98.4%	98.4%	97.3%	96.7%	96.7%
Cash Coverage Ratio		0	0	0	0	0	0	0	0	0
Borrowing										
Credit Rating (2009/10)								0		
Capital Charges to Operating		7.1%	7.2%	7.2%	7.1%	7.0%	7.0%	6.1%	6.4%	5.6%
Borrowing Receipts % of Capital Expenditure		65.8%	57.7%	31.5%	30.6%	39.4%	39.4%	56.7%	100.0%	100.0%
Reserves										
Surplus/(Deficit)		511 683	626 204	516 008	334 290	435 936	435 936	408 741	448 266	476 497
Free Services										
Free Basic Services as a % of Equitable Share		28.7%	28.7%	22.9%	26.7%	26.7%	26.7%	30.3%	29.3%	28.3%
Free Services as a % of Operating Revenue (excl operational transfers)		4.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
High Level Outcome of Funding Compliance										
Total Operating Revenue		1 156 425	1 288 828	1 287 342	1 416 839	1 438 553	1 438 553	1 537 183	1 590 516	1 666 223
Total Operating Expenditure		1 108 536	1 191 082	1 320 936	1 495 006	1 520 918	1 520 918	1 615 768	1 659 399	1 743 367
Surplus/(Deficit) Budgeted Operating Statement		47 890	97 746	(33 594)	(78 168)	(82 365)	(82 365)	(78 586)	(68 883)	(77 144)
Surplus/(Deficit) Considering Reserves and Cash Backing		511 683	626 204	516 008	334 290	435 936	435 936	408 741	448 266	476 497
MTREF Funded (1) / Unfunded (0)		1	1	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded ✗		✓	✓	✓	✓	✓	✓	✓	✓	✓

2.6.4.1 Cash/cash equivalent position

The Municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2022/23 MTREF indicates R446million, R413,8 million and R408,8 million for each respective financial year.

2.6.4.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 41, on page 73. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

2.6.4.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as services boycotts. The ratio is above 4 over the 2022/23 MTREF.

2.6.4.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. The issue relating to depreciation has been discussed at length elsewhere in this report. This indicator cannot be measured as depreciation offset do not form part of the GRAP reporting framework. It needs to be noted that a deficit does not necessarily mean that the budget is not funded from a cash flow perspective and the first two measures in the table are therefore critical.

2.6.4.5 Property Rates/service revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is projected at 4,8 per cent). Refer to Annexure B for Rates, Tariffs and Service Charges.

2.6.4.6 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and

credibility of the budget assumptions contained in the budget. Given that the collection rate was based on a lower performance target, the cash flow statement has been accurately determined. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

2.6.4.7 Debt impairment expense as a percentage of billable revenue

Overstrand Municipality has provided for adequate Debt impairment.

2.6.4.8 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. The municipality aims to ensure strict compliance with the legislative requirement that creditors be paid within 30 days.

2.6.4.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded. It can be seen that borrowing equates to 34, 49 and 50 per cent of own funded capital.

2.6.4.10 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The Municipality has budgeted for all transfers.

2.6.4.11 Consumer debtors change (Current and Non-current)

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position.

2.6.4.12 Repairs and maintenance expenditure level

This measure must be considered within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the municipality's strategy pertaining to asset management and repairs and maintenance are contained in Table 56 MBRR SA34C on page 92.

2.6.4.13 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The new mSCOA Framework has further categorised asset classes. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Further details in this regard are contained in Table 55 MBRR SA34a on page 90.

2.7 Expenditure on grants and reconciliations of unspent funds

Table 43 MBRR SA19 - Expenditure on transfers and grant programmes

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
EXPENDITURE:									
Operating expenditure of Transfers and Grants									
National Government:	3 476	4 297	14 184	4 080	10 950	10 950	10 143	6 950	8 822
Operational Revenue:General Revenue:Equitable Share	–	–	10 134	–	6 870	6 870	–	–	–
Energy Efficiency and Demand-side [Schedule 5B]	–	–	–	–	–	–	5 000	4 200	6 000
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 926	2 635	2 500	2 530	2 530	2 530	2 593	–	–
Local Government Financial Management Grant [Schedule 5B]	1 550	1 550	1 550	1 550	1 550	1 550	1 550	1 550	1 550
Mitchell's Plain Urban Renewal	–	–	–	–	–	–	–	–	–
Municipal Demarcation and Transition Grant [Schedule 5B]	–	–	–	–	–	–	–	–	–
Municipal Disaster Grant [Schedule 5B]	–	112		–	–	–	–	–	–
Municipal Infrastructure Grant [Schedule 5B]	–	–	–	–	–	–	1 000	1 200	1 272
Provincial Government:	19 580	12 147	33 402	65 956	78 704	78 704	85 956	58 692	39 216
Capacity Building	148	18		–	–	–	–	–	–
Capacity Building and Other	448	4 716	1 597	9 570	13 186	13 186	10 903	9 397	9 953
Disaster and Emergency Services				–	–	–	–	–	–
Health				–	–	–	–	–	–
Housing	12 688		24 009	55 241	57 360	57 360	71 955	46 190	26 000
Infrastructure	137	126	145	1 145	8 158	8 158	3 098	3 105	3 263
Libraries, Archives and Museums	6 160	7 287	7 651	–	–	–	–	–	–
District Municipality:	–	–	–	–	90	90	–	–	–
All Grants	–	–	–	–	90	90	–	–	–
Other Grant Providers:	–	–	–	–	–	–	–	–	–
Departmental Agencies and Accounts	–	–	–	–	–	–	–	–	–
Foreign Government and International Organisations	–	–	–	–	–	–	–	–	–
Households	–	–	–	–	–	–	–	–	–
Non-profit Institutions	–	–	–	–	–	–	–	–	–
Private Enterprises	–	–	–	–	–	–	–	–	–
Public Corporations	–	–	–	–	–	–	–	–	–
Higher Educational Institutions									
Parent Municipality / Entity	–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:	23 056	16 443	47 586	70 036	89 744	89 744	96 099	65 642	48 038
Capital expenditure of Transfers and Grants									
National Government:	30 445	31 595	35 100	46 754	46 754	46 754	72 398	31 368	32 611
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	4 262	7 000	6 000	18 519	18 519	18 519	21 331	7 000	7 314
Municipal Infrastructure Grant [Schedule 5B]	26 183	24 528	29 100	23 053	23 053	23 053	23 628	24 368	25 297
Water Services Infrastructure Grant [Schedule 5B]	–	–	–	5 182	5 182	5 182	27 439	–	–
Provincial Government:	35 615	5 797	48 390	52 859	65 073	65 073	39 785	21 230	6 400
Capacity Building	–			–	–	–	–	–	–
Capacity Building and Other	390	1 843		–	1 192	1 192	–	–	–
Disaster and Emergency Services	–			–	–	–	–	–	–
Health	–			–	–	–	–	–	–
Housing	34 108		46 271	52 259	61 765	61 765	39 785	21 230	6 400
Infrastructure	–		2 119	600	2 116	2 116	–	–	–
Libraries, Archives and Museums	1 117			–	–	–	–	–	–
Other		3 204		–	–	–	–	–	–
Public Transport				–	–	–	–	–	–
Road Infrastructure	–	750		–	–	–	–	–	–
Other Grant Providers:	–	–	–	12 942	2 296	2 296	12 442	–	–
Public Corporations	–	–	–	12 942	2 296	2 296	12 442	–	–
Higher Educational Institutions	–	–	–	–	–	–	–	–	–
Parent Municipality / Entity	–	–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants	66 060	37 392	83 490	112 555	114 123	114 123	124 625	52 598	39 011
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	89 116	53 835	131 076	182 591	203 867	203 867	220 724	118 240	87 049

Table 44 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Operating transfers and grants:									
National Government:									
Balance unspent at beginning of the year	–	–	–	–	(6 870)	–	–	–	–
Current year receipts	(3 476)	(4 185)	(10 920)	(4 080)	(4 080)	(4 080)	152 039	162 497	179 530
Conditions met - transferred to revenue	**(3 476)**	**(4 185)**	**(10 920)**	**(4 080)**	**(10 950)**	**(4 080)**	**152 039**	**162 497**	**179 530**
Conditions still to be met - transferred to liabilities	–	–	–	–	–	–	–	–	–
Provincial Government:									
Balance unspent at beginning of the year	–	–	–	–	–	–	–	–	–
Current year receipts	(16 281)	(9 865)	(11 103)	(11 315)	(17 472)	(17 472)	14 001	12 502	13 216
Conditions met - transferred to revenue	**(26 348)**	**(27 758)**	**(22 785)**	**(11 315)**	**(17 472)**	**(17 472)**	**14 001**	**12 502**	**13 216**
Conditions still to be met - transferred to liabilities	10 067	17 893	11 682	–	–	–	–	–	–
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	(250)	–	–	(12 942)	–	–	71 955	46 190	26 000
Conditions met - transferred to revenue	**(250)**	**–**	**–**	**(12 942)**	**–**	**–**	**71 955**	**46 190**	**26 000**
Conditions still to be met - transferred to liabilities	–	–	–	–	–	–	–	–	–
Total operating transfers and grants revenue	**(30 074)**	**(31 943)**	**(33 704)**	**(28 337)**	**(28 422)**	**(21 552)**	**237 995**	**221 189**	**218 746**
Total operating transfers and grants - CTBM	**10 067**	**17 893**	**11 682**	**–**	**–**	**–**	**–**	**–**	**–**
Capital transfers and grants:									
National Government:									
Balance unspent at beginning of the year	–	–	–	–	–	–	–	–	–
Current year receipts	(25 901)	(39 010)	(27 618)	(46 754)	(46 754)	(46 754)	72 398	31 368	32 611
Conditions met - transferred to revenue	**(25 901)**	**(39 010)**	**(27 618)**	**(46 754)**	**(46 754)**	**(46 754)**	**72 398**	**31 368**	**32 611**
Conditions still to be met - transferred to liabilities	–	–	–	–	–	–	–	–	–
Provincial Government:									
Balance unspent at beginning of the year	–	–	–	–	–	–	–	–	–
Current year receipts	(44 192)	62	–	–	(7 180)	(7 180)			
Conditions met - transferred to revenue	**(44 192)**	**(688)**	**(750)**	**–**	**(7 180)**	**(7 180)**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities	–	750	750	–	–	–	–	–	–
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	–	–	–	–	(14 738)	–	–	–	–
Current year receipts	–	(19 900)	–	–	–	–	39 785	21 230	6 400
Conditions met - transferred to revenue	**–**	**(19 900)**	**–**	**–**	**(14 738)**	**–**	**39 785**	**21 230**	**6 400**
Conditions still to be met - transferred to liabilities	–	–	–	–	–	–	–	–	–
Total capital transfers and grants revenue	**(70 093)**	**(59 598)**	**(28 368)**	**(46 754)**	**(68 672)**	**(53 934)**	**112 183**	**52 598**	**39 011**
Total capital transfers and grants - CTBM	**–**	**750**	**750**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL TRANSFERS AND GRANTS REVENUE	**(100 167)**	**(91 541)**	**(62 072)**	**(75 091)**	**(97 094)**	**(75 486)**	**350 178**	**273 787**	**257 757**
TOTAL TRANSFERS AND GRANTS - CTBM	**10 067**	**18 643**	**12 432**	**–**	**–**	**–**	**–**	**–**	**–**

2.8 Councillor and employee benefits

Table 45 MBRR SA22 - Summary of councillor and staff benefits

Summary of Employee and Councillor remuneration	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	9 467	10 174	10 116	11 247	11 247	11 247	11 202	11 706	12 233
Pension and UIF Contributions	–	–	–	–	–	–	–	–	–
Medical Aid Contributions	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	–	–	–	–	–	–	–	–	–
Cellphone Allowance	1 106	1 108	1 102	1 154	1 154	1 154	1 199	1 199	1 199
Housing Allowances	–	–	–	–	–	–	–	–	–
Other benefits and allowances	–	–	–	–	–	–	–	–	–
Sub Total - Councillors	**10 573**	**11 282**	**11 219**	**12 401**	**12 401**	**12 401**	**12 401**	**12 905**	**13 432**
% increase		**6.7%**	**(0.6%)**	**10.5%**	**–**	**–**	**0.0%**	**4.1%**	**4.1%**
Senior Managers of the Municipality									
Basic Salaries and Wages	11 036	11 569	12 036	12 600	12 600	12 600	12 871	13 450	14 056
Pension and UIF Contributions	–	–	–	–	–	–	–	–	–
Medical Aid Contributions	–	–	–	–	–	–	–	–	–
Overtime	–	–	–	–	–	–	–	–	–
Performance Bonus	187	136	139	143	143	143	149	159	169
Motor Vehicle Allowance	–	–	–	–	–	–	–	–	–
Cellphone Allowance	187	187	183	187	187	187	181	181	181
Housing Allowances	–	–	–	–	–	–	–	–	–
Other benefits and allowances	7	–	–	–	–	–	–	–	–
Payments in lieu of leave	–	–	–	–	–	–	–	–	–
Long service awards	–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality	**11 416**	**11 891**	**12 358**	**12 930**	**12 930**	**12 930**	**13 201**	**13 790**	**14 405**
% increase		**4.2%**	**3.9%**	**4.6%**	**–**	**–**	**2.1%**	**4.5%**	**4.5%**
Other Municipal Staff									
Basic Salaries and Wages	215 820	235 625	256 280	276 642	284 359	284 359	304 678	320 102	339 282
Pension and UIF Contributions	36 580	39 697	42 603	48 870	49 249	49 249	52 853	56 007	59 363
Medical Aid Contributions	12 035	13 141	13 951	17 876	17 905	17 905	17 116	18 143	19 271
Overtime	34 501	39 287	42 338	40 311	40 826	40 826	42 848	45 547	48 417
Performance Bonus	675	1 752	402	500	500	500	520	541	563
Motor Vehicle Allowance	7 897	7 923	8 115	8 255	8 515	8 515	8 321	8 324	8 327
Cellphone Allowance	1 887	1 942	1 967	2 279	2 311	2 311	2 184	2 184	2 184
Housing Allowances	2 350	2 507	2 741	2 674	2 701	2 701	1 829	1 829	1 910
Other benefits and allowances	25 429	28 529	31 623	39 028	38 952	38 952	41 698	43 889	46 511
Payments in lieu of leave	–	–	–	–	–	–	–	–	–
Long service awards	–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	19 410	277	25 495	14 438	19 930	19 930	21 891	12 267	11 502
Sub Total - Other Municipal Staff	**356 584**	**370 681**	**425 516**	**450 874**	**465 249**	**465 249**	**493 938**	**508 832**	**537 329**
% increase		**4.0%**	**14.8%**	**6.0%**	**3.2%**	**–**	**6.2%**	**3.0%**	**5.6%**
Total Parent Municipality	**378 573**	**393 854**	**449 093**	**476 205**	**490 580**	**490 580**	**519 540**	**535 527**	**565 165**
		4.0%	**14.0%**	**6.0%**	**3.0%**	**–**	**5.9%**	**3.1%**	**5.5%**
TOTAL SALARY, ALLOWANCES & BENEFITS	**378 573**	**393 854**	**449 093**	**476 205**	**490 580**	**490 580**	**519 540**	**535 527**	**565 165**
% increase		**4.0%**	**14.0%**	**6.0%**	**3.0%**	**–**	**5.9%**	**3.1%**	**5.5%**
TOTAL MANAGERS AND STAFF	**368 000**	**382 572**	**437 874**	**463 804**	**478 179**	**478 179**	**507 139**	**522 622**	**551 734**

Table 46 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1. Rand per annum	No.	Salary	Contributions 1.	Allowances	Performance Bonuses	In-kind benefits	Total Package 2.
Councillors							
Speaker	1	719 676		44 400	–	–	764 076
Chief Whip		–		–	–	–	–
Executive Mayor	1	899 592		44 400	–	–	943 992
Deputy Executive Mayor	1	719 676		44 400	–	–	764 076
Executive Committee	4	3 373 500		222 000	–	–	3 595 500
Total for all other councillors	20	5 489 748		843 600	–	–	6 333 348
Total Councillors	**27**	**11 202 192**	**–**	**1 198 800**			**12 400 992**
Senior Managers of the Municipality							
Municipal Manager (MM)	1	1 672 368		27 540	149 308	–	1 849 216
Chief Finance Officer	1	1 939 548		24 480	–	–	1 964 028
Management Services	1	1 847 268		24 480	–	–	1 871 748
Infrastructure and Planning	1	1 949 412		27 540	–	–	1 976 952
Protection Service	1	1 780 092		27 540	–	–	1 807 632
LED	1	1 823 280		24 480	–	–	1 847 760
Community Services	1	1 859 268	–	24 480	–	–	1 883 748
Total Senior Managers of the Municipality	**7**	**12 871 236**	**–**	**180 540**	**149 308**		**13 201 084**
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	**34**	**24 073 428**	**–**	**1 379 340**	**149 308**		**25 602 076**

Table 47 MBRR SA24 – Summary of personnel numbers

Summary of Personnel Numbers	2020/21			Current Year 2021/22			Budget Year 2022/23		
Number	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)	25	7		25	7		27	7	
Board Members of municipal entities									
Municipal employees									
Municipal Manager and Senior Managers	7	7		7	7		7	7	
Other Managers	53	48		51	51		52	49	
Professionals	*26*	*24*	–	*29*	*23*	–	*30*	*22*	–
Finance	21	19		24	18		24	17	
Spatial/town planning	2	2		2	2		2	2	
Information Technology	1	1		1	1		1	1	
Roads									
Electricity									
Water									
Sanitation									
Refuse									
Other	2	2		2	2		3	2	
Technicians	*199*	*172*	–	*200*	*170*	–	*198*	*176*	–
Finance									
Spatial/town planning	12	12		11	10		11	11	
Information Technology	5	4		5	4		6	5	
Roads	9	8		10	7		10	10	
Electricity	31	27		31	27		30	26	
Water	21	18		21	19		21	18	
Sanitation	2	2		2	2		2	2	
Refuse	5	5		6	5		5	5	
Other	114	96		114	96		113	99	
Clerks (Clerical and administrative)	277	246		273	244		279	243	
Service and sales workers	124	108		140	108		143	125	
Skilled agricultural and fishery workers									
Craft and related trades									
Plant and Machine Operators	60	57		60	56		60	60	
Elementary Occupations	426	412		426	416		428	406	
TOTAL PERSONNEL NUMBERS	**1 197**	**1 081**	**–**	**1 211**	**1 082**	**–**	**1 224**	**1 095**	**–**
% increase				1.2%	0.1%	–	1.1%	1.2%	–
Total municipal employees headcount	**1 172**	**1 074**		**1 186**	**1 082**		**1 199**	**1 095**	
Finance personnel headcount	**113**	**106**		**114**	**104**		**114**	**101**	
Human Resources personnel headcount	**18**	**17**		**18**	**17**		**22**	**17**	

2.9 Monthly targets for revenue, expenditure and cash flow …./

Table 48 MBRR SA25 - Budgeted monthly revenue and expenditure

Description	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue By Source															
Property rates	23 995	23 995	23 995	23 995	23 995	23 995	23 995	23 995	23 995	23 995	23 995	23 995	287 941	300 836	314 308
Service charges - electricity revenue	46 733	46 733	46 733	46 733	46 733	46 733	46 733	46 733	46 733	46 733	46 733	46 733	560 796	616 798	678 418
Service charges - water revenue	11 512	11 512	11 512	11 512	11 512	11 512	11 512	11 512	11 512	11 512	11 512	11 511	138 138	144 354	150 851
Service charges - sanitation revenue	7 983	7 983	7 983	7 983	7 983	7 983	7 983	7 983	7 983	7 983	7 983	7 983	95 791	99 911	104 207
Service charges - refuse revenue	6 571	6 571	6 571	6 571	6 571	6 571	6 571	6 571	6 571	6 571	6 571	6 571	78 850	83 502	88 427
Rental of facilities and equipment	381	381	381	381	381	381	381	381	381	381	381	381	4 573	4 778	4 989
Interest earned - external investments	2 073	2 073	2 073	2 073	2 073	2 073	2 073	2 073	2 073	2 073	2 073	2 073	24 871	25 991	27 161
Interest earned - outstanding debtors	332	332	332	332	332	332	332	332	332	332	332	332	3 982	4 161	4 348
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	1 695	1 695	1 695	1 695	1 695	1 695	1 695	1 695	1 695	1 695	1 695	1 695	20 344	22 188	23 174
Licences and permits	220	220	220	220	220	220	220	220	220	220	220	220	2 636	2 750	2 869
Agency services	655	655	655	655	655	655	655	655	655	655	655	655	7 858	8 211	8 580
Transfers and subsidies	13 837	13 837	13 837	13 837	13 837	13 837	13 837	13 837	13 837	13 837	13 837	13 837	166 040	174 999	192 746
Other revenue	12 114	12 114	12 114	12 114	12 114	12 114	12 114	12 114	12 114	12 114	12 114	3 889	137 139	93 814	57 920
Gains	–	–	–	–	–	–	–	–	–	–	–	8 225	8 225	8 225	8 225
Total Revenue (excluding capital transfers and contributions)	**128 099**	**128 099**	**128 099**	**128 099**	**128 099**	**128 099**	**128 099**	**128 099**	**128 099**	**128 099**	**128 099**	**128 098**	**1 537 183**	**1 590 516**	**1 666 223**
Expenditure By Type															
Employee related costs	42 254	42 254	42 254	42 254	42 344	42 254	42 254	42 254	42 254	42 254	42 254	42 257	507 139	522 622	551 734
Remuneration of councillors	1 033	1 033	1 033	1 033	1 033	1 033	1 033	1 033	1 033	1 033	1 033	1 033	12 401	12 905	13 432
Debt impairment	1 130	1 130	1 130	1 130	1 130	1 130	1 130	1 130	1 130	1 130	1 130	1 130	13 564	13 699	13 836
Depreciation & asset impairment	12 216	12 216	12 216	12 216	12 216	12 216	12 216	12 216	12 216	12 216	12 216	12 216	146 596	145 685	148 275
Finance charges	4 005	4 005	4 005	4 005	4 005	4 005	4 005	4 005	4 005	4 005	4 005	4 005	48 056	47 734	47 159
Bulk purchases	32 821	32 821	32 821	32 821	32 821	32 821	32 821	32 821	32 821	32 821	32 821	32 821	393 853	438 555	488 331
Other materials	3 834	3 777	5 053	3 834	3 777	5 053	3 777	3 834	5 053	3 777	3 777	5 111	50 655	51 837	55 539
Contracted services	20 651	20 448	25 597	20 651	20 448	25 597	20 448	20 651	25 597	20 448	20 448	25 802	266 785	276 065	290 073
Transfers and subsidies	1 046	1 046	1 046	1 046	1 046	1 046	1 046	1 046	1 046	1 046	1 046	1 046	12 557	13 060	13 582
Other expenditure	14 209	12 556	14 276	14 209	12 556	14 276	12 556	14 209	14 276	12 556	12 556	15 930	164 163	137 237	121 406
Losses	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure	**133 200**	**131 286**	**139 431**	**133 200**	**131 376**	**139 431**	**131 286**	**133 200**	**139 431**	**131 286**	**131 286**	**141 352**	**1 615 768**	**1 659 399**	**1 743 367**
Surplus/(Deficit)	**(5 102)**	**(3 188)**	**(11 333)**	**(5 102)**	**(3 278)**	**(11 333)**	**(3 188)**	**(5 102)**	**(11 333)**	**(3 188)**	**(3 188)**	**(13 255)**	**(78 586)**	**(68 883)**	**(77 144)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	6 033	6 033	6 033	6 033	6 033	6 033	6 033	6 033	6 033	6 033	6 033	6 033	72 398	31 368	32 611
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	1 037	1 037	1 037	1 037	1 037	1 037	1 037	1 037	1 037	1 037	1 037	1 037	12 442	–	–
Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**1 968**	**3 882**	**(4 263)**	**1 968**	**3 792**	**(4 263)**	**3 882**	**1 968**	**(4 263)**	**3 882**	**3 882**	**(6 185)**	**6 255**	**(37 515)**	**(44 533)**
Taxation	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Attributable to minorities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	**1 968**	**3 882**	**(4 263)**	**1 968**	**3 792**	**(4 263)**	**3 882**	**1 968**	**(4 263)**	**3 882**	**3 882**	**(6 185)**	**6 255**	**(37 515)**	**(44 533)**

Table 49 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

Description	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue by Vote															
Vote 1 - Council & Mayor's Office	3 751	3 751	3 751	3 751	3 751	3 751	3 751	3 751	3 751	3 751	3 751	3 751	45 007	44 425	34 813
Vote 2 - Municipal Manager & Internal Audit	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 3 - Management Services	72	72	72	72	72	72	72	72	72	72	72	72	869	907	946
Vote 4 - Finance	27 286	27 286	27 286	27 286	27 286	27 286	27 286	27 286	27 286	27 286	27 286	27 286	327 436	341 845	356 898
Vote 5 - Infrastructure & Planning	64 010	64 010	64 010	64 010	64 010	64 010	64 010	64 010	64 010	64 010	64 010	64 010	768 118	758 813	796 482
Vote 6 - Protection Services	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	35 995	38 413	40 148
Vote 7 - Economic and Social Development & Tourism	234	234	234	234	234	234	234	234	234	234	234	234	2 811	71	224
Vote 8 - Community Services	36 816	36 816	36 816	36 816	36 816	36 816	36 816	36 816	36 816	36 816	36 816	36 815	441 787	437 410	469 323
Vote 9 - Costing Services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Main Ledger Services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue by Vote	**135 169**	**135 169**	**135 169**	**135 169**	**135 169**	**135 169**	**135 169**	**135 169**	**135 169**	**135 169**	**135 169**	**135 168**	**1 622 023**	**1 621 884**	**1 698 834**
Expenditure by Vote to be appropriated															
Vote 1 - Council & Mayor's Office	3 634	3 634	3 896	3 634	3 634	3 896	3 634	3 634	3 896	3 634	3 634	3 896	44 658	34 502	34 661
Vote 2 - Municipal Manager & Internal Audit	610	610	790	610	610	790	610	610	790	610	610	790	8 042	8 437	8 857
Vote 3 - Management Services	4 698	4 698	7 076	4 698	4 698	7 076	4 698	4 698	7 076	4 698	4 698	7 076	65 889	68 244	71 390
Vote 4 - Finance	10 135	8 221	8 221	10 135	8 221	8 221	8 221	10 135	8 221	8 221	8 221	10 136	106 313	106 744	112 252
Vote 5 - Infrastructure & Planning	62 968	62 968	62 968	62 968	62 968	62 968	62 968	62 968	62 968	62 968	62 968	62 968	755 611	782 435	828 925
Vote 6 - Protection Services	9 866	9 866	9 866	9 866	9 956	9 866	9 866	9 866	9 866	9 866	9 866	9 867	118 480	123 434	128 971
Vote 7 - Economic and Social Development & Tourism	1 474	1 474	1 474	1 474	1 474	1 474	1 474	1 474	1 474	1 474	1 474	1 474	17 686	15 510	16 237
Vote 8 - Community Services	39 815	39 815	45 141	39 815	39 815	45 141	39 815	39 815	45 141	39 815	39 815	45 146	499 089	520 094	542 073
Vote 9 - Costing Services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Main Ledger Services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	**133 200**	**131 286**	**139 431**	**133 200**	**131 376**	**139 431**	**131 286**	**133 200**	**139 431**	**131 286**	**131 286**	**141 352**	**1 615 768**	**1 659 399**	**1 743 367**
Surplus/(Deficit) before assoc.	**1 968**	**3 882**	**(4 263)**	**1 968**	**3 792**	**(4 263)**	**3 882**	**1 968**	**(4 263)**	**3 882**	**3 882**	**(6 185)**	**6 255**	**(37 515)**	**(44 533)**
Taxation	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Attributable to minorities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	**1 968**	**3 882**	**(4 263)**	**1 968**	**3 792**	**(4 263)**	**3 882**	**1 968**	**(4 263)**	**3 882**	**3 882**	**(6 185)**	**6 255**	**(37 515)**	**(44 533)**

Table 50 MBRR SA27 - Budgeted monthly revenue and expenditure (functional classification)

Description	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue - Functional															
Governance and administration	31 641	31 641	31 641	31 641	31 641	31 641	31 641	31 641	31 641	31 641	31 641	31 640	379 688	393 584	399 096
Executive and council	3 764	3 764	3 764	3 764	3 764	3 764	3 764	3 764	3 764	3 764	3 764	3 764	45 165	44 584	34 973
Finance and administration	27 877	27 877	27 877	27 877	27 877	27 877	27 877	27 877	27 877	27 877	27 877	27 877	334 524	349 000	364 123
Internal audit	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety	13 968	13 968	13 968	13 968	13 968	13 968	13 968	13 968	13 968	13 968	13 968	13 968	167 619	135 469	105 603
Community and social services	731	731	731	731	731	731	731	731	731	731	731	731	8 776	7 189	7 660
Sport and recreation	898	898	898	898	898	898	898	898	898	898	898	897	10 772	22 097	25 031
Public safety	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	35 995	38 413	40 148
Housing	9 340	9 340	9 340	9 340	9 340	9 340	9 340	9 340	9 340	9 340	9 340	9 340	112 075	67 770	32 763
Health	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services	2 050	2 050	2 050	2 050	2 050	2 050	2 050	2 050	2 050	2 050	2 050	2 050	24 599	16 637	16 231
Planning and development	1 104	1 104	1 104	1 104	1 104	1 104	1 104	1 104	1 104	1 104	1 104	1 104	13 252	11 293	9 880
Road transport	943	943	943	943	943	943	943	943	943	943	943	943	11 310	5 304	6 310
Environmental protection	3	3	3	3	3	3	3	3	3	3	3	3	37	39	41
Trading services	87 510	87 510	87 510	87 510	87 510	87 510	87 510	87 510	87 510	87 510	87 510	87 510	1 050 116	1 076 195	1 177 904
Energy sources	53 193	53 193	53 193	53 193	53 193	53 193	53 193	53 193	53 193	53 193	53 193	53 193	638 320	674 436	748 530
Water management	13 824	13 824	13 824	13 824	13 824	13 824	13 824	13 824	13 824	13 824	13 824	13 824	165 889	161 617	171 831
Waste water management	12 171	12 171	12 171	12 171	12 171	12 171	12 171	12 171	12 171	12 171	12 171	12 171	146 050	134 538	142 087
Waste management	8 321	8 321	8 321	8 321	8 321	8 321	8 321	8 321	8 321	8 321	8 321	8 321	99 858	105 603	115 457
Other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	135 169	135 169	135 169	135 169	135 169	135 169	135 169	135 169	135 169	135 169	135 169	135 168	1 622 023	1 621 884	1 698 834
Expenditure - Functional															
Governance and administration	25 944	24 030	28 900	25 944	24 030	28 900	24 030	25 944	28 900	24 030	24 030	30 815	315 492	312 936	324 798
Executive and council	5 389	5 389	7 756	5 389	5 389	7 756	5 389	5 389	7 756	5 389	5 389	7 756	74 135	65 674	67 611
Finance and administration	20 230	18 316	20 751	20 230	18 316	20 751	18 316	20 230	20 751	18 316	18 316	22 666	237 192	242 867	252 547
Internal audit	324	324	393	324	324	393	324	324	393	324	324	393	4 165	4 394	4 640
Community and public safety	23 091	23 091	23 957	23 091	23 181	23 957	23 091	23 091	23 957	23 091	23 091	23 958	280 648	261 330	251 642
Community and social services	1 711	1 711	1 898	1 711	1 711	1 898	1 711	1 711	1 898	1 711	1 711	1 899	21 285	22 212	23 647
Sport and recreation	5 134	5 134	5 534	5 134	5 134	5 534	5 134	5 134	5 534	5 134	5 134	5 535	63 214	63 089	65 995
Public safety	9 801	9 801	9 877	9 801	9 891	9 877	9 801	9 801	9 877	9 801	9 801	9 878	118 010	123 383	129 268
Housing	6 444	6 444	6 646	6 444	6 444	6 646	6 444	6 444	6 646	6 444	6 444	6 646	78 138	52 646	32 731
Health	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services	16 340	16 340	16 949	16 340	16 340	16 949	16 340	16 340	16 949	16 340	16 340	16 950	198 519	207 252	213 885
Planning and development	4 415	4 415	4 507	4 415	4 415	4 507	4 415	4 415	4 507	4 415	4 415	4 507	53 344	53 031	55 707
Road transport	10 002	10 002	10 519	10 002	10 002	10 519	10 002	10 002	10 519	10 002	10 002	10 519	122 093	129 975	132 972
Environmental protection	1 924	1 924	1 924	1 924	1 924	1 924	1 924	1 924	1 924	1 924	1 924	1 924	23 082	24 246	25 206
Trading services	67 529	67 529	69 329	67 529	67 529	69 329	67 529	67 529	69 329	67 529	67 529	69 333	817 550	874 215	949 260
Energy sources	40 834	40 834	40 834	40 834	40 834	40 834	40 834	40 834	40 834	40 834	40 834	40 834	490 011	535 087	590 344
Water management	10 796	10 796	11 105	10 796	10 796	11 105	10 796	10 796	11 105	10 796	10 796	11 106	130 791	136 847	148 880
Waste water management	8 299	8 299	9 428	8 299	8 299	9 428	8 299	8 299	9 428	8 299	8 299	9 432	104 107	109 313	113 142
Waste management	7 600	7 600	7 961	7 600	7 600	7 961	7 600	7 600	7 961	7 600	7 600	7 961	92 641	92 967	96 894
Other	297	297	297	297	297	297	297	297	297	297	297	297	3 558	3 667	3 783
Total Expenditure - Functional	133 200	131 286	139 431	133 200	131 376	139 431	131 286	133 200	139 431	131 286	131 286	141 352	1 615 768	1 659 399	1 743 367
Surplus/(Deficit) before assoc.	1 968	3 882	(4 263)	1 968	3 792	(4 263)	3 882	1 968	(4 263)	3 882	3 882	(6 185)	6 255	(37 515)	(44 533)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1 968	3 882	(4 263)	1 968	3 792	(4 263)	3 882	1 968	(4 263)	3 882	3 882	(6 185)	6 255	(37 515)	(44 533)

Table 51 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

Description	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Multi-year expenditure *to be appropriated*															
Vote 1 - Council & Mayor's Office	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager & Internal Audit	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 3 - Management Services	–	150	225	50	50	383	50	50	375	50	200	233	1 815	–	–
Vote 4 - Finance	–	–	–	15	–	15	–	–	15	–	15	–	60	–	–
Vote 5 - Infrastructure & Planning	25	20	7 983	10 952	14 714	16 414	12 972	22 272	24 052	22 122	28 128	31 477	191 130	102 598	99 011
Vote 6 - Protection Services	–	–	–	–	–	150	–	–	–	–	–	150	300	–	–
Vote 7 - Economic and Social Development & Tourism	–	–	–	–	–	23	–	–	–	–	–	23	45	–	–
Vote 8 - Community Services	–	–	200	–	–	100	61	200	–	–	–	174	735	–	–
Vote 9 - Costing Services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Main Ledger Services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	**25**	**170**	**8 408**	**11 017**	**14 764**	**17 084**	**13 083**	**22 522**	**24 442**	**22 172**	**28 343**	**32 056**	**194 085**	**102 598**	**99 011**
Single-year expenditure *to be appropriated*															
Vote 1 - Council & Mayor's Office	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager & Internal Audit	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 3 - Management Services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 4 - Finance	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 5 - Infrastructure & Planning	–	–	2 000	–	–	2 050	1 050	2 050	1 550	100	1 308	2 908	13 015	–	–
Vote 6 - Protection Services	–	–	250	–	250	–	–	250	–	–	250	–	1 000	–	–
Vote 7 - Economic and Social Development & Tourism	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 8 - Community Services	–	–	–	–	100	–	–	234	100	200	–	4 074	4 708	–	–
Vote 9 - Costing Services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Main Ledger Services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total	**–**	**–**	**2 250**	**–**	**350**	**2 050**	**1 050**	**2 534**	**1 650**	**300**	**1 558**	**6 981**	**18 723**	**–**	**–**
Total Capital Expenditure	**25**	**170**	**10 658**	**11 017**	**15 114**	**19 134**	**14 133**	**25 056**	**26 092**	**22 472**	**29 900**	**39 037**	**212 808**	**102 598**	**99 011**

Table 52 MBRR SA29 - Budgeted monthly capital expenditure (functional classification)

Description	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Capital Expenditure - Functional															
Governance and administration	–	150	225	65	50	398	50	50	390	50	215	233	1 875	–	–
Executive and council	–	–	–	–	–	3	–	–	–	–	–	3	5	–	–
Finance and administration	–	150	225	65	50	395	50	50	390	50	215	230	1 870	–	–
Internal audit	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety	–	–	450	4 092	5 534	3 392	3 203	3 692	3 142	3 292	6 925	12 873	46 594	32 098	19 697
Community and social services	–	–	200	–	100	100	61	300	–	100	–	4 247	5 109	–	–
Sport and recreation	–	–	–	–	–	50	50	50	50	100	–	100	400	10 868	13 297
Public safety	–	–	250	–	250	150	–	250	–	–	250	150	1 300	–	–
Housing	–	–	–	4 092	5 184	3 092	3 092	3 092	3 092	3 092	6 675	8 375	39 785	21 230	6 400
Health	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services	25	20	1 430	480	480	1 153	530	1 464	1 430	1 480	1 380	1 866	11 737	5 000	6 000
Planning and development	25	20	30	30	30	53	30	30	30	30	30	53	390	–	–
Road transport	–	–	1 400	450	450	1 100	500	1 434	1 400	1 450	1 350	1 813	11 347	5 000	6 000
Environmental protection	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services	–	–	8 553	6 380	9 050	14 192	10 350	19 850	21 130	17 650	21 380	24 066	152 602	65 500	73 314
Energy sources	–	–	6 553	3 100	4 000	6 742	4 500	7 300	8 200	7 700	8 250	9 043	65 389	22 000	24 314
Water management	–	–	2 000	1 080	1 250	3 450	2 650	5 650	5 850	4 450	6 108	6 803	39 290	19 000	23 400
Waste water management	–	–	–	2 200	3 800	4 000	3 200	6 900	7 000	4 500	6 200	8 139	45 939	24 500	19 100
Waste management	–	–	–	–	–	–	–	–	80	1 000	822	81	1 984	–	6 500
Other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	25	170	10 658	11 017	15 114	19 134	14 133	25 056	26 092	22 472	29 900	39 037	212 808	102 598	99 011
Funded by:															
National Government	–	–	5 600	3 650	6 750	8 600	5 900	10 300	8 800	6 250	7 558	8 991	72 398	31 368	32 611
Provincial Government	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
District Municipality	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other transfers and grants	–	–	2 273	4 192	5 184	5 334	3 092	3 292	5 534	4 592	7 768	10 968	52 227	21 230	6 400
Transfers recognised - capital	–	–	7 873	7 842	11 934	13 934	8 992	13 592	14 334	10 842	15 325	19 958	124 625	52 598	39 011
Public contributions & donations	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	1 580	1 580	2 250	3 950	4 450	9 150	10 608	10 750	14 000	13 715	72 033	50 000	60 000
Internally generated funds	25	170	1 205	1 595	930	1 250	691	2 314	1 150	880	575	5 364	16 149	–	–
Total Capital Funding	25	170	10 658	11 017	15 114	19 134	14 133	25 056	26 092	22 472	29 900	39 037	212 808	102 598	99 011

Table 53 MBRR SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Cash Receipts By Source													1		
Property rates	23 511	23 511	23 511	23 511	23 511	23 511	23 511	23 511	23 511	23 511	23 511	23 511	282 135	295 703	308 946
Service charges - electricity revenue	45 918	45 918	45 918	45 918	45 918	45 918	45 918	45 918	45 918	45 918	45 918	45 918	551 011	607 769	668 305
Service charges - water revenue	11 247	11 247	11 247	11 247	11 247	11 247	11 247	11 247	11 247	11 247	11 247	11 247	134 969	141 487	147 855
Service charges - sanitation revenue	7 798	7 798	7 798	7 798	7 798	7 798	7 798	7 798	7 798	7 798	7 798	7 798	93 579	97 913	102 124
Service charges - refuse revenue	6 419	6 419	6 419	6 419	6 419	6 419	6 419	6 419	6 419	6 419	6 419	6 419	77 028	81 832	86 659
Service charges - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	381	381	381	381	381	381	381	381	381	381	381	381	4 573	4 778	4 989
Interest earned - external investments	2 073	2 073	2 073	2 073	2 073	2 073	2 073	2 073	2 073	2 073	2 073	2 073	24 871	25 991	27 161
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	908	908	908	908	908	908	908	908	908	908	908	908	10 897	12 647	13 537
Licences and permits	220	220	220	220	220	220	220	220	220	220	220	220	2 636	2 750	2 869
Agency services	655	655	655	655	655	655	655	655	655	655	655	655	7 858	8 211	8 580
Transfers and Subsidies - Operational	13 837	13 837	13 837	13 837	13 837	13 837	13 837	13 837	13 837	13 837	13 837	13 837	166 040	174 999	192 746
Other revenue	12 088	12 088	12 088	12 088	12 088	12 088	12 088	12 088	12 088	12 088	12 088	3 864	136 834	82 177	46 373
Cash Receipts by Source	**125 055**	**125 055**	**125 055**	**125 055**	**125 055**	**125 055**	**125 055**	**125 055**	**125 055**	**125 055**	**125 055**	**116 830**	**1 492 432**	**1 536 257**	**1 610 144**
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	6 033	6 033	6 033	6 033	6 033	6 033	6 033	6 033	6 033	6 033	6 033	6 033	72 398	31 368	32 611
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on Disposal of Fixed and Intangible Assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Short term loans	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–	50 000	–	–	–	–	–	–	50 000	50 000	60 000
Increase (decrease) in consumer deposits	167	167	167	167	167	167	167	167	167	167	167	167	2 000	2 000	2 000
Decrease (increase) in non-current receivables	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	(415)	(415)	(415)	(415)	(415)	(415)	(415)	(415)	(415)	(415)	(415)	(415)	(4 980)	(4 980)	(4 980)
Total Cash Receipts by Source	**130 840**	**130 840**	**130 840**	**130 840**	**130 840**	**180 840**	**130 840**	**130 840**	**130 840**	**130 840**	**130 840**	**122 614**	**1 611 850**	**1 614 645**	**1 699 775**
Cash Payments by Type															
Employee related costs	41 272	41 272	41 272	41 272	41 362	41 272	41 272	41 272	41 272	41 272	41 272	41 275	495 353	520 035	550 870
Remuneration of councillors	1 033	1 033	1 033	1 033	1 033	1 033	1 033	1 033	1 033	1 033	1 033	1 033	12 401	12 905	13 432
Finance charges	4 005	4 005	4 005	4 005	4 005	4 005	4 005	4 005	4 005	4 005	4 005	4 005	48 056	47 734	47 159
Bulk purchases - Electricity	32 821	32 821	32 821	32 821	32 821	32 821	32 821	32 821	32 821	32 821	32 821	32 821	393 853	438 555	488 331
Bulk purchases - Water & Sewer												–	–		
Other materials	3 834	3 777	5 053	3 834	3 777	5 053	3 777	3 834	5 053	3 777	3 777	5 111	50 655	51 837	55 539
Contracted services	20 651	20 448	25 597	20 651	20 448	25 597	20 448	20 651	25 597	20 448	20 448	25 802	266 785	276 065	290 073
Transfers and grants - other municipalities												–	–		
Transfers and grants - other	1 046	1 046	1 046	1 046	1 046	1 046	1 046	1 046	1 046	1 046	1 046	1 046	12 557	13 060	13 582
Other expenditure	16 281	14 628	16 348	16 281	14 628	16 348	14 628	16 281	16 348	14 628	14 628	18 002	189 026	125 404	95 620
Cash Payments by Type	**120 943**	**119 029**	**127 175**	**120 943**	**119 119**	**127 175**	**119 029**	**120 943**	**127 174**	**119 029**	**119 029**	**129 096**	**1 468 686**	**1 485 595**	**1 554 605**
Other Cash Flows/Payments by Type															
Capital assets	25	170	10 658	11 017	15 114	19 134	14 133	25 056	26 092	22 472	29 900	39 037	212 808	102 598	99 011
Repayment of borrowing	2 181	1 031	2 788	5 911	1 142	11 634	2 287	1 101	2 943	6 231	1 207	12 169	50 623	58 592	51 239
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type	**123 149**	**120 230**	**140 620**	**137 871**	**135 375**	**157 942**	**135 450**	**147 101**	**156 209**	**147 732**	**150 136**	**180 302**	**1 732 118**	**1 646 785**	**1 704 855**
NET INCREASE/(DECREASE) IN CASH HELD	**7 691**	**10 610**	**(9 781)**	**(7 032)**	**(4 535)**	**22 897**	**(4 610)**	**(16 262)**	**(25 370)**	**(16 892)**	**(19 297)**	**(57 687)**	**(120 268)**	**(32 140)**	**(5 080)**
Cash/cash equivalents at the month/year begin:	566 302	573 993	584 602	574 821	567 790	563 254	586 152	581 542	565 280	539 910	523 018	503 721	566 302	446 034	413 894
Cash/cash equivalents at the month/year end:	573 993	584 602	574 821	567 790	563 254	586 152	581 542	565 280	539 910	523 018	503 721	446 034	446 034	413 894	408 814

2.10 Annual budgets and SDBIP

The draft SDBIP for 2022/23 will be tabled as a separate item at the Council meeting on 30 March 2022.

2.11 Contracts having future budgetary implications

In terms of the Municipality's Supply Chain Management Policy all contracts awarded beyond the medium-term revenue and expenditure framework (three years) are listed in Table 73 on page 112. In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

2.12 Capital expenditure details

The following four tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets, the repair and maintenance of assets and finally, the depreciation of assets.

Table 54 MBRR SA 34a - Capital expenditure on new assets by asset class

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	**96 933**	**76 763**	**91 712**	**98 618**	**60 072**	**60 072**	**76 316**	**27 500**	**18 414**
Roads Infrastructure	12 061	5 638	20 553	10 218	9 493	9 493	11 013	5 000	6 000
Roads	12 061	5 638	20 553	10 218	9 493	9 493	11 013	5 000	6 000
Road Structures			–	–	–	–	–	–	–
Road Furniture			–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Storm water Infrastructure	7 247	7 918	14 169	6 590	6 590	6 590	–	8 500	–
Drainage Collection			557	1 110	1 110	1 110	–	–	–
Storm water Conveyance	7 247	7 918	13 612	5 480	5 480	5 480	–	8 500	–
Attenuation			–	–	–	–	–	–	–
Electrical Infrastructure	28 893	13 557	9 392	57 808	24 908	24 908	53 500	12 000	9 314
Power Plants			–	–	–	–	–	–	–
HV Substations			–	–	–	–	–	–	–
HV Switching Station			–	–	–	–	–	–	–
HV Transmission Conductors			–	–	–	–	–	–	–
MV Substations		4 869	693	50 430	15 030	15 030	37 500	5 000	–
MV Switching Stations		–	–	–	–	–	–	–	–
MV Networks	28 893	8 688	8 699	7 378	9 878	9 878	16 000	7 000	9 314
LV Networks			–	–	–	–	–	–	–
Capital Spares			–	–	–	–	–	–	–
Water Supply Infrastructure	12 270	29 001	22 404	11 372	4 469	4 469	11 803	2 000	3 100
Dams and Weirs		–	–	–	–	–	–	–	–
Boreholes		4 356	3 808	6 692	3 789	3 789	4 803	2 000	3 100
Reservoirs	12 270	14 717	15 728	–	–	–	–	–	–
Pump Stations		–	–	4 000	–	–	7 000	–	–
Water Treatment Works			–	–	–	–	–	–	–
Bulk Mains		–	–	–	–	–	–	–	–
Distribution		9 928	2 868	680	680	680	–	–	–
Distribution Points			–	–	–	–	–	–	–
PRV Stations			–	–	–	–	–	–	–
Capital Spares			–	–	–	–	–	–	–
Sanitation Infrastructure	34 963	13 339	12 940	9 368	10 097	10 097	–	–	–
Pump Station		169	–	–	–	–	–	–	–
Reticulation	34 963	9 864	12 940	9 368	10 097	10 097	–	–	–
Waste Water Treatment Works		3 306	–	–	–	–	–	–	–
Outfall Sewers			–	–	–	–	–	–	–
Toilet Facilities			–	–	–	–	–	–	–
Capital Spares			–	–	–	–	–	–	–
Solid Waste Infrastructure	1 499	7 311	12 254	3 262	4 516	4 516	–	–	–
Landfill Sites		7 311	–	–	–	–	–	–	–
Waste Transfer Stations			–	2 020	2 020	2 020	–	–	–
Waste Processing Facilities			12 254	1 242	2 496	2 496	–	–	–
Waste Drop-off Points	1 499		–	–	–	–	–	–	–
Waste Separation Facilities			–	–	–	–	–	–	–
Electricity Generation Facilities			–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Community Assets	**30 804**	**4 531**	**25 999**	**22 833**	**13 485**	**13 485**	**4 774**	**–**	**–**
Community Facilities	30 804	2 084	10 999	15 352	6 403	6 403	4 374	–	–
Halls		–	4 759	110	5	5	–	–	–
Centres		–	–	–	–	–	–	–	–
Crèches	559	578	–	475	–	–	–	–	–
Clinics/Care Centres		–	–	–	–	–	–	–	–
Fire/Ambulance Stations		–	–	–	–	–	–	–	–
Testing Stations	4 809	44	–	1 052	1 052	1 052	–	–	–
Museums		–	–	–	–	–	–	–	–
Galleries		–	–	–	–	–	–	–	–
Theatres		–	–	–	–	–	–	–	–
Libraries	1 132	–	295	4 374	–	–	4 374	–	–
Cemeteries/Crematoria	381	207	1 232	–	–	–	–	–	–
Police		–	–	–	–	–	–	–	–
Parks		139	49	100	205	205	–	–	–
Public Open Space	23 923	1 073	3 902	3 517	3 517	3 517	–	–	–
Nature Reserves		–	–	4 100	–	–	–	–	–
Public Ablution Facilities		44	140	1 244	1 244	1 244	–	–	–
Markets			–	–	–	–	–	–	–
Stalls			278	–	–	–	–	–	–
Abattoirs			–	–	–	–	–	–	–
Airports			–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals			345	380	380	380	–	–	–
Capital Spares			–	–	–	–	–	–	–
Sport and Recreation Facilities	–	2 447	15 000	7 481	7 081	7 081	400	–	–
Indoor Facilities			–	–	–	–	–	–	–
Outdoor Facilities		2 447	15 000	7 481	7 081	7 081	400	–	–
Capital Spares			–	–	–	–	–	–	–
Other assets	**37 368**	**87 502**	**54 179**	**58 895**	**67 222**	**67 222**	**40 785**	**21 230**	**6 400**
Operational Buildings	3 092	1 749	4 581	6 636	5 457	5 457	1 000	–	–
Municipal Offices	3 092	1 749	4 581	6 636	5 457	5 457	1 000	–	–
Pay/Enquiry Points			–	–	–	–	–	–	–
Housing	34 276	85 753	49 598	52 259	61 765	61 765	39 785	21 230	6 400
Staff Housing	–	–	–	–	–	–	–	–	–
Social Housing	34 276	85 753	49 598	52 259	61 765	61 765	39 785	21 230	6 400
Capital Spares	–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets	–	–	–	–	226	226	–	–	–
Biological or Cultivated Assets	–	–	–	–	226	226	–	–	–
Computer Equipment	1 346	3 345	5 152	3 933	3 933	3 933	1 800	–	–
Computer Equipment	1 346	3 345	5 152	3 933	3 933	3 933	1 800	–	–
Furniture and Office Equipment	295	246	802	875	1 225	1 225	765	–	–
Furniture and Office Equipment	295	246	802	875	1 225	1 225	765	–	–
Machinery and Equipment	–	533	486	1 641	1 791	1 791	735	–	–
Machinery and Equipment		533	486	1 641	1 791	1 791	735	–	–
Transport Assets	6 936	15 884	21 189	5 000	7 161	7 161	–	–	–
Transport Assets	6 936	15 884	21 189	5 000	7 161	7 161	–	–	–
Land	–	–	–	–	–	–	–	–	–
Land	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–
Total Capital Expenditure on new assets	**173 682**	**188 804**	**199 520**	**191 795**	**155 115**	**155 115**	**125 175**	**48 730**	**24 814**

Table 55 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	–	3 606	15 499	33 945	31 515	31 515	20 730	18 650	29 500
Roads Infrastructure	–	8	–	–	–	–	–	–	–
Roads		8	–	–	–	–	–	–	–
Road Structures		–	–	–	–	–	–	–	–
Road Furniture	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Storm water Infrastructure	–	–	–	–	–	–	–	–	–
Drainage Collection	–	–	–	–	–	–	–	–	–
Storm water Conveyance	–	–	–	–	–	–	–	–	–
Attenuation	–	–	–	–	–	–	–	–	–
Electrical Infrastructure	–	–	915	1 000	1 000	1 000	1 058	1 500	2 000
Power Plants	–	–	–	–	–	–	–	–	–
HV Substations	–	–	–	–	–	–	–	–	–
HV Switching Station	–	–	–	–	–	–	–	–	–
HV Transmission Conductors	–	–	–	–	–	–	–	–	–
MV Substations	–	–	–	–	–	–	–	–	–
MV Switching Stations	–	–	915	1 000	1 000	1 000	1 058	1 500	2 000
MV Networks	–	–	–	–	–	–	–	–	–
LV Networks	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Water Supply Infrastructure	–	887	11 297	32 295	29 865	29 865	19 172	16 450	20 300
Dams and Weirs			–	–	–	–	–	–	–
Boreholes			–	–	–	–	–	–	–
Reservoirs			–	–	–	–	–	–	–
Pump Stations			1 327	400	1 812	1 812	500	500	500
Water Treatment Works			–	–	–	–	–	–	–
Bulk Mains			–	–	–	–	–	–	–
Distribution		887	9 970	31 895	28 053	28 053	18 672	15 950	19 800
Distribution Points			–	–	–	–	–	–	–
PRV Stations			–	–	–	–	–	–	–
Capital Spares			–	–	–	–	–	–	–
Sanitation Infrastructure	–	2 711	3 287	650	650	650	500	700	700
Pump Station		2 711	–	650	650	650	500	700	700
Reticulation			–	–	–	–	–	–	–
Waste Water Treatment Works			–	–	–	–	–	–	–
Outfall Sewers			3 287	–	–	–	–	–	–
Toilet Facilities			–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure	–	–	–	–	–	–	–	–	6 500
Landfill Sites	–	–	–	–	–	–	–	–	6 500
Waste Transfer Stations	–	–	–	–	–	–	–	–	–
Waste Processing Facilities	–	–	–	–	–	–	–	–	–
Waste Drop-off Points	–	–	–	–	–	–	–	–	–
Waste Separation Facilities	–	–	–	–	–	–	–	–	–
Electricity Generation Facilities	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Rail Lines	–	–	–	–	–	–	–	–	–
Rail Structures	–	–	–	–	–	–	–	–	–
Rail Furniture	–	–	–	–	–	–	–	–	–
Drainage Collection	–	–	–	–	–	–	–	–	–
Storm water Conveyance	–	–	–	–	–	–	–	–	–
Attenuation	–	–	–	–	–	–	–	–	–
MV Substations	–	–	–	–	–	–	–	–	–
LV Networks	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Sand Pumps	–	–	–	–	–	–	–	–	–
Piers	–	–	–	–	–	–	–	–	–
Revetments	–	–	–	–	–	–	–	–	–
Promenades	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Data Centres	–	–	–	–	–	–	–	–	–
Core Layers	–	–	–	–	–	–	–	–	–
Distribution Layers	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Community Assets	–	–	–	–	–	–	–	–	–
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
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	–	–	–	–	–	–	–	–	–
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	–	–	–	–	–	–	–	–	–
Total Capital Expenditure on renewal of existing assets	–	3 606	15 499	33 945	31 515	31 515	20 730	18 650	29 500

Table 56 MBRR SA34c - Repairs and maintenance expenditure by asset class

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	**145 959**	**134 766**	**140 742**	**149 272**	**148 682**	**148 682**	**161 272**	**171 935**	**182 936**
Roads Infrastructure	61 860	65 691	67 439	67 503	67 115	67 115	72 281	79 183	83 626
Roads	61 860	61 812	64 190	67 503	67 115	67 115	72 281	79 183	83 626
Road Structures		3 879	3 249	–	–	–	–	–	–
Storm water Infrastructure	5 765	4 749	5 584	7 712	7 712	7 712	7 292	7 686	8 103
Drainage Collection	5 765	2 558	2 515	–	–	–	–	–	–
Storm water Conveyance		2 192	3 069	7 712	7 712	7 712	7 292	7 686	8 103
Attenuation	–	–	–	–	–	–	–	–	–
Electrical Infrastructure	23 082	36 812	31 045	33 421	33 479	33 479	39 233	40 356	43 933
Power Plants		383	436	–	–	–	–	–	–
HV Transmission Conductors		–	25	–	–	–	–	–	–
MV Networks	23 082	33 018	28 149	–	–	–	–	–	–
LV Networks		3 411	2 435	33 421	33 479	33 479	39 233	40 356	43 933
Capital Spares	–	–	–	–	–	–	–	–	–
Water Supply Infrastructure	17 367	16 161	21 046	21 537	21 537	21 537	22 144	23 489	24 843
Water Treatment Works		–	–	577	577	577	297	316	336
Bulk Mains		–	–	–	–	–	–	–	–
Distribution	17 367	16 161	21 046	18 350	18 428	18 428	19 085	20 257	21 427
Distribution Points			–	2 610	2 531	2 531	2 761	2 916	3 080
PRV Stations	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Sanitation Infrastructure	14 967	10 072	12 980	12 162	12 331	12 331	13 002	13 535	14 307
Pump Station		–	–	–	–	–	–	–	–
Reticulation		800	–	6 946	6 946	6 946	7 344	7 797	8 284
Waste Water Treatment Works	14 967	9 134	12 980	5 216	5 386	5 386	5 658	5 737	6 023
Outfall Sewers		138	–	–	–	–	–	–	–
Solid Waste Infrastructure	22 918	1 168	2 535	6 936	6 506	6 506	7 320	7 686	8 123
Landfill Sites		36	61	–	–	–	–	–	–
Waste Transfer Stations	22 918	11	1 186	–	–	–	–	–	–
Waste Processing Facilities		152	272	2 332	2 048	2 048	2 397	2 465	2 588
Waste Drop-off Points		929	1 009	4 604	4 458	4 458	4 924	5 221	5 535
Waste Separation Facilities		39	7	–	–	–	–	–	–
Coastal Infrastructure	–	113	110	–	–	–	–	–	–
Promenades		113	110	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	1	–	–	–	–	–	–
Data Centres	–	–	1	–	–	–	–	–	–
Community Assets	**39 801**	**33 597**	**44 371**	**61 656**	**57 933**	**57 933**	**58 100**	**57 982**	**60 947**
Community Facilities	27 117	29 422	37 364	46 573	42 120	42 120	43 340	43 186	45 648
Halls	4 287	3 502	5 332	5 069	5 011	5 011	6 008	6 415	6 807
Centres		–	67	–	–	–	–	–	–
Fire/Ambulance Stations		344	440	–	–	–	–	–	–
Testing Stations		–	54	–	–	–	–	–	–
Libraries	28	93	121	–	–	–	–	–	–
Cemeteries/Crematoria	1 059	693	967	1 074	516	516	1 112	1 149	1 189
Police		209	358	–	–	–	–	–	–
Parks		20 368	25 542	31 644	32 020	32 020	31 581	30 681	32 429
Public Open Space	21 743	4 213	4 304	8 193	4 224	4 224	3 652	3 890	4 114
Nature Reserves		–	–	–	–	–	–	–	–
Public Ablution Facilities	–	–	178	594	348	348	988	1 050	1 108
Sport and Recreation Facilities	12 685	4 176	7 007	15 083	15 813	15 813	14 759	14 797	15 299
Indoor Facilities	–	–	–	–	–	–	–	–	–
Outdoor Facilities	12 685	4 176	7 007	15 083	15 813	15 813	14 759	14 797	15 299
Capital Spares	–	–	–	–	–	–	–	–	–
Other assets	**8 009**	**1 582**	**2 137**	**11 914**	**15 973**	**15 973**	**15 246**	**16 876**	**17 880**
Operational Buildings	8 009	1 582	2 136	11 914	15 973	15 973	15 246	16 876	17 880
Municipal Offices	8 009	1 539	2 086	11 876	15 935	15 935	15 208	16 838	17 842
Pay/Enquiry Points		–	–	–	–	–	–	–	–
Building Plan Offices		28	35	–	–	–	–	–	–
Stores		15	–	–	–	–	–	–	–
Depots			16	38	38	38	38	38	38
Capital Spares	–	–	–	–	–	–	–	–	–
Housing	–	–	1	–	–	–	–	–	–
Social Housing	–	–	1	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Intangible Assets	–	6 009	5 672	6 528	6 471	6 471	6 994	7 381	7 794
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	–	6 009	5 672	6 528	6 471	6 471	6 994	7 381	7 794
Computer Software and Applications		6 009	5 672	6 528	6 471	6 471	6 994	7 381	7 794
Computer Equipment	4 890	766	1 947	2 280	2 799	2 799	2 280	2 391	2 508
Computer Equipment	4 890	766	1 947	2 280	2 799	2 799	2 280	2 391	2 508
Furniture and Office Equipment	16 364	242	1 128	6 095	6 418	6 418	6 330	6 644	6 951
Furniture and Office Equipment	16 364	242	1 128	6 095	6 418	6 418	6 330	6 644	6 951
Machinery and Equipment	–	–	–	5 548	5 363	5 363	5 601	6 518	6 561
Machinery and Equipment	–	–	–	5 548	5 363	5 363	5 601	6 518	6 561
Transport Assets	–	11 555	14 904	10 940	13 990	13 990	11 779	12 444	13 149
Transport Assets		11 555	14 904	10 940	13 990	13 990	11 779	12 444	13 149
Total Repairs and Maintenance Expenditure	**215 024**	**188 517**	**210 901**	**254 233**	**257 628**	**257 628**	**267 602**	**282 171**	**298 725**

Table 57 MBRR SA34d – Depreciation by asset class

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Depreciation by Asset Class/Sub-class									
Infrastructure	**112 502**	**106 974**	**102 449**	**115 534**	**115 534**	**115 534**	**119 152**	**119 095**	**123 308**
Roads Infrastructure	33 523	33 574	34 090	37 546	37 546	37 546	37 723	38 311	36 395
Roads	32 825	33 574	34 090	37 546	37 546	37 546	37 723	38 311	36 395
Road Structures	–	–	–	–	–	–	–	–	–
Road Furniture	–	–	–	–	–	–	–	–	–
Capital Spares	698	–	–	–	–	–	–	–	–
Storm water Infrastructure	5 827	6 342	6 781	7 720	7 720	7 720	7 993	8 008	7 207
Drainage Collection	–	6 342	6 781	7 720	7 720	7 720	7 993	8 008	7 207
Storm water Conveyance	5 827	–	–	–	–	–	–	–	–
Attenuation	–	–	–	–	–	–	–	–	–
Electrical Infrastructure	24 965	26 300	12 375	26 902	26 902	26 902	29 061	28 884	30 421
LV Networks	24 965	25 917	11 939	26 902	26 902	26 902	29 061	28 884	30 421
Capital Spares	–	383	436	–	–	–	–	–	–
Water Supply Infrastructure	27 676	27 731	28 367	29 397	29 397	29 397	23 565	23 080	28 850
Dams and Weirs	–	–	–	–	–	–	–	–	–
Boreholes	–	–	–	–	–	–	–	–	–
Reservoirs	–	–	–	–	–	–	–	–	–
Pump Stations	–	–	–	–	–	–	–	–	–
Water Treatment Works	–	–	–	–	–	–	–	–	–
Bulk Mains	–	–	–	–	–	–	–	–	–
Distribution	27 444	27 731	28 367	29 397	29 397	29 397	23 565	23 080	28 850
Distribution Points	–	–	–	–	–	–	–	–	–
PRV Stations	–	–	–	–	–	–	–	–	–
Capital Spares	232	–	–	–	–	–	–	–	–
Sanitation Infrastructure	16 668	9 843	17 989	10 737	10 737	10 737	17 550	17 550	17 335
Pump Station	–	–	–	–	–	–	–	–	–
Reticulation	16 390	–	–	–	–	–	–	–	–
Waste Water Treatment Works	–	9 784	17 989	10 737	10 737	10 737	17 550	17 550	17 335
Outfall Sewers	–	–	–	–	–	–	–	–	–
Toilet Facilities	–	–	–	–	–	–	–	–	–
Capital Spares	278	59	–	–	–	–	–	–	–
Solid Waste Infrastructure	3 843	3 184	2 846	3 231	3 231	3 231	3 260	3 262	3 099
Landfill Sites	481	3 184	2 846	3 231	3 231	3 231	3 260	3 262	3 099
Waste Transfer Stations	–	–	–	–	–	–	–	–	–
Waste Processing Facilities	3 361	–	–	–	–	–	–	–	–
Community Assets	**–**	**–**	**10 055**	**–**	**–**	**–**	**–**	**–**	**–**
Community Facilities	–	–	10 055	–	–	–	–	–	–
Halls	–	–	–	–	–	–	–	–	–
Centres	–	–	10 055	–	–	–	–	–	–
Other assets	**11 982**	**11 636**	**1 993**	**14 720**	**14 720**	**14 720**	**14 913**	**14 928**	**15 077**
Operational Buildings	11 982	11 636	1 993	14 720	14 720	14 720	14 913	14 928	15 077
Municipal Offices	11 982	11 636	1 993	14 720	14 720	14 720	14 913	14 928	15 077
Biological or Cultivated Assets	–	–	–	–	–	–	68	68	68
Biological or Cultivated Assets	–	–	–	–	–	–	68	68	68
Intangible Assets	525	447	431	390	390	390	400	420	451
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	525	447	431	390	390	390	400	420	451
Water Rights	–	–	–	–	–	–	–	–	–
Effluent Licenses	–	–	–	–	–	–	–	–	–
Solid Waste Licenses	–	–	–	–	–	–	–	–	–
Computer Software and Applications	525	447	431	390	390	390	400	420	451
Load Settlement Software Applications	–	–	–	–	–	–	–	–	–
Unspecified	–	–	–	–	–	–	–	–	–
Computer Equipment	–	–	–	–	–	–	–	–	–
Computer Equipment	–	–	–	–	–	–	–	–	–
Furniture and Office Equipment	1 826	8 921	2 060	10 233	10 233	10 233	3 535	3 229	3 102
Furniture and Office Equipment	1 826	8 921	2 060	10 233	10 233	10 233	3 535	3 229	3 102
Machinery and Equipment	764	2 678	19 074	1 077	1 077	1 077	1 617	1 486	1 454
Machinery and Equipment	764	2 678	19 074	1 077	1 077	1 077	1 617	1 486	1 454
Transport Assets	3 516	3 918	4 049	3 709	3 709	3 709	6 911	6 460	4 815
Transport Assets	3 516	3 918	4 049	3 709	3 709	3 709	6 911	6 460	4 815
Total Depreciation	**131 114**	**134 574**	**140 110**	**145 663**	**145 663**	**145 663**	**146 596**	**145 685**	**148 275**

Table 58 MBRR SA34e - Capital expenditure on the upgrading of existing assets by asset class

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class									
Infrastructure	–	11 051	31 980	46 913	48 906	48 906	66 569	24 350	31 400
Roads Infrastructure	–	–	181	–	–	–	–	–	–
Roads	–	–	181	–	–	–	–	–	–
Road Structures	–	–	–	–	–	–	–	–	–
Road Furniture	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Storm water Infrastructure	–	1 285	12 258	–	–	–	–	–	–
Drainage Collection	–	–	–	–	–	–	–	–	–
Storm water Conveyance	–	1 285	12 258	–	–	–	–	–	–
Attenuation	–	–	–	–	–	–	–	–	–
Electrical Infrastructure	–	7 871	120	7 173	7 173	7 173	10 831	8 500	13 000
Power Plants	–	–	–	–	–	–	–	–	–
HV Substations	–	–	–	–	–	–	–	–	–
HV Switching Station	–	–	–	–	–	–	–	–	–
HV Transmission Conductors	–	–	–	–	–	–	–	–	–
MV Substations	–	–	–	–	–	–	–	–	–
MV Switching Stations	–	–	–	–	–	–	–	–	–
MV Networks	–	7 871	120	7 173	7 173	7 173	10 831	8 500	13 000
LV Networks	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Water Supply Infrastructure	–	1 863	1 873	8 315	3 000	3 000	8 315	550	–
Dams and Weirs	–	–	–	–	–	–	–	–	–
Boreholes	–	–	–	–	–	–	–	–	–
Reservoirs	–	–	–	–	–	–	–	–	–
Pump Stations	–	–	–	–	–	–	1 000	–	–
Water Treatment Works	–	–	–	–	–	–	–	–	–
Bulk Mains	–	–	–	–	–	–	–	–	–
Distribution	–	1 863	1 873	8 315	3 000	3 000	7 315	550	–
Distribution Points	–	–	–	–	–	–	–	–	–
PRV Stations	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Sanitation Infrastructure	–	32	14 286	30 873	38 643	38 643	45 439	15 300	18 400
Pump Station	–	–	5 074	16 059	16 059	16 059	23 639	4 400	10 000
Reticulation	–	32	8 802	7 283	15 054	15 054	500	800	600
Waste Water Treatment Works	–	–	410	7 530	7 530	7 530	21 300	10 100	7 800
Outfall Sewers	–	–	–	–	–	–	–	–	–
Toilet Facilities	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure	–	–	3 262	553	90	90	1 984	–	–
Landfill Sites	–	–	1 851	463	–	–	–	–	–
Waste Transfer Stations	–	–	1 412	–	–	–	–	–	–
Waste Processing Facilities	–	–	–	–	–	–	–	–	–
Waste Drop-off Points	–	–	–	90	90	90	1 984	–	–
Waste Separation Facilities	–	–	–	–	–	–	–	–	–
Electricity Generation Facilities	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Community Assets	–	7 534	7 801	2 121	4 443	4 443	334	10 868	13 297
Community Facilities	–	–	830	100	100	100	334	–	–
Parks	–	–	322	–	–	–	–	–	–
Public Open Space	–	–	482	–	–	–	–	–	–
Nature Reserves	–	–	–	–	–	–	–	–	–
Public Ablution Facilities	–	–	–	100	100	100	–	–	–
Markets	–	–	–	–	–	–	–	–	–
Stalls	–	–	–	–	–	–	–	–	–
Abattoirs	–	–	–	–	–	–	–	–	–
Airports	–	–	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals	–	–	26	–	–	–	334	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities	–	7 534	6 971	2 021	4 343	4 343	–	10 868	13 297
Indoor Facilities	–	–	–	–	–	–	–	–	–
Outdoor Facilities	–	7 534	6 971	2 021	4 343	4 343	–	10 868	13 297
Capital Spares	–	–	–	–	–	–	–	–	–
Total Capital Expenditure on upgrading of existing assets	–	18 646	39 781	49 034	53 349	53 349	66 903	35 218	44 697

Table 59 MBRR SA35 - Future financial implications of the capital budget

Vote Description	2022/23 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Present value
Capital expenditure							
Vote 1 - Council & Mayor's Office	–	–	–				
Vote 2 - Municipal Manager & Internal Audit	–	–	–				
Vote 3 - Management Services	1 815	–	–				
Vote 4 - Finance	60	–	–				
Vote 5 - Infrastructure & Planning	204 145	102 598	99 011	78 600	62 700		
Vote 6 - Protection Services	1 300	–	–				
Vote 7 - Economic and Social Development & Tourism	45	–	–				
Vote 8 - Community Services	5 443	–	–				
Vote 9 - Costing Services	–	–	–				
Vote 10 - Main Ledger Services	–	–	–				
Total Capital Expenditure	**212 808**	**102 598**	**99 011**	**78 600**	**62 700**	**–**	**–**
Future operational costs by vote							
Vote 1 - Council & Mayor's Office	32 122	21 454	21 077				
Vote 2 - Municipal Manager & Internal Audit	898	896	893				
Vote 3 - Management Services	30 401	32 623	33 674				
Vote 4 - Finance	51 933	49 202	51 204				
Vote 5 - Infrastructure & Planning	473 727	597 758	643 287				
Vote 6 - Protection Services	33 327	34 869	35 362				
Vote 7 - Economic and Social Development & Tourism	3 704	3 588	3 690				
Vote 8 - Community Services	279 318	293 058	301 408				
Vote 9 - Costing Services	–	–	–				
Vote 10 - Main Ledger Services	–	–	–				
Total future operational costs	905 429	1 033 446	1 090 594	–	–	–	–
Future revenue by source							
Property rates	287 941	300 836	314 308				
Service charges - electricity revenue	560 796	616 798	678 418				
Service charges - water revenue	138 138	144 354	150 851				
Service charges - sanitation revenue	95 791	99 911	104 207				
Service charges - refuse revenue	78 850	83 502	88 427				
Service charges - other	–	–	–				
Rental of facilities and equipment	4 573	4 778	4 989				
Interest earned - external investments	24 871	25 991	27 161				
Interest earned - outstanding debtors	3 982	4 161	4 348				
Dividends received	–	–	–				
Fines, penalties and forfeits	20 344	22 188	23 174				
Licences and permits	2 636	2 750	2 869				
Agency services	7 858	8 211	8 580				
Transfers and subsidies	166 040	174 999	192 746				
Other revenue	137 139	93 814	57 920				
Gains	8 225	8 225	8 225				
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	72 398	31 368	32 611				
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	12 442	1 411	1 427				
Transfers and subsidies - capital (in-kind - all)	–	–	–				
List entity summary if applicable							
Total future revenue	1 622 023	1 623 295	1 700 261	–	–	–	–
Net Financial Implications	**(503 785)**	**(487 251)**	**(510 656)**	**78 600**	**62 700**	**–**	**–**

Table 60 MBRR SA36 - Detailed capital budget per municipal vote

R thousand												2022/23 Medium Term Revenue & Expenditure Framework		
Function	Project Description	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Lattitude	Audited Outcome 2020/21	Current Year 2021/22 Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
EXECUTIVE & COUNCIL											355	5			
	MINOR ASSETS COUNCIL	New	*A capable, ethical and developmental state*	*Governance*	1	*Furniture and Office Equipment*	*Other*	Overstrand	Overstrand	*Overstrand*			5		
FINANCE AND ADMINISTRATION											6 699	3 770			
	EMERGENCY AND OPERATIONAL DIGITAL RADIO SYSTEMS	New	*A capable, ethical and developmental state*	*Governance*	1	*Computer Equipment*	*Other*	Overstrand	Overstrand	*Overstrand*			700		
	MINOR ASSETS ICT ORGANIZATION WIDE	New	*A capable, ethical and developmental state*	*Governance*	1	*Computer Equipment*	*Other*	Overstrand	Overstrand	*Overstrand*			600		
	UPS REPLACEMENT	New	*A capable, ethical and developmental state*	*Governance*	1	*Computer Equipment*	*Other*	Overstrand	Overstrand	*Overstrand*			500		
	MINOR ASSETS FINANCE	New	*A capable, ethical and developmental state*	*Governance*	1	*Furniture and Office Equipment*	*Other*	Overstrand	Overstrand	*Overstrand*			60		
	MINOR ASSETS MANAGEMENT SERVICES	New	*A capable, ethical and developmental state*	*Governance*	1	*Furniture and Office Equipment*	*Other*	Overstrand	Overstrand	*Overstrand*			10		
PUBLIC SAFETY											8 425	9 605			
	GREATER HERMANUS TRAFFIC DEPT REMOVAL OF OBSOLETE (	New	*Social cohesion and safe communities*	*Governance*	4	*Operational Buildings*	*Municipal Offices*	Ward 03	34°23'52.81"S Degrees	19°15'56.13"E Degrees			1 000		
	MINOR ASSETS PROTECTION SERVICES	New	*Social cohesion and safe communities*	*Governance*	4	*Furniture and Office Equipment*	*Other*	Overstrand	Overstrand	*Overstrand*			300		
PLANNING & DEVELOPMENT											8 466	3 412			
	MINOR ASSETS LED	New	*A capable, ethical and developmental state*	*Inclusion and access*	5	*Furniture and Office Equipment*	*Other*	Overstrand	Overstrand	*Overstrand*			45		
	MINOR ASSETS INFRASTRUCTURE &PLANNING	New	*A capable, ethical and developmental state*	*Inclusion and access*	5	*Furniture and Office Equipment*	*Other*	Overstrand	Overstrand	*Overstrand*			345		
COMMUNITY SERVICES											15 778	5 617			
	MINOR ASSETS COMMUNITY SERVICES	New	*A capable, ethical and developmental state*	*Inclusion and access*	3	*Furniture and Office Equipment*	*Other*	Overstrand	Overstrand	*Overstrand*			735		
LIBRARIES											295				
	ZWELIHLE LIBRARY	New	*A capable, ethical and developmental state*	*Inclusion and access*	4	*Community Facilities*	*Libraries*	Ward 12	19.215 Degrees	*34.423 Degrees*			4 374		
SPORT & RECREATION											22 886	9 674			
	UPGRADE HAWSTON SPORT COMPLEX STADIUM	Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	4	*Sport and Recreation Facilities*	*Outdoor Facilities*	Ward 08	19.126 Degrees	*34.384 Degrees*				8 000	4 000
	UPGRADE MOUNT PLEASANT SPORT GROUNDS	Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	4	*Sport and Recreation Facilities*	*Outdoor Facilities*	Ward 04	19.219 Degrees	*34.419 Degrees*					6 000
	HERMANUS SPORT FACILITY IMPROVEMENT	New	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	4	*Sport and Recreation Facilities*	*Outdoor Facilities*	Ward 03	34°24' Degrees	*31.973 Degrees*			400		
	FLOODLIGHTS OVERHILLS SOCCERFIELD	New	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	4	*Sport and Recreation Facilities*	*Outdoor Facilities*	Ward 10	34°20'07.1"S Degrees	*18°59'47.1"E Degrees*				2 868	1 297
	UPGRADE HAWSTON SWMMING POOL	Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	4	*Sport and Recreation Facilities*	*Outdoor Facilities*	Ward 08	34°23'09.91"S Degrees	*19°07'56.01"E Degrees*					2 000
HOUSING											49 598	63 865			
	LCH SERVICES CONSTRUCTION CONTRACTS	New	*Spatial integration, human settlements and local government*	*Spatial integration*	4	*Housing*	*Social Housing*	Overstrand	Overstrand	*Overstrand*			39 785	21 230	6 400
ROADS											20 734	10 799			
	STANFORD TAXI RANK UPGRADE ROOF FOR TRADING	Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	5	*Roads Infrastructure*	*Roads*	Ward 01	Degrees 19.448	*-34.451 Degrees*			334		
	MASAKHANE HOUSING PROJECT BUS ROUTE(PHASE 1)	New	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	5	*Roads Infrastructure*	*Roads*	Ward 02	19°21'39"E Degrees	*34°35'30"S Degrees*			11 013	5 000	
	MASAKHANE HOUSING PROJECT BUS ROUTE(PHASE 2)	New	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	5	*Roads Infrastructure*	*Roads*	Ward 02	19°21'39"E Degrees	*34°35'30"S Degrees*					6 000

Detailed capital budget per municipal vote (continued)

R thousand												2022/23 Medium Term Revenue & Expenditure Framework		
Function	Project Description	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Lattitude	Audited Outcome 2020/21	Current Year 2021/22 Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
ELECTRICITY											10 436	35 311			
	FKRAAL KBAAI BHEAD NEW 66 11KV SUBSTATION (F1/5)	Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Substations*	Multi-ward Gb Area	34°37'5.14"S Degrees	*19°20'3.08"E Degrees*			5 800	5 000	
	FKRAAL KBAAI BHEAD NEW 66 11KV SUBSTATION (F2/5)	Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Substations*	Multi-ward Gb Area	34°37'5.14"S Degrees	*19°20'3.08"E Degrees*			9 169		
	FKRAAL KBAAI BHEAD NEW 66 11KV SUBSTATION (F3/5)	Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Substations*	Multi-ward Gb Area	34°37'5.14"S Degrees	*19°20'3.08"E Degrees*			1 731		
	FKRAAL KBAAI BHEAD NEW 66 11KV SUBSTATION (F4/5)	Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Substations*	Multi-ward Gb Area	34°37'5.14"S Degrees	*19°20'3.08"E Degrees*			6 500		
	FKRAAL KBAAI BHEAD NEW 66 11KV SUBSTATION (F5/5)	Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Substations*	Multi-ward Gb Area	34°37'5.14"S Degrees	*19°20'3.08"E Degrees*			14 300		
	ELECTRIFICATION OF LOW COST HOUSING AREAS (F1/2)	New	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	Overstrand	Overstrand	*Overstrand*			7 031	7 000	7 314
	ELECTRIFICATION OF LOW COST HOUSING AREAS (F2/2)	New	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	Overstrand	Overstrand	*Overstrand*			8 969		
	HERMANUS MV LV UPGRADE REPLACEMENT(F1/2)	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	Ward 03	34°25'16.83"S Degrees	*19°13'00.62"E Degrees*			3 000	4 500	8 000
	HERMANUS MV LV UPGRADE REPLACEMENT(F2/2)	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	Ward 03	34°25'16.83"S Degrees	*19°13'00.62"E Degrees*			3 000		
	KLEINMOND MV LV NETWORK UPGRADE(F1/2)	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	Ward 09	34°20'18.35"S Degrees	*19°01'35.31"E Degrees*			2 416		
	KLEINMOND MV LV NETWORK UPGRADE(F2/2)	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	Ward 09	34°20'18.35"S Degrees	*19°01'35.31"E Degrees*				2 000	2 500
	HAWSTON MV LV UPGRADE REPLACEMENT(F1/2)	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	Ward 08	34°23'09.91"S Degrees	*19°07'56.01"E Degrees*			2 415		
	HAWSTON MV LV UPGRADE REPLACEMENT(F1/2)	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	Ward 08	34°23'09.91"S Degrees	*19°07'56.01"E Degrees*				2 000	2 500
	GANSBAAI STANFORD MV LV UPGRADE REPLACEMENT	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	Multi-ward Gb Area	19.352 Degrees	*34.589 Degrees*					2 000
	ELECTRICITY TRANSFORMERS CAPITAL REPLACEMENT CONTIN	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	Overstrand	Overstrand	*Overstrand*			1 058	1 500	2 000
WATER											35 574	37 334			
	REFURBISHMENT OF BULK WATER INFRASTRUCTURE	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Distribution*	Overstrand	Overstrand	*Overstrand*			1 000	800	
	FENCING AT WATER INSTALLATIONS	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Reticulation*	Overstrand	Overstrand	*Overstrand*			700	550	
	REPLACEMENT OF OVERSTRAND WATER PIPES(F1/2)	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Reticulation*	Overstrand	Overstrand	*Overstrand*			13 642	3 000	10 000
	REPLACEMENT OF OVERSTRAND WATER PIPES(F2/2)	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Reticulation*	Overstrand	Overstrand	*Overstrand*			2 830		
	WATER FACILITIES CONTINGENCY	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Pump Stations*	Overstrand	Overstrand	*Overstrand*			500	500	500
	REFURBISHMENT OF KLEINMOND BUFFELS RIVER WTW	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Water Treatment Works*	Multi-ward Kleinmond Area	18.848° E Degrees	*34.349° S Degrees*				11 000	9 000
	ACCESS ROADS TO KLEINMOND BUFFELS RIVER WTW UPGRADE	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Water Treatment Works*	Multi-ward Kleinmond Area	19.019° E Degrees	*34.329° S Degrees*			1 000		
	UPGRADE HERMANUS WELL FIELDS PHASE 2(F1/2)	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Distribution*	Multi-ward Hermanus Area	19.237° E Degrees	*34.376° S Degrees*			2 600	2 000	3 100
	UPGRADE HERMANUS WELL FIELDS PHASE 2(F2/2)	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Distribution*	Multi-ward Hermanus Area	19.237° E Degrees	*34.376° S Degrees*			2 203		
	UPGRADE WATER LINES & NEW BOOSTER PUMPSTATION VALVE	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Pump Stations*	Ward 02	19°21'39"E Degrees	*34°35'30"S Degrees*			7 000		
	UPGRADE BULK WATER	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Distribution*	Ward 01	34.446248 Degrees	*19.448291 Degrees*			5 615		
	REFURBISH KRAAIBOSCH PUMP STATION PANEL	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Pump Stations*	Multi-ward Gb Area	34°37'5.14"S Degrees	*19°20'3.08"E Degrees*			1 000		
	DE KELDERS WTW MEMBRANE REPLACEMENT	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Water Treatment Works*	Ward 02	19.370° E / -34.556° S	*19.370° E / -34.556° S*			800		800
	PEARLY BEACH WATER TOWER REFURBISH	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Distribution*	Ward 11	34°18'25.2"S Degrees	*34°18'25.2"S Degrees*				750	
	FRANSKRAAL WTW FILTERS REFURBISH	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Water Treatment Works*	Multi-ward Gb Area	19.395° E / -34.592° S	*19.395° E / -34.592° S*			400		
	PREEKSTOEL BIO PLANT FILTERS REFURBISH	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Reticulation*	Multi-ward Hermanus	34°23'52.81"S Degrees	*34°23'52.81"S Degrees*				400	

Detailed capital budget per municipal vote (continued)

R thousand Function	Project Description	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Lattitude	Audited Outcome 2020/21	Current Year 2021/22 Full Year Forecast	2022/23 Medium Term Revenue & Expenditure Framework Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
SEWERAGE											30 513	49 390			
	SEWERAGE FACILITIES CONTINGENCY	Renewal	Consolidating the social wage through reliable and quality basic services	Inclusion and access	2	Sanitation Infrastructure	Pump Station	Overstrand	Overstrand	Overstrand			500	700	700
	KLEINMOND WWTW REFURBISH UPGRADE (F1/2)	Upgrading	Consolidating the social wage through reliable and quality basic services	Inclusion and access	2	Sanitation Infrastructure	ste Water Treatment Wo	Multi-ward Kleinmond Area	18.986° E Degrees	34.342° S Degrees			9 300	8 900	
	KLEINMOND WWTW REFURBISH UPGRADE (F2/2)	Upgrading	Consolidating the social wage through reliable and quality basic services	Inclusion and access	2	Sanitation Infrastructure	ste Water Treatment Wo	Multi-ward Kleinmond Area	18.986° E Degrees	34.342° S Degrees			10 900		
	FENCING AT SEWERAGE INSTALLATIONS	Upgrading	Consolidating the social wage through reliable and quality basic services	Inclusion and access	2	Sanitation Infrastructure	Reticulation	Overstrand	Overstrand	Overstrand			500	800	600
	UPGRADING OF PUMPSTATIONS & RISING MAINS (F1/2)	Replacement	Consolidating the social wage through reliable and quality basic services	Inclusion and access	2	Sanitation Infrastructure	Pump Station	Overstrand	19.210° E Degrees	34.425° S Degrees			7 100	4 400	10 000
	UPGRADING OF PUMPSTATIONS & RISING MAINS (F2/2)	Replacement	Consolidating the social wage through reliable and quality basic services	Inclusion and access	2	Sanitation Infrastructure	Pump Station	Overstrand	19.210° E Degrees	34.425° S Degrees			16 539		
	HERMANUS WWTW UPGRADE SCREENS RAS SLUDGE DEWATER	Upgrading	Consolidating the social wage through reliable and quality basic services	Inclusion and access	2	Sanitation Infrastructure	ste Water Treatment Wo	Multi-ward Hermanus Area	19.209° E Degrees	34.427° S Degrees			1 100	1 200	
	HAWSTON WWTW REFURBISH AND UPGRADE	Upgrading	Consolidating the social wage through reliable and quality basic services	Inclusion and access	2	Sanitation Infrastructure	ste Water Treatment Wo	Ward 08	34°2309.91"S Degrees	19°07'56.01"E Degrees					6 000
	REROUTE HERMANUS WWTW TREATED EFFLUENT IRRIGATION	Upgrading	Consolidating the social wage through reliable and quality basic services	Inclusion and access	2	Sanitation Infrastructure	ste Water Treatment Wo	Multi-ward Hermanus Area	34°20'31" S Degrees	19°01'17"EDegrees					1 800
STORMWATER											26 677	6 590			
	MASAKHANE HOUSING PROJECT BULK STORMWATER (PHASE 2)	New	Consolidating the social wage through reliable and quality basic services	Inclusion and access	2	Storm water Infrastructure	Storm water Conveyance	Ward 02	19,360 -34,596 degrees	19,360 -34,596 degrees				4 500	
	UPGRADE STORMWATER INFRASTRUCTURE- PROTEADORP, MO	New	Consolidating the social wage through reliable and quality basic services	Inclusion and access	2	Storm water Infrastructure	Storm water Conveyance	Ward 09	34°20'31" S 19°01'17"E	34°20'31" S 19°01'17"E				4 000	
WASTE MANAGEMENT											18 365	4 606			
	UPGRADE STANFORD DROP OFF(F1/2)	Upgrading	Consolidating the social wage through reliable and quality basic services	Inclusion and access	2	Solid Waste Infrastructure	Waste Drop-off Points	Ward 01	-34.447276	19.456148			1 742		
	UPGRADE STANFORD DROP OFF(F2/2)	Upgrading	Consolidating the social wage through reliable and quality basic services	Inclusion and access	2	Solid Waste Infrastructure	Waste Drop-off Points	Ward 01	-34.447276	19.456148			241		
	TROMMEL SCREEN FOR GANSBAAI LANDFILL	New	Consolidating the social wage through reliable and quality basic services	Inclusion and access	2	Solid Waste Infrastructure	Landfill Sites	Multi-ward Gb Area	19.395° E / -34.592° S	19.395° E / -34.592° S					6 500
Total Capital expenditure											254 800	239 979	212 808	102 598	99 011

Table 61 MBRR SA37 - Projects delayed from previous financial year

R thousand											Previous target year to complete	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
Function	Project name	Type	MTSF Service Outcome	IUDF	Own Strategic	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude		Original Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
PUBLIC SAFETY																
	GREATER HERMANUS TRAFFIC DEPT REMOVAL OF OBSOLETE OLD ROOFING AND CE	New	Social cohesion and safe communities	Governance	4	Operational Buildings	Municipal Offices	Ward 03	34°23'52.81"S Degrees	19°15'56.13"E Degrees		1 000		1 000		
LIBRARIES																
	ZWELIHLE LIBRARY	New	A capable, ethical and developmental state	Inclusion and access	4	Community Facilities	Libraries	Ward 12	19.215 Degrees	34.423 Degrees		4 374		4 374		
SPORT & RECREATION																
	HERMANUS SPORT FACILITY IMPROVEMENT	New	Consolidating the social wage through reliable and quality basic services	Inclusion and access	4	Sport and Recreation Facilities	Outdoor Facilities	Ward 03	34°24' Degrees	31.973 Degrees		1 900	1 500	400		
ELECTRICITY																
	FKRAAL KBAAI BHEAD NEW 66 11KV SUBSTATION (F1/5)	Upgrading	Consolidating the social wage through reliable and quality basic services	Inclusion and access	2	Electrical Infrastructure	MV Substations	Multi-ward Gb Area	34°37'5.14"S Degrees	19°20'3.08"E Degrees		17 000		9 169	5 000	
	FKRAAL KBAAI BHEAD NEW 66 11KV SUBSTATION (F2/5)	Upgrading	Consolidating the social wage through reliable and quality basic services	Inclusion and access	2	Electrical Infrastructure	MV Substations	Multi-ward Gb Area	34°37'5.14"S Degrees	19°20'3.08"E Degrees		12 442		1 731		
	FKRAAL KBAAI BHEAD NEW 66 11KV SUBSTATION (F3/5)	Upgrading	Consolidating the social wage through reliable and quality basic services	Inclusion and access	2	Electrical Infrastructure	MV Substations	Multi-ward Gb Area	34°37'5.14"S Degrees	19°20'3.08"E Degrees		6 500		6 500		
	HERMANUS MV LV UPGRADE REPLACEMENT(F2/2)	Renewal	Consolidating the social wage through reliable and quality basic services	Inclusion and access	2	Electrical Infrastructure	MV Networks	Ward 03	34°25'16.83"S Degrees	19°13'00.62"E Degrees				3 000		
	KLEINMOND MV LV NETWORK UPGRADE(F2/2)	Renewal	Consolidating the social wage through reliable and quality basic services	Inclusion and access	2	Electrical Infrastructure	MV Networks	Ward 09	34°20'18.35"S Degrees	19°01'35.31"E Degrees				2 416		
	HAWSTON MV LV UPGRADE REPLACEMENT(F1/2)	Renewal	Consolidating the social wage through reliable and quality basic services	Inclusion and access	2	Electrical Infrastructure	MV Networks	Ward 08	34°23'09.91"S Degrees	19°07'56.01"E Degrees				2 415		
	ELECTRIFICATION OF LOW COST HOUSING AREAS (F2/2)	New	Consolidating the social wage through reliable and quality basic services	Inclusion and access	2	Electrical Infrastructure	MV Networks	Overstrand	Overstrand	Overstrand				8 969		
WATER																
	REPLACEMENT OF OVERSTRAND WATER PIPES(F2/2)	Renewal	Consolidating the social wage through reliable and quality basic services	Inclusion and access	2	Water Supply Infrastructure	Reticulation	Overstrand	Overstrand	Overstrand		10 000	2 830	7 170		
	UPGRADE HERMANUS WELL FIELDS PHASE 2(F2/2)	Renewal	Consolidating the social wage through reliable and quality basic services	Inclusion and access	2	Water Supply Infrastructure	Distribution	Multi-ward Hermanus Area	19.237° E Degrees	34.376° S Degrees		6 692	3 789	2 203		
WASTE MANAGEMENT																
	UPGRADE STANFORD DROP OFF(F1/2)	Upgrading	Consolidating the social wage through reliable and quality basic services	Inclusion and access	2	Solid Waste Infrastructure	Waste Drop-off Points	Ward 01	-34.447276 Degrees	19.456148 Degrees				1 742		

2.13 Legislation compliance status

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

1. In year reporting
   Reporting to National Treasury in electronic format is being fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) is being fully complied with and includes monthly published financial performance on the Municipality's website.

2. Internship programme
   The Municipality is participating in the Municipal Financial Management Internship programme and currently has five interns in the programme.

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
   A SDBIP document will be tabled in council as part of the IDP.

6. Annual Report
   Annual report is compiled in terms of the MFMA and National Treasury requirements.

7. MFMA Training
   In excess of 120 municipal officials of Overstrand Municipality have completed the MFMA training.

8. Policies
   All budget related policies have been reviewed, be tabled in Council on 30 March 2022.

2.14 Other supporting documents

Table 62 MBRR Table SA1 - Supporting detail to budgeted financial performance

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
REVENUE ITEMS:									
Property rates									
Total Property Rates	284 076	240 910	261 222	275 637	275 637	275 637	287 941	300 836	314 308
less Revenue Foregone ***(exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)***	50 983		–	–	–	–	–	–	–
Net Property Rates	**233 093**	**240 910**	**261 222**	**275 637**	**275 637**	**275 637**	**287 941**	**300 836**	**314 308**
Service charges - electricity revenue									
Total Service charges - electricity revenue	383 505	421 376	448 305	505 740	505 740	505 740	569 279	625 789	687 949
less Revenue Foregone ***(in excess of 50 kwh per indigent household per month)***	–	–	–	–	–	–	–	–	–
less Cost of Free Basic Services (50 kwh per indigent household per month)	4 812	5 416	5 513	6 423	6 423	6 423	8 482	8 991	9 531
Net Service charges - electricity revenue	**378 693**	**415 960**	**442 792**	**499 317**	**499 317**	**499 317**	**560 796**	**616 798**	**678 418**
Service charges - water revenue									
Total Service charges - water revenue	132 615	136 100	134 178	135 408	135 408	135 408	142 207	148 667	155 423
less Revenue Foregone ***(in excess of 6 kilolitres per indigent household per month)***			–	–	–	–	–	–	–
less Cost of Free Basic Services (6 kilolitres per indigent household per month)	2 758	3 062	3 065	3 239	3 239	3 239	4 069	4 313	4 572
Net Service charges - water revenue	**129 858**	**133 037**	**131 113**	**132 168**	**132 168**	**132 168**	**138 138**	**144 354**	**150 851**
Service charges - sanitation revenue									
Total Service charges - sanitation revenue	82 703	86 170	92 346	93 185	93 185	93 185	102 738	107 275	112 012
less Revenue Foregone ***(in excess of free sanitation service to indigent households)***				–	–	–	–	–	–
less Cost of Free Basic Services (free sanitation service to indigent households)	4 984	5 244	5 253	5 553	5 553	5 553	6 947	7 363	7 805
Net Service charges - sanitation revenue	**77 719**	**80 925**	**87 094**	**87 631**	**87 631**	**87 631**	**95 791**	**99 911**	**104 207**
Service charges - refuse revenue									
Total refuse removal revenue	76 811	85 161	89 128	92 642	92 642	92 642	102 313	108 373	114 791
Total landfill revenue	–	–	–	–	–	–	–	–	–
less Revenue Foregone ***(in excess of one removal a week to indigent households)***	–	–	–	–	–	–	–	–	–
less Cost of Free Basic Services (removed once a week to indigent households)	15 048	16 906	16 929	17 901	17 901	17 901	23 464	24 872	26 364
Net Service charges - refuse revenue	**61 763**	**68 256**	**72 198**	**74 741**	**74 741**	**74 741**	**78 850**	**83 502**	**88 427**
Other Revenue by source									
Fuel Levy			–	–	–	–	–	–	–
Other Revenue									
Discontinued Operations			–	–	–	–	–	–	–
Rent on Land			966	1 106	1 106	1 106	1 229	1 284	1 341
Operational Revenue			9 019	6 039	6 039	6 039	7 419	7 638	7 867
Intercompany/Parent-subsidiary Transactions			–	–	–	–	–	–	–
Surcharges and Taxes			–	–	–	–	–	–	–
Sales of Goods and Rendering of Services	83 673	139 226	86 171	119 765	131 390	131 390	128 491	84 891	48 712
Fuel Levy	–	–	–	–	–	–	–	–	–
Total 'Other' Revenue	**83 673**	**139 226**	**96 156**	**126 909**	**138 535**	**138 535**	**137 139**	**93 814**	**57 920**

Supporting detail to budgeted financial performance (Continued)

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
EXPENDITURE ITEMS:									
Employee related costs									
Basic Salaries and Wages	368 000	382 572	290 839	290 769	298 752	298 752	319 567	335 697	355 617
Pension and UIF Contributions			42 603	48 870	49 249	49 249	52 853	56 007	59 363
Medical Aid Contributions			13 951	17 876	17 905	17 905	17 116	18 143	19 271
Overtime			341	317	317	317	326	347	368
Performance Bonus			19 229	22 518	22 047	22 047	23 967	25 459	27 045
Motor Vehicle Allowance			8 115	8 255	8 515	8 515	8 321	8 324	8 327
Cellphone Allowance			2 150	2 465	2 498	2 498	2 364	2 364	2 364
Housing Allowances			2 741	2 674	2 701	2 701	1 829	1 829	1 910
Other benefits and allowances			52 802	55 621	56 263	56 263	58 905	62 185	65 966
Payments in lieu of leave			–	–	–	–	–	–	–
Long service awards			3 047	3 230	3 658	3 658	3 945	3 310	3 739
Post-retirement benefit obligations			2 057	11 208	16 272	16 272	17 946	8 956	7 764
sub-total	368 000	382 572	437 874	463 804	478 179	478 179	507 139	522 622	551 734
Less: Employees costs capitalised to PPE	–	–	–	–	–	–	–	–	–
Total Employee related costs	368 000	382 572	437 874	463 804	478 179	478 179	507 139	522 622	551 734
Contributions recognised - capital									
List contributions by contract			8 465	14 243	3 597	3 597	12 442		
Total Contributions recognised - capital	–	–	8 465	14 243	3 597	3 597	12 442	–	–
Depreciation & asset impairment									
Depreciation of Property, Plant & Equipment	131 114	132 740	136 560	145 272	145 272	145 272	146 196	145 265	147 824
Lease amortisation				390	390	390	400	420	451
Capital asset impairment		1 835	3 550	–	–	–	–	–	–
Depreciation resulting from revaluation of PPE	–	–	–	–	–	–	–	–	–
Total Depreciation & asset impairment	131 114	134 574	140 110	145 663	145 663	145 663	146 596	145 685	148 275
Bulk purchases									
Electricity Bulk Purchases	242 614	278 548	298 272	353 707	353 707	353 707	393 853	438 555	488 331
Water Bulk Purchases	–	–	–	–	–	–	–	–	–
Total bulk purchases	242 614	278 548	298 272	353 707	353 707	353 707	393 853	438 555	488 331
Transfers and grants									
Cash transfers and grants	486	560	8 710	12 324	12 774	12 774	12 557	13 060	13 582
Non-cash transfers and grants	–	–	–	–	–	–	–	–	–
Total transfers and grants	486	560	8 710	12 324	12 774	12 774	12 557	13 060	13 582
Contracted services									
Outsourced Services			87 046	107 372	108 118	108 118	116 194	120 861	127 817
Consultants and Professional Services			26 274	38 471	41 995	41 995	45 926	43 278	45 209
Contractors	186 336	178 363	94 775	101 496	104 394	104 394	104 665	111 926	117 047
sub-total	186 336	178 363	208 095	247 340	254 506	254 506	266 785	276 065	290 073
Allocations to organs of state:									
Electricity	–	–	–	–	–	–	–	–	–
Water	–	–	–	–	–	–	–	–	–
Sanitation	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
Total contracted services	186 336	178 363	208 095	247 340	254 506	254 506	266 785	276 065	290 073

Supporting detail to budgeted financial performance (Continued)

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Other Expenditure By Type									
Collection costs				6 642	6 642	6 642	7 041	7 463	7 911
Contributions to 'other' provisions				10 200	16 936	16 936	12 515	8 330	8 276
Audit fees				5 561	5 561	5 561	5 561	5 561	5 561
General expenses	71 333	91 133	110 254						
Operating Leases		105	113	1 611	1 084	1 084	296	308	321
Operational Cost				117 606	120 969	120 969	138 750	115 575	99 338
Statutory Payments other than Income Taxes			–	–	–	–	–	–	–
Discontinued Operations	–	–	–	–	–	–	–	–	–
Total 'Other' Expenditure	**71 333**	**91 238**	**110 367**	**141 620**	**151 193**	**151 193**	**164 163**	**137 237**	**121 406**
by Expenditure Item									
Employee related costs	89 415	96 484	101 119	126 792	122 805	122 805	125 237	132 851	141 069
Other materials	17 594	18 615	19 462	20 700	21 496	21 496	25 392	26 801	29 219
Contracted Services	85 762	58 168	80 996	95 771	102 535	102 535	104 388	109 469	114 854
Other Expenditure	22 253	15 250	9 324	10 971	10 793	10 793	12 586	13 050	13 583
Total Repairs and Maintenance Expenditure	215 024	188 517	210 901	254 233	257 628	257 628	267 602	282 171	298 725
Inventory Consumed									
Inventory Consumed - Water	(134)	(142)	(206)	(205)	(205)	(205)	(204)	(203)	(202)
Inventory Consumed - Other	(5 754 408)	(5 975 058)	(6 217 806)	(6 563 310)	(6 524 274)	(6 524 274)	(6 759 899)	(6 883 339)	(7 004 969)
Total Inventory Consumed & Other Material	**(5 754 542)**	**(5 975 200)**	**(6 218 012)**	**(6 563 515)**	**(6 524 479)**	**(6 524 479)**	**(6 760 103)**	**(6 883 541)**	**(7 005 171)**

Table 63 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

Description R thousand	Vote 1 - Council & Mayor's Office	Vote 2 - Municipal Manager & Internal Audit	Vote 3 - Management Services	Vote 4 - Finance	Vote 5 - Infrastructure & Planning	Vote 6 - Protection Services	Vote 7 - Economic and Social Development & Tourism	Vote 8 - Community Services	Vote 9 - Costing Services	Vote 10 - Main Ledger Services	Total
Revenue By Source											
Property rates	–	–	–	287 941	–	–	–	–	–	–	**287 941**
Service charges - electricity revenue	–	–	–	711	560 085	–	–	–	–	–	**560 796**
Service charges - water revenue	–	–	–	16	–	–	–	138 122	–	–	**138 138**
Service charges - sanitation revenue	–	–	–	–	–	0	–	95 791	–	–	**95 791**
Service charges - refuse revenue	–	–	–	–	–	–	–	78 850	–	–	**78 850**
Rental of facilities and equipment	–	–	–	–	0	–	68	4 505	–	–	**4 573**
Interest earned - external investments	–	–	–	24 871	–	–	–	–	–	–	**24 871**
Interest earned - outstanding debtors	–	–	–	3 981	–	–	–	0	–	–	**3 982**
Dividends received	–	–	–	–	–	–	–	–	–	–	**–**
Fines, penalties and forfeits	–	–	–	0	76	20 168	–	100	–	–	**20 344**
Licences and permits	–	–	–	–	–	2 045	–	591	–	–	**2 636**
Agency services	–	–	–	–	–	7 838	–	20	–	–	**7 858**
Other revenue	116	–	869	8 366	127 655	566	0	7 792	–	–	**145 364**
Transfers and subsidies	44 891	–	–	1 550	46 528	5 378	2 743	64 949	–	–	**166 040**
Gains	–	–	–	–	–	–	–	–	–	–	**–**
Total Revenue (excluding capital transfers and contributi	**45 007**	**–**	**869**	**327 436**	**734 345**	**35 995**	**2 811**	**390 720**	**–**	**–**	**1 537 183**
Expenditure By Type											
Employee related costs	22 412	7 081	33 403	54 481	77 144	86 231	13 819	212 568	–	–	**507 139**
Remuneration of councillors	12 401	–	–	–	–	–	–	–	–	–	**12 401**
Debt impairment	–	–	–	1 705	956	9 447	–	1 456	–	–	**13 564**
Depreciation & asset impairment	8	21	2 399	283	30 100	1 637	226	111 922	–	–	**146 596**
Finance charges	–	–	–	41	15 578	–	–	32 437	–	–	**48 056**
Bulk purchases	–	–	–	–	393 853	–	–	–	–	–	**393 853**
Other materials	1 375	59	2 059	484	10 920	1 265	255	34 238	–	–	**50 655**
Contracted services	223	590	7 720	13 577	129 468	14 770	1 956	98 481	–	–	**266 785**
Transfers and subsidies	–	–	–	12 557	–	–	–	–	–	–	**12 557**
Other expenditure	8 240	291	20 308	23 185	97 594	5 130	1 430	7 986	–	–	**164 163**
Losses	–	–	–	–	–	–	–	–	–	–	**–**
Total Expenditure	**44 658**	**8 042**	**65 889**	**106 313**	**755 611**	**118 480**	**17 686**	**499 089**	**–**	**–**	**1 615 768**
Surplus/(Deficit)	**349**	**(8 042)**	**(65 021)**	**221 123**	**(21 266)**	**(82 485)**	**(14 874)**	**(108 369)**	**–**	**–**	**(78 586)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	–	–	–	–	**21 331**	–	–	**51 067**	–	–	**72 398**
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	–	–	–	–	**12 442**	–	–	–	–	–	**12 442**
Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–	–	–	**–**
Surplus/(Deficit) after capital transfers & contributions	**349**	**(8 042)**	**(65 021)**	**221 123**	**12 507**	**(82 485)**	**(14 874)**	**(57 302)**	**–**	**–**	**6 255**

Table 64 MBRR Table SA3 – Supporting detail to Statement of Financial Position

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
ASSETS									
Call investment deposits									
Call deposits	409 200	510 243	410 241	400 000	400 000	400 000	400 000	400 000	400 000
Other current investments	–	–	–	–	–	–	–	–	–
Total Call investment deposits	**409 200**	**510 243**	**410 241**	**400 000**	**400 000**	**400 000**	**400 000**	**400 000**	**400 000**
Consumer debtors									
Consumer debtors	100 108	128 996	128 345	126 617	126 617	126 617	153 550	178 550	205 369
Less: Provision for debt impairment	(26 108)	(40 486)	(44 499)	(42 141)	(42 141)	(42 141)	(46 258)	(50 416)	(54 616)
Total Consumer debtors	**74 000**	**88 509**	**83 846**	**84 475**	**84 475**	**84 475**	**107 292**	**128 134**	**150 753**
Debt impairment provision									
Balance at the beginning of the year	(21 774)	(26 108)	(40 486)	(40 641)	(40 641)	(40 641)	(42 141)	(46 258)	(50 416)
Contributions to the provision	(4 334)	(14 378)	(4 012)	(1 500)	(1 500)	(1 500)	(4 117)	(4 158)	(4 200)
Bad debts written off	–	–	–	–	–	–	–	–	–
Balance at end of year	**(26 108)**	**(40 486)**	**(44 499)**	**(42 141)**	**(42 141)**	**(42 141)**	**(46 258)**	**(50 416)**	**(54 616)**
Inventory									
Water									
Opening Balance	128	**134**	**142**	**206**	**206**	**206**	**205**	**204**	**203**
System Input Volume	**6**	**8**	**63**	**(1)**	**11 118**	**11 118**	**11 396**	**11 681**	**11 973**
Water Treatment Works	6	8	63	(1)	(1)	(1)	(1)	(1)	(1)
Bulk Purchases	–	–	–	–	–	–	–	–	–
Natural Sources	–	–	–	–	11 119	11 119	11 397	11 682	11 974
Authorised Consumption	**–**	**–**	**–**	**–**	**(8 785)**	**(8 785)**	**(9 004)**	**(9 230)**	**(9 460)**
Billed Authorised Consumption	**–**	**–**	**–**	**–**	**(8 593)**	**(8 593)**	**(8 808)**	**(9 028)**	**(9 254)**
Billed Metered Consumption	**–**	**–**	**–**	**–**	**(8 593)**	**(8 593)**	**(8 808)**	**(9 028)**	**(9 254)**
Free Basic Water	–	–	–	–	–	–	–	–	–
Subsidised Water	–	–	–	–	–	–	–	–	–
Revenue Water	–	–	–	–	(8 593)	(8 593)	(8 808)	(9 028)	(9 254)
UnBilled Authorised Consumption	**–**	**–**	**–**	**–**	**(192)**	**(192)**	**(197)**	**(202)**	**(207)**
Unbilled Metered Consumption	–	–	–	–	–	–	–	–	–
Unbilled Unmetered Consumption	–	–	–	–	(192)	(192)	(197)	(202)	(207)
Water Losses	**–**	**–**	**–**	**–**	**(2 334)**	**(2 334)**	**(2 392)**	**(2 452)**	**(2 513)**
Apparent losses	**–**	**–**	**–**	**–**	**(2 334)**	**(2 334)**	**(2 392)**	**(2 452)**	**(2 513)**
Unauthorised Consumption	–	–	–	–	(2 334)	(2 334)	(2 392)	(2 452)	(2 513)
Customer Meter Inaccuracies	–	–	–	–	–	–	–	–	–
Non-revenue Water	**–**	**–**	**–**	**–**	**(2 526)**	**(2 526)**	**(2 589)**	**(2 654)**	**(2 720)**
Closing Balance Water	**134**	**142**	**206**	**205**	**205**	**205**	**204**	**203**	**202**
Opening Balance	7 322	**9 591**	**8 782**	**8 899**	**8 899**	**8 899**	7 938	**8 188**	**8 471**
Acquisitions	13 594	15 894	14 090	15 900	15 900	15 900	15 900	15 900	15 900
Issues	(11 320)	(16 704)	(13 498)	(16 861)	(16 861)	(16 861)	(15 650)	(15 617)	(15 673)
Adjustments	(2)	–	–	–	–	–	–	–	–
Write-offs	(3)	–	–	–	–	–	–	–	–
Closing balance - Consumables Standard Rated	**9 591**	**8 782**	**9 374**	**7 938**	**7 938**	**7 938**	**8 188**	**8 471**	**8 698**
Land									
Opening Balance	6 304	**6 304**	**1 295**	**3 157**	**3 157**	**3 157**	2 517	**2 517**	**2 517**
Acquisitions	–	–	1 862	–	–	–	–	–	–
Sales	–	(197)	–	–	–	–	–	–	–
Adjustments	–	(4 812)	–	(640)	(640)	(640)	–	–	–
Correction of Prior period errors	–	–	–	–	–	–	–	–	–
Closing Balance - Land	**6 304**	**1 295**	**3 157**	**2 517**	**2 517**	**2 517**	**2 517**	**2 517**	**2 517**
Closing Balance - Inventory & Consumables	**16 029**	**10 219**	**12 736**	**10 659**	**10 659**	**10 659**	**10 908**	**11 190**	**11 416**
Property, plant and equipment (PPE)									
PPE at cost/valuation (excl. finance leases)	5 680 408	5 886 548	6 133 960	6 478 835	6 439 799	6 439 799	6 652 607	6 755 205	6 854 216
Leases recognised as PPE	–	–	–	–	–	–	–	–	–
Less: Accumulated depreciation	(2 274 979)	(2 400 708)	(2 534 142)	(2 706 758)	(2 706 758)	(2 706 758)	(2 852 954)	(2 998 219)	(3 146 043)
Total Property, plant and equipment (PPE)	**3 405 429**	**3 485 840**	**3 599 818**	**3 772 076**	**3 733 041**	**3 733 041**	**3 799 653**	**3 756 986**	**3 708 173**
LIABILITIES									
Current liabilities - Borrowing									
Short term loans (other than bank overdraft)	–	–	–	–	–	–	–	–	–
Current portion of long-term liabilities	39 725	45 458	53 957	50 263	50 263	50 263	58 592	51 239	155 011
Total Current liabilities - Borrowing	**39 725**	**45 458**	**53 957**	**50 263**	**50 263**	**50 263**	**58 592**	**51 239**	**155 011**
Trade and other payables									
Trade Payables	97 922	134 818	140 002	180 596	203 369	203 369	160 905	145 725	145 375
Other Creditors	10 041	–	–	–	–	–	–	–	–
Unspent conditional transfers	–	31 133	24 030	–	12 442	12 442	–	–	–
VAT	–	–	–	–	–	–	–	–	–
Total Trade and other payables	**107 963**	**165 950**	**164 032**	**180 596**	**215 812**	**215 812**	**160 905**	**145 725**	**145 375**
Non current liabilities - Borrowing									
Borrowing	422 933	431 475	430 400	430 795	430 795	430 795	421 184	419 946	324 935
Finance leases (including PPP asset element)	–	–	–	–	–	–	–	–	–
Total Non current liabilities - Borrowing	**422 933**	**431 475**	**430 400**	**430 795**	**430 795**	**430 795**	**421 184**	**419 946**	**324 935**
Provisions - non-current									
Retirement benefits	108 914	92 981	108 533	110 759	118 853	118 853	130 437	132 502	133 078
List other major provision items									
Refuse landfill site rehabilitation	98 402	99 799	120 448	96 642	126 384	126 384	138 837	137 926	136 498
Other	14 841	17 882	18 831	19 638	19 792	19 792	20 827	21 584	22 647
Total Provisions - non-current	**222 157**	**210 662**	**247 812**	**227 039**	**265 029**	**265 029**	**290 101**	**292 012**	**292 223**
CHANGES IN NET ASSETS									
Accumulated Surplus/(Deficit)									
Accumulated Surplus/(Deficit) - opening balance	3 422 258	3 525 888	3 664 755	3 660 705	3 720 021	3 720 021	3 687 995	3 716 200	3 702 122
GRAP adjustments	(502)	–	–	–	–	–	–	–	–
Restated balance	3 421 756	3 525 888	3 664 755	3 660 705	3 720 021	3 720 021	3 687 995	3 716 200	3 702 122
Surplus/(Deficit)	106 526	138 868	30 848	(17 571)	(29 706)	(29 706)	6 255	(37 515)	(44 533)
Transfers to/from Reserves	(3)	(0)	(0)	750	750	750	10	10	10
Depreciation offsets	–	–	–	–	–	–	–	–	–
Other adjustments	(0)	0	(0)	33 892	(3 070)	(3 070)	21 941	23 426	25 576
Accumulated Surplus/(Deficit)	**3 528 279**	**3 664 755**	**3 695 603**	**3 677 777**	**3 687 995**	**3 687 995**	**3 716 200**	**3 702 122**	**3 683 175**
Reserves									
Housing Development Fund	3 227	3 227	3 227	3 228	3 228	3 228	3 223	3 218	3 213
Total Reserves	**3 227**	**3 227**	**3 227**	**3 228**	**3 228**	**3 228**	**3 223**	**3 218**	**3 213**
TOTAL COMMUNITY WEALTH/EQUITY	**3 531 506**	**3 667 983**	**3 698 830**	**3 681 004**	**3 691 222**	**3 691 222**	**3 719 423**	**3 705 339**	**3 686 388**

Table 65 MBRR Table SA 9 – Social, economic and demographic statistics and assumptions

Description of economic indicator	Basis of calculation	2001 Census	2007 Survey	2011 Census	2018/19	2019/20	2020/21	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework		
					Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Demographics											
Population	0	55 012	74 546	80 432	102	106	108	111	114	117	120
Females aged 5 - 14	0	2 770	5 837	5 228	8	8	7	7	7	7	8
Males aged 5 - 14	0	2 816	5 892	5 278	8	8	7	7	7	8	8
Females aged 15 - 34	0	5 561	11 567	13 139	17	17	17	18	18	19	19
Males aged 15 - 34	0	6 029	11 235	13 648	17	17	18	19	19	19	20
Unemployment	0	5 165	8 099	4 237	11	11	6	6	6	6	6
Monthly household income (no. of households)											
No income	0	2 226	770	4 585	5 763	5 930	5 919	5 930	6 248	6 411	6 576
R1 - R1 600	0	6 149	5 307	5 326	6 695	6 889	6 875	6 889	7 257	7 447	7 639
R1 601 - R3 200	0	3 742	3 177	4 878	6 131	6 309	6 297	6 309	6 647	6 821	6 997
R3 201 - R6 400	0	3 344	3 789	4 362	5 483	5 642	5 630	5 642	5 943	6 099	6 256
R6 401 - R12 800	0	2 303	2 750	3 830	4 814	4 954	4 943	4 954	5 218	5 355	5 493
R12 801 - R25 600	0	920	1 947	2 896	3 640	3 746	3 739	3 746	3 947	4 050	4 154
R25 601 - R51 200	0	227	1 066	1 456	1 830	1 883	1 880	1 883	1 984	2 036	2 089
R52 201 - R102 400	0	77	184	486	611	629	628	629	663	680	697
R102 401 - R204 800	0	44	176	109	137	141	141	141	148	152	156
R204 801 - R409 600	0			81	102	105	105	105	110	113	116
R409 601 - R819 200	0										
> R819 200	0	-	-	-	-	-	-	-	-	-	-
Poverty profiles (no. of households)											
< R2 060 per household per month	0	7 053	9 542	10 295	13 059	13 555	13 799	14 189	14 567	14 948	15 333
	0	-	-	-	-	-	-	-	-	-	-
Household/demographics (000)											
Number of people in municipal area	0	55 012	74 546	80 432	102	106	108	111	114	117	120
Number of poor people in municipal area	0	8 904	3 080	18 340	23	24	24	24	25	26	26
Number of households in municipal area	0				31	32	36	37	39	40	41
Number of poor households in municipal area	0	2 226	770	4 585	7	8	8	8	8	8	9
Definition of poor household (R per month)	0	-	-	-	-	-	-	-	-	-	-
Housing statistics											
Formal	0	-	-	-	31 162	31 710	31 776	32 204	34 136	36 184	38 355
Informal	0	-	-	-	3 620	3 675	3 779	3 779	4 650	4 900	5 000
Total number of households		-	-	-	34 782	35 385	35 555	35 983	38 786	41 084	43 355
Dwellings provided by municipality	0	-	-	-	-	-	-	-	-	-	-
Dwellings provided by province/s	0	-	-	-	-	-	-	-	-	-	-
Dwellings provided by private sector	0	-	-	-	-	-	-	-	-	-	-
Total new housing dwellings		-	-	-	-	-	-	-	-	-	-
Economic											
Inflation/inflation outlook (CPIX)					4.7%	4.1%	4.5%	4.5%	4.5%	4.5%	4.5%
Interest rate - borrowing					10.1%	9.8%	10.0%	9.8%	9.5%	10.4%	10.5%
Interest rate - investment					7.8%	6.8%	4.5%	4.6%	5.0%	5.0%	5.0%
Remuneration increases					7.0%	6.5%	6.4%	3.5%	4.9%	4.5%	4.5%
Consumption growth (electricity)					1.0%	2.0%	3.0%	1.0%	1.0%	1.0%	1.0%
Consumption growth (water)					2.4%	3.0%	3.0%	2.0%	2.0%	2.0%	2.0%
Collection rates											
Property tax/service charges					98.2%	97.1%	100.4%	99.4%	100.0%	100.0%	100.0%
Rental of facilities & equipment					96.8%	96.1%	97.1%	97.1%	97.1%	97.1%	91.7%
Interest - external investments					100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Interest - debtors					98.2%	98.5%	97.1%	97.1%	97.1%	97.1%	97.1%
Revenue from agency services					100.0%	100.0%	97.1%	97.1%	97.1%	97.1%	97.1%

Table 66 MBRR SA11 – Property rates summary

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Valuation:									
Date of valuation:	02/07/2015	02/07/2015	02/07/2015	02/07/2015					
Financial year valuation used	**2016/2017**	**2016/2017**	**2016/2017**	**2016/2017**			**2016/2017**		
Municipal by-laws s6 in place? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Municipal/assistant valuer appointed? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Municipal partnership s38 used? (Y/N)	No	No	No	No			No		
No. of assistant valuers (FTE)	**2**	**2**	**2**	2			2		
No. of data collectors (FTE)	6	6	6	6			6		
No. of internal valuers (FTE)	-	-	-	-			-		
No. of external valuers (FTE)	3	3	3	3			3		
No. of additional valuers (FTE)	-	-	-	-			-		
Valuation appeal board established? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Implementation time of new valuation roll (mths)	48	36	24	12			60		
No. of properties	42 823	42 895	43 170	43 655			43 655		
No. of sectional title values	2 560	2 210	2 577	2 752			2 752		
No. of unreasonably difficult properties s7(2)	-	-	-	-			-		
No. of supplementary valuations	1	2	2	1			1		
No. of valuation roll amendments	27	10	10	-			-		
No. of objections by rate payers	11	14	14	-			-		
No. of appeals by rate payers	2	12	12	–			-		
No. of successful objections	11	14	14	5			-		
No. of successful objections > 10%	1	1	1	-			-		
Supplementary valuation	2 566	3 099	1 987	2 552			2 552		
Public service infrastructure value (Rm)	84	92	77	289			306		
Municipality owned property value (Rm)	924	894	902	876			928		
Valuation reductions:									
Valuation reductions-public infrastructure (Rm)	84	92	770	289	289	289	306	324	344
Valuation reductions-nature reserves/park (Rm)	358	339	359	411	411	411	436	462	490
Valuation reductions-mineral rights (Rm)	-	-	-	-	-	-	-	-	-
Valuation reductions-R15,000 threshold (Rm)	476	475	476	477	477	477	505	536	568
Valuation reductions-public worship (Rm)	175	183	192	183	183	183	194	206	218
Valuation reductions-other (Rm)	2 860	1 107	1 103	1 103	1 103	1 103	1 169	1 239	1 314
Total valuation reductions:	**3 953**	**2 196**	**2 900**	**2 462**	**2 462**	**2 462**	**2 610**	**2 767**	**2 933**
Total value used for rating (Rm)	46 907	48 668	50 432	50 077	50 077	50 077	53 082	56 267	59 643
Total land value (Rm)	22 595	23 042	23 241	23 037	23 037	23 037	24 419	25 884	27 437
Total value of improvements (Rm)	27 770	28 743	28 930	29 338	29 338	29 338	31 099	32 965	34 942
Total market value (Rm)	50 364	51 785	52 171	52 375	52 375	52 375	53 458	56 666	60 066
Rating:									
Residential rate used to determine rate for other categories? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Differential rates used? (Y/N)	Yes	Yes	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)	Yes	Yes	Yes	Yes			Yes		
Phasing-in properties s21 (number)	No	No	No	No	No	No	No	No	No
Rates policy accompanying budget? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Fixed amount minimum value (R'000)									
Non-residential prescribed ratio s19? (%)									
Rate revenue:									
Rate revenue budget (R '000)	233 034	243 999	261 559	263 562	263 562	263 562	275 384	287 776	300 726
Rate revenue expected to collect (R'000)	233 034	243 999	261 559	263 562	263 562	263 562	275 384	287 776	300 726
Expected cash collection rate (%)	98.2%	97.1%	100.5%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Special rating areas (R'000)	8 047		8 309	12 074	12 074	12 074	12 590	13 157	13 750
Rebates, exemptions - indigent (R'000)	–	–	–	–	–	–	–	–	–
Rebates, exemptions - pensioners (R'000)	–	–	–	–	–	–	–	–	–
Rebates, exemptions - bona fide farm. (R'000)	–	–	–	–	–	–	–	–	–
Rebates, exemptions - other (R'000)	–	–	–	–	–	–	–	–	–
Phase-in reductions/discounts (R'000)	–	–	–	–	–	–	–	–	–
Total rebates,exemptns,reductns,discs (R'000)	–	–	–	–	–	–	–	–	–

Table 67 MBRR SA12a – Property rates by category (current year)

Description	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.	Small Holdings	Special Rating Areas	Agricultural	Multiple Purposes	Other Categories	Sum
Current Year 2021/22																						
Valuation:																						
No. of properties	37 394	-	1 139	120	352	2 043	786	-	-	-	-	-	175	-	105	-	–	–	–	–	–	42
No. of sectional title property values	2 616	-	135	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	3
No. of unreasonably difficult properties s7(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	–
No. of supplementary valuations	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	–	–	–	–	–	0
Supplementary valuation (Rm)	TOTAL 2549																–	–	–	–	–	–
No. of valuation roll amendments	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	–	–	–	–	–	0
No. of objections by rate-payers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	–
No. of appeals by rate-payers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	–
No. of appeals by rate-payers finalised	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	–
No. of successful objections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	–
No. of successful objections > 10%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	–
Estimated no. of properties not valued	100TOTAL																–	–	–	–	–	–
Years since last valuation **(select)**	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6						
Frequency of valuation **(select)**	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7						
Method of valuation used **(select)**	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market						
Base of valuation **(select)**	Land & impr	Land & impr	Land & impr	Land & impr	Land & impr	Land & impr	Land & impr	Land & impr	Land & impr	Land & impr	Land & impr	Land & impr	Land & impr	Land & impr	Land & impr	Land & impr						
Phasing-in properties s21 (number)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Combination of rating types used? (Y/N)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes						
Flat rate used? (Y/N)	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No						
Is balance rated by uniform rate/variable rate?	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable						
Valuation reductions:																						
Valuation reductions-public infrastructure (Rm)	-	-	-	-	-	-	289	-	-	-	-	-	-	-	-	-	–	–	–	–	–	288 537
Valuation reductions-nature reserves/park (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	411	-	-	-	–	–	–	–	–	411 028
Valuation reductions-mineral rights (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)	477	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	476 682
Valuation reductions-public worship (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	183	-	–	–	–	–	–	182 979
Valuation reductions-other (Rm)	1 103	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	1 103 120
Total valuation reductions:																						
Total value used for rating (Rm)	44 837	-	3 884	345	476	876	81	-	-	-	-	-	411	-	183	-	–	–	–	–	–	51 092 611
Total land value (Rm)	19 636	-	1 454	262	239	623	73	-	-	-	-	-	307	-	73	-	–	–	–	–	–	22 665 110
Total value of improvements (Rm)	25 201	-	2 431	83	237	253	8	-	-	-	-	-	104	-	110	-	–	–	–	–	–	28 427 501
Total market value (Rm)	44 837	-	3 884	345	476	623	81	-	-	-	-	-	411	-	183	-	–	–	–	–	–	50 839 951
Rating:																						
Average rate	0.006200		0.009390	0.001550	0.009390				0.006200								–	–	–	–	–	
Rate revenue budget (R '000)	217 360		42 328	723	3 151												–		–	–	–	263 562
Rate revenue expected to collect (R'000)	217 360		42 328	723	3 151												–	–	–	–	–	263 562
Expected cash collection rate (%)	100.0%		100.0%	100.0%	100.0%												0.0%	0.0%	0.0%	0.0%	0.0%	0
Special rating areas (R'000)	10 050		1 854	32	138													–				12 074
Rebates, exemptions - indigent (R'000)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - pensioners (R'000)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - bona fide farm. (R'000)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - other (R'000)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Phase-in reductions/discounts (R'000)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total rebates,exemptns,reductns,discs (R'000)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

Table 68 MBRR SA12b – Property rates by category (budget year)

Description	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.	Small Holdings	Special Rating Areas	Agricultural	Multiple Purposes	Other Categories	Sum
Budget Year 2022/23																						
Valuation:																						
No. of properties	38 327	-	1 138	120	352	2 043	786	-	-	-	-	-	175	-	105	-	–	–	–	–	–	43
No. of sectional title property values	2 321	-	430	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	3
No. of unreasonably difficult properties s7(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	–
No. of supplementary valuations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	–
Supplementary valuation (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	–
No. of valuation roll amendments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	–
No. of objections by rate-payers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	–
No. of appeals by rate-payers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	–
No. of appeals by rate-payers finalised	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	–
No. of successful objections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	–
No. of successful objections > 10%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	–
Estimated no. of properties not valued	100 TOTAL																–	–	–	–	–	–
Years since last valuation **(select)**	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6						
Frequency of valuation **(select)**	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7						
Method of valuation used **(select)**	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market						
Base of valuation **(select)**	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.						
Phasing-in properties s21 (number)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	–
Combination of rating types used? (Y/N)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes						
Flat rate used? (Y/N)	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No						
Is balance rated by uniform rate/variable rate?	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable						
Valuation reductions:																						
Valuation reductions-public infrastructure (Rm)	-	-	-	-	-	306	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	305 838
Valuation reductions-nature reserves/park (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	436	-	-	-	–	–	–	–	–	435 690
Valuation reductions-mineral rights (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)	505	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	505 283
Valuation reductions-public worship (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	194	-	–	–	–	–	–	193 957
Valuation reductions-other (Rm)	1 169	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	1 169 307
Total valuation reductions:																						
Total value used for rating (Rm)	47 527	-	4 117	365	505	928	86	-	-	-	-	-	436	-	194	-	–	–	–	–	–	54 158 168
Total land value (Rm)	20 814	-	1 541	277	253	661	77	-	-	-	-	-	325	-	77	-	–	–	–	–	–	24 025 017
Total value of improvements (Rm)	26 713	-	2 576	88	252	268	9	-	-	-	-	-	110	-	117	-	–	–	–	–	–	30 133 151
Total market value (Rm)	47 527	-	4 117	365	505	661	86	-	-	-	-	-	436	-	194	-	–	–	–	–	–	53 890 348
Rating:																						
Average rate	0.006570		0.009940	0.001640	0.009940				0.006570		–	–	–	–	–	–	–	–	–	–	–	
Rate revenue budget (R '000)	226 054		44 021	752	3 277						–	–	–	–	–	–	–		–	–	–	274 105
Rate revenue expected to collect (R'000)	226 054		44 021	752	3 277						–	–	–	–	–	–	–	–	–	–	–	274 105
Expected cash collection rate (%)	100.0%	0.0%	100.0%	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0
Special rating areas (R'000)																		–				–
Rebates, exemptions - indigent (R'000)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - pensioners (R'000)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - bona fide farm. (R'000)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - other (R'000)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Phase-in reductions/discounts (R'000)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total rebates,exemptns,reductns,discs (R'000)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

Table 69 MBRR SA13a – Service tariffs by category

Description	Provide description of tariff structure where appropriate	2018/19	2019/20	2020/21	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework		
						Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Property rates *(rate in the Rand)*								
Residential properties		0.0054	0.0057	0.0060	0.0062	0.0066	0.0070	0.0074
Residential properties - vacant land		0.0074	0.0078	0.0082	0.0085	0.0090	0.0095	0.0101
Formal/informal settlements								
Small holdings								
Farm properties - used		0.0013	0.0014	0.0015	0.0016	0.0016	0.0017	0.0018
Farm properties - not used								
Industrial properties								
Business and commercial properties		0.0082	0.0086	0.0090	0.0094	0.0099	0.0105	0.0112
Communal land - residential								
Communal land - small holdings								
Communal land - farm property								
Communal land - business and commercial								
Communal land - other								
State-owned properties		0.0082	0.0086	0.0090	0.0094	0.0099	0.0105	0.0111
Municipal properties								
Public service infrastructure								
Privately owned towns serviced by the owner								
State trust land								
Restitution and redistribution properties								
Protected areas								
National monuments properties		-	-	-	-	-	-	-
Exemptions, reductions and rebates *(Rands)*								
Residential properties								
R15 000 threshhold 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		220 000	220 000	220 000	220 000	220 000	220 000	220 000
Pensioners/social grants rebate or exemption		220 000	220 000	220 000	220 000	220 000	220 000	220 000
Temporary relief rebate or exemption		40-100%	40-100%	40-100%	40-100%	40-100%	40-100%	40-100%
Bona fide farmers rebate or exemption								
Other rebates or exemptions		75%	75%	75%	75%	75%	75%	75%
Water tariffs								
Domestic								
Basic charge/fixed fee *(Rands/month)*		129	137	143	148	156	165	175
Service point - vacant land *(Rands/month)*		129	137	143	148	156	165	175
Water usage - flat rate tariff *(c/kl)*	0 - 6 kl	502	560	585	608	638	676	717
Water usage - life line tariff	7 - 18 kl	1 085	1 147	1 199	1 247	1 308	1 386	1 470
Water usage - Block 1 (c/kl)	19 - 30 kl	1 761	1 861	1 945	2 023	2 122	2 249	2 384
Water usage - Block 2 (c/kl)	31 - 45 kl	2 711	2 866	2 995	3 115	3 268	3 464	3 672
Water usage - Block 3 (c/kl)	46 - 60 kl	3 521	3 722	3 889	4 045	4 243	4 498	4 767
Water usage - Block 4 (c/kl)	> 60 kl	4 696	4 964	5 187	5 394	5 658	5 997	6 357
Other		-	-	-	-	-	-	-
Waste water tariffs								
Domestic								
Basic charge/fixed fee *(Rands/month)*		115	122	127	132	138	146	155
Service point - vacant land *(Rands/month)*		115	122	127	132	138	146	155
Waste water - flat rate tariff *(c/kl)*		1 296	1 370	1 432	1 489	1 556	1 649	1 748
Volumetric charge - Block 1 (c/kl)	Basic charge pumps	78	82	86	89	93	99	105
Volumetric charge - Block 2 (c/kl)	Service per pump	529	560	585	608	636	674	714
Volumetric charge - Block 3 (c/kl)								
Volumetric charge - Block 4 (c/kl)								
Other		-	-	-	-	-	-	-
Electricity tariffs								
Domestic								
Basic charge/fixed fee *(Rands/month)*		292	335	356	408	450	477	506
Service point - vacant land *(Rands/month)*		292	335	356	408	450	477	506
FBE	(how is this targeted?)							
Life-line tariff - meter	(describe structure)							
Life-line tariff - prepaid	(describe structure)	107	120	128	146	161	171	181
Flat rate tariff - meter *(c/kwh)*								
Flat rate tariff - prepaid*(c/kwh)*								
Meter - IBT Block 1 (c/kwh)	Credit Meter							
Meter - IBT Block 2 (c/kwh)	0 - 350 kWh	115	129	137	157	173	183	194
Meter - IBT Block 3 (c/kwh)	351 - 600 kWh	168	189	201	230	254	269	285
Meter - IBT Block 4 (c/kwh)	> 600 kWh	206	232	247	283	312	330	350
Meter - IBT Block 5 (c/kwh)	Prepaid Meter							
Prepaid - IBT Block 1 (c/kwh)	0 - 350 kWh	106	119	126	145	160	169	179
Prepaid - IBT Block 2 (c/kwh)	351 - 600 kWh	158	178	189	217	239	253	269
Prepaid - IBT Block 3 (c/kwh)	> 600 kWh	198	223	237	272	300	318	337
Prepaid - IBT Block 4 (c/kwh)								
Prepaid - IBT Block 5 (c/kwh)								
Other		-	-	-	-	-	-	-
Waste management tariffs								
Domestic								
Street cleaning charge								
Basic charge/fixed fee		164	185	194	202	213	226	240
80l bin - once a week								
250l bin - once a week		164	185	194	202	213	226	240

Table 70 MBRR SA13b – Service tariffs by category (explanatory)

Description	Provide description of tariff structure where appropriate	2018/19	2019/20	2020/21	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework		
						Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Exemptions, reductions and rebates *(Rands)*								
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Water tariffs								
		129	137	143	148	156	165	175
		129	137	143	148	156	165	175
	0 - 6 kl	502	560	585	608	638	676	717
	7 - 18 kl	1 085	1 147	1 199	1 247	1 308	1 386	1 470
	19 - 30 kl	1 761	1 861	1 945	2 023	2 122	2 249	2 384
	31 - 45 kl	2 711	2 866	2 995	3 115	3 268	3 464	3 672
	46 - 60 kl	3 521	3 722	3 889	4 045	4 243	4 498	4 767
	> 60 kl	4 696	4 964	5 187	5 394	5 658	5 997	6 357
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Waste water tariffs								
		115	122	127	132	138	146	155
		115	122	127	132	138	146	155
		1 296	1 370	1 432	1 489	1 556	1 649	1 748
	Basic charge pumps	78	82	86	89	93	99	105
	Service per pump	529	560	585	608	636	674	714
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Electricity tariffs								
	Basic charge/fixed fee	292	335	356	408	450	477	506
	Service point - vacant land	292	335	356	408	450	477	506
	Life-line tariff - prepaid flat rate	107	120	128	146	161	171	181
	Credit Meter							
	0 - 350 kWh	115	129	137	157	173	183	194
	351 - 600 kWh	168	189	201	230	254	269	285
	> 600 kWh	206	232	247	283	312	330	350
	Prepaid Meter							
	0 - 350 kWh	106	119	126	145	160	169	179
	351 - 600 kWh	158	178	189	217	239	253	269
	> 600 kWh	198	223	237	272	300	318	337
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-

Table 71 MBRR SA32 – List of external mechanisms

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1. Number	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2. R thousand
Outsourcing of sub function water and waste water treatment	Yrs	15	Outsourcing of sub function water and waste water treatmer	07 December 2033	1 271 426
Outsourcing of sub function operation of landfil site	Yrs	13	Outsourcing of sub function operation of landfil site	30 November 2032	100 366
Note: Overstrand make use of contractual agreements to support the implementation of core function, but the definition of outsourcing do not apply to the other contracts entered into, due to ownership that is kept within the organisation					

Table 72 MBRR SA38 – Consolidated detailed operational projects

Municipal Vote/Operational project R thousand	Program/Project description	2022/23 Medium Term Revenue & Expenditure Framework		
		Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Vote 1 - Council General				
	Municipal Running Cost	43 308	34 502	34 661
	Typical Workstreams	1 350		
Vote 2 - Municipal Manager				
	Municipal Running Cost	8 042	8 437	8 857
Vote 3 - Management Services				
	Municipal Running Cost	53 948	55 804	58 437
	Repairs & Maintenance	9 477	9 915	10 445
	Typical Workstreams	2 464	2 525	2 508
Vote 4 - Finance				
	Municipal Running Cost	90 500	90 429	95 409
	Repairs & Maintenance	1 707	1 705	1 711
	Typical Workstreams	14 107	14 610	15 132
Vote 5 - Infrastructure & Planning				
	Municipal Running Cost	652 974	705 051	769 418
	Repairs & Maintenance	28 329	28 712	31 187
	Typical Workstreams	74 308	48 672	28 319
Vote 6 - Protection Services				
	Municipal Running Cost	105 182	110 035	115 239
	Repairs & Maintenance	1 394	1 546	1 607
	Typical Workstreams	4 860	4 684	4 693
Vote 7 - Local Economic and Social Develoment & Tourism				
	Municipal Running Cost	12 148	12 695	13 273
	Repairs & Maintenance	403	253	403
	Typical Workstreams	5 135	2 562	2 562
Vote 8 - Community Services				
	Municipal Running Cost	388 303	404 447	420 844
	Repairs & Maintenance	100 049	106 124	111 247
	Typical Workstreams	17 782	16 691	17 414
		1 615 768	**1 659 399**	**1 743 367**

Table 73 MBRR SA33 – Contracts having future budgetary implications

Description	Preceding Years	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework			Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Total Contract Value
R thousand	Total	Original Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Expenditure Obligation By Contract													
Contract 1: SC1890/2018: WATER & WASTE WATER TREATMENT OPERATIONS MANAGEMENT CONTRACT.	90 960	55 958	59 819	65 622	69 499	73 614	77 972	82 586	87 485	92 671	98 163	103 992	958 342
Contract 2: SC1892/2018: THE OPERATION OF THE GANSBAAI LANDFILL SITE, THE STANFORD PUBLIC WASTE DROP-OFF FACILITY, AND THE PEARLY BEACH PUBLIC WASTE DROP-OFF FACILITY	10 254	5 600	5 943	6 324	6 703	7 127	7 588	8 066	8 576	9 035	9 454	9 930	94 599
Contract 3 SC1933/2018: PROVISION FOR BANKING SERVICES	2 780	1 494	1 582	1 675	–	–	–	–	–	–			7 530
Total Operating Expenditure Implication	103 994	63 052	67 344	73 621	76 202	80 741	85 560	90 652	96 061	101 706	107 617	113 922	1 060 471
Total Parent Expenditure Implication	**103 994**	**63 052**	**67 344**	**73 621**	**76 202**	**80 741**	**85 560**	**90 652**	**96 061**	**101 706**	**107 617**	**113 922**	1 060 471

2.15 Municipal manager's quality certificate

I, DGI O'Neill, municipal manager of Overstrand Municipality, hereby certify that the **Draft Budget** for the **2022/2023 MTREF** and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the draft annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name: DGI O'Neill

Municipal manager of Overstrand Municipality (WC032)

Signature: 

Date: 29 March 2022

ANNEXURE A

DRAFT BUDGET SCHEDULES 1-10

SCHEDULE 1

WC032 Overstrand - Schedule 1 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue by Vote									
Vote 1 - Council & Mayor's Office	27 246	30 091	38 321	31 285	31 735	31 735	45 007	44 425	34 813
Vote 2 - Municipal Manager & Internal Audit	86	36	–	–	–	–	–	–	–
Vote 3 - Management Services	1 070	1 189	2 564	869	2 934	2 934	869	907	946
Vote 4 - Finance	292 876	300 506	309 284	318 650	318 650	318 650	327 436	341 845	356 898
Vote 5 - Infrastructure & Planning	496 225	584 067	585 823	691 845	692 670	692 670	768 118	758 813	796 482
Vote 6 - Protection Services	32 267	32 797	16 193	39 531	42 673	42 673	35 995	38 413	40 148
Vote 7 - Economic and Social Development & Tourism	2 030	2 914	3 860	2 838	4 773	4 773	2 811	71	224
Vote 8 - Community Services	363 260	378 350	395 739	392 418	397 776	397 776	441 787	437 410	469 323
Total Revenue by Vote	**1 215 062**	**1 329 949**	**1 351 784**	**1 477 435**	**1 491 212**	**1 491 212**	**1 622 023**	**1 621 884**	**1 698 834**
Expenditure by Vote ***to be appropriated***									
Vote 1 - Council & Mayor's Office	38 174	19 927	44 089	37 047	42 989	42 989	44 658	34 502	34 661
Vote 2 - Municipal Manager & Internal Audit	5 050	5 361	5 885	8 040	8 040	8 040	8 042	8 437	8 857
Vote 3 - Management Services	46 736	50 129	54 639	60 741	62 976	62 976	65 889	68 244	71 390
Vote 4 - Finance	74 680	69 425	77 490	95 684	95 289	95 289	106 313	106 744	112 252
Vote 5 - Infrastructure & Planning	449 522	529 692	577 728	672 313	684 869	684 869	755 611	782 435	828 925
Vote 6 - Protection Services	81 089	83 725	91 326	115 502	115 586	115 586	118 480	123 434	128 971
Vote 7 - Economic and Social Development & Tourism	10 303	12 042	13 558	17 311	19 247	19 247	17 686	15 510	16 237
Vote 8 - Community Services	402 983	420 782	456 221	488 368	491 922	491 922	499 089	520 094	542 073
Total Expenditure by Vote	**1 108 536**	**1 191 082**	**1 320 936**	**1 495 006**	**1 520 918**	**1 520 918**	**1 615 768**	**1 659 399**	**1 743 367**
Surplus/(Deficit) for the year	**106 526**	**138 868**	**30 848**	**(17 571)**	**(29 706)**	**(29 706)**	**6 255**	**(37 515)**	**(44 533)**

WC032 Overstrand - Schedule 2 - Budgeted Financial Performance (revenue and expenditure)

R thousand	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue By Source									
Property rates	233 093	240 910	261 222	275 637	275 637	275 637	287 941	300 836	314 308
Service charges - electricity revenue	378 693	415 960	442 792	499 317	499 317	499 317	560 796	616 798	678 418
Service charges - water revenue	129 858	133 037	131 113	132 168	132 168	132 168	138 138	144 354	150 851
Service charges - sanitation revenue	77 719	80 925	87 094	87 631	87 631	87 631	95 791	99 911	104 207
Service charges - refuse revenue	61 763	68 256	72 198	74 741	74 741	74 741	78 850	83 502	88 427
Rental of facilities and equipment	6 278	5 735	4 068	3 440	3 440	3 440	4 573	4 778	4 989
Interest earned - external investments	41 767	48 146	30 504	27 456	27 456	27 456	24 871	25 991	27 161
Interest earned - outstanding debtors	4 193	5 040	4 244	4 681	4 681	4 681	3 982	4 161	4 348
Dividends received			–	–	–	–	–	–	–
Fines, penalties and forfeits	25 672	18 211	1 095	28 223	20 223	20 223	20 344	22 188	23 174
Licences and permits	2 526	1 975	2 227	2 039	2 538	2 538	2 636	2 750	2 869
Agency services	4 885	4 376	6 189	6 680	6 680	6 680	7 858	8 211	8 580
Transfers and subsidies	106 306	123 140	140 895	139 692	157 281	157 281	166 040	174 999	192 746
Other revenue	83 673	139 226	96 156	126 909	138 535	138 535	137 139	93 814	57 920
Gains	–	3 890	7 545	8 225	8 225	8 225	8 225	8 225	8 225
Total Revenue (excluding capital transfers and contributions)	**1 156 425**	**1 288 828**	**1 287 342**	**1 416 839**	**1 438 553**	**1 438 553**	**1 537 183**	**1 590 516**	**1 666 223**
Expenditure By Type									
Employee related costs	368 000	382 572	437 874	463 804	478 179	478 179	507 139	522 622	551 734
Remuneration of councillors	10 573	11 282	11 219	12 401	12 401	12 401	12 401	12 905	13 432
Debt impairment	17 500	23 434	12 138	21 500	13 544	13 544	13 564	13 699	13 836
Depreciation & asset impairment	131 114	134 574	140 110	145 663	145 663	145 663	146 596	145 685	148 275
Finance charges	44 921	46 570	48 805	51 804	51 804	51 804	48 056	47 734	47 159
Bulk purchases	242 614	278 548	298 272	353 707	353 707	353 707	393 853	438 555	488 331
Other materials	35 049	42 302	45 042	44 845	47 147	47 147	50 655	51 837	55 539
Contracted services	186 336	178 363	208 095	247 340	254 506	254 506	266 785	276 065	290 073
Transfers and subsidies	486	560	8 710	12 324	12 774	12 774	12 557	13 060	13 582
Other expenditure	71 333	91 238	110 367	141 620	151 193	151 193	164 163	137 237	121 406
Losses	610	1 639	303	–	–	–	–	–	–
Total Expenditure	**1 108 536**	**1 191 082**	**1 320 936**	**1 495 006**	**1 520 918**	**1 520 918**	**1 615 768**	**1 659 399**	**1 743 367**
Surplus/(Deficit)	**47 890**	**97 746**	**(33 594)**	**(78 168)**	**(82 365)**	**(82 365)**	**(78 586)**	**(68 883)**	**(77 144)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	31 952	37 392	37 219	46 354	49 062	49 062	72 398	31 368	32 611
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	–	–	8 465	14 243	3 597	3 597	12 442	–	–
Transfers and subsidies - capital (in-kind - all)	26 685	3 730	18 757	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**106 526**	**138 868**	**30 848**	**(17 571)**	**(29 706)**	**(29 706)**	**6 255**	**(37 515)**	**(44 533)**
Taxation	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation	**106 526**	**138 868**	**30 848**	**(17 571)**	**(29 706)**	**(29 706)**	**6 255**	**(37 515)**	**(44 533)**
Attributable to minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	**106 526**	**138 868**	**30 848**	**(17 571)**	**(29 706)**	**(29 706)**	**6 255**	**(37 515)**	**(44 533)**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	**106 526**	**138 868**	**30 848**	**(17 571)**	**(29 706)**	**(29 706)**	**6 255**	**(37 515)**	**(44 533)**

SCHEDULE 3

WC032 Overstrand - Schedule 3 - Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Capital Expenditure - Functional									
Governance and administration	**7 231**	**4 049**	**7 054**	**3 775**	**3 775**	**3 775**	**1 875**	**–**	**–**
Executive and council	295	2	355	5	5	5	5	–	–
Finance and administration	6 936	4 048	6 699	3 770	3 770	3 770	1 870	–	–
Internal audit	–	–	–	–	–	–	–	–	–
Community and public safety	**68 172**	**112 758**	**96 981**	**79 999**	**88 762**	**88 762**	**46 594**	**32 098**	**19 697**
Community and social services	5 164	1 330	16 072	9 991	5 617	5 617	5 109	–	–
Sport and recreation	23 923	9 981	22 886	7 752	9 674	9 674	400	10 868	13 297
Public safety	4 809	15 694	8 425	7 897	9 605	9 605	1 300	–	–
Housing	34 276	85 753	49 598	54 359	63 865	63 865	39 785	21 230	6 400
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	**13 407**	**6 865**	**29 200**	**19 511**	**14 211**	**14 211**	**11 737**	**5 000**	**6 000**
Planning and development	1 346	1 220	8 466	7 987	3 412	3 412	390	–	–
Road transport	12 061	5 645	20 734	11 524	10 799	10 799	11 347	5 000	6 000
Environmental protection	–	–	–	–	–	–	–	–	–
Trading services	**84 872**	**87 384**	**121 565**	**171 489**	**133 231**	**133 231**	**152 602**	**65 500**	**73 314**
Energy sources	28 893	21 428	10 436	68 211	35 311	35 311	65 389	22 000	24 314
Water management	12 270	31 752	35 574	51 982	37 334	37 334	39 290	19 000	23 400
Waste water management	42 210	26 893	57 190	47 481	55 980	55 980	45 939	24 500	19 100
Waste management	1 499	7 311	18 365	3 815	4 606	4 606	1 984	–	6 500
Other	**–**	**–**	–	**–**	**–**	**–**	**–**	**–**	**–**
Total Capital Expenditure - Functional	**173 682**	**211 056**	**254 800**	**274 775**	**239 979**	**239 979**	**212 808**	**102 598**	**99 011**
Funded by:									
National Government	30 445	31 528	35 100	45 754	45 754	45 754	72 398	31 368	32 611
Provincial Government	35 615	85 965	48 390	600	3 308	3 308	–	–	–
District Municipality				–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental	25 514			65 201	64 061	64 061	52 227	21 230	6 400
Transfers recognised - capital	**91 574**	**117 493**	**83 490**	**111 555**	**113 123**	**113 123**	**124 625**	**52 598**	**39 011**
Borrowing	36 495	50 476	45 443	94 066	72 761	72 761	72 033	50 000	60 000
Internally generated funds	45 613	39 358	101 949	69 154	54 094	54 094	16 149	–	–
Total Capital Funding	**173 682**	**211 056**	**254 800**	**274 775**	**239 979**	**239 979**	**212 808**	**102 598**	**99 011**

WC032 Overstrand - Schedule 4 - Budgeted Financial Position

R thousand	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
ASSETS									
Current assets									
Cash	123 988	143 570	202 482	50 829	166 302	166 302	46 034	13 894	8 814
Call investment deposits	409 200	510 243	410 241	400 000	400 000	400 000	400 000	400 000	400 000
Consumer debtors	74 000	88 509	83 846	84 475	84 475	84 475	107 292	128 134	150 753
Other debtors	61 176	57 060	56 404	38 027	46 027	46 027	58 620	70 119	81 522
Current portion of long-term receivables	7	4	–	–	–	–	–	–	–
Inventory	16 029	10 222	12 736	9 940	10 659	10 659	10 908	11 190	11 416
Total current assets	**684 399**	**809 609**	**765 709**	**583 272**	**707 463**	**707 463**	**622 854**	**623 337**	**652 506**
Non current assets									
Long-term receivables	4	–	–	–	–	–	–	–	–
Investments	50 524	46 515	54 278	62 165	62 165	62 165	70 005	77 989	86 123
Investment property	117 433	122 921	127 538	127 346	127 346	127 346	132 846	138 346	143 846
Investment in Associate	–	–	–	–	–	–	–	–	–
Property, plant and equipment	3 405 429	3 485 840	3 599 818	3 772 076	3 733 041	3 733 041	3 799 653	3 756 986	3 708 173
Agricultural	–	–	–	–	–	–	–	–	–
Biological	–	–	–	–	–	–	–	–	–
Intangible	8 597	9 168	8 993	4 363	8 603	8 603	8 203	7 783	7 332
Other non-current assets	130 928	130 928	130 928	130 928	130 928	130 928	130 928	130 928	130 928
Total non current assets	**3 712 914**	**3 795 371**	**3 921 556**	**4 096 878**	**4 062 082**	**4 062 082**	**4 141 636**	**4 112 032**	**4 076 402**
TOTAL ASSETS	**4 397 313**	**4 604 980**	**4 687 265**	**4 680 150**	**4 769 546**	**4 769 546**	**4 764 490**	**4 735 369**	**4 728 908**
LIABILITIES									
Current liabilities									
Bank overdraft	–	–	–	–	–	–	–	–	–
Borrowing	39 725	45 458	53 957	50 263	50 263	50 263	58 592	51 239	155 011
Consumer deposits	40 020	40 992	42 248	64 074	64 074	64 074	66 074	68 074	70 074
Trade and other payables	107 963	165 950	164 032	180 596	215 812	215 812	160 905	145 725	145 375
Provisions	33 010	42 460	49 986	46 378	52 351	52 351	48 210	53 034	54 903
Total current liabilities	**220 717**	**294 861**	**310 222**	**341 312**	**382 500**	**382 500**	**333 782**	**318 072**	**425 363**
Non current liabilities									
Borrowing	422 933	431 475	430 400	430 795	430 795	430 795	421 184	419 946	324 935
Provisions	222 157	210 662	247 812	227 039	265 029	265 029	290 101	292 012	292 223
Total non current liabilities	**645 090**	**642 137**	**678 212**	**657 833**	**695 824**	**695 824**	**711 285**	**711 957**	**617 158**
TOTAL LIABILITIES	**865 807**	**936 998**	**988 434**	**999 146**	**1 078 323**	**1 078 323**	**1 045 067**	**1 030 030**	**1 042 521**
NET ASSETS	**3 531 506**	**3 667 983**	**3 698 830**	**3 681 004**	**3 691 222**	**3 691 222**	**3 719 423**	**3 705 339**	**3 686 388**
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	3 528 279	3 664 755	3 695 603	3 677 777	3 687 995	3 687 995	3 716 200	3 702 122	3 683 175
Reserves	3 227	3 227	3 227	3 228	3 228	3 228	3 223	3 218	3 213
TOTAL COMMUNITY WEALTH/EQUITY	**3 531 506**	**3 667 983**	**3 698 830**	**3 681 004**	**3 691 222**	**3 691 222**	**3 719 423**	**3 705 339**	**3 686 388**

WC032 Overstrand - Schedule 5 - Budgeted Cash Flows

R thousand	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	230 566	238 449	262 672	279 664	279 664	279 664	282 135	295 703	308 946
Service charges	643 620	689 210	737 211	792 663	792 663	792 663	856 588	929 001	1 004 943
Other revenue	128 882	175 357	131 492	159 489	152 925	152 925	162 798	110 562	76 348
Transfers and Subsidies - Operational	110 341	120 949	133 792	139 692	157 281	157 281	166 040	174 999	192 746
Transfers and Subsidies - Capital	32 017	60 675	37 219	46 354	49 062	49 062	72 398	31 368	32 611
Interest	45 960	53 186	34 748	27 456	27 456	27 456	24 871	25 991	27 161
Dividends	–	–	–	–	–	–	–	–	–
Payments									
Suppliers and employees	(929 996)	(971 606)	(1 069 400)	(1 166 090)	(1 193 289)	(1 193 289)	(1 408 073)	(1 424 801)	(1 493 864)
Finance charges	(44 921)	(46 570)	(48 805)	(51 804)	(51 804)	(51 804)	(48 056)	(47 734)	(47 159)
Transfers and Grants	(486)	(560)	(8 710)	(12 324)	(12 774)	(12 774)	(12 557)	(13 060)	(13 582)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**215 983**	**319 091**	**210 220**	**215 101**	**201 184**	**201 184**	**96 144**	**82 030**	**88 150**
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	(566)	3 289	940	–	–	–	–	–	–
Decrease (increase) in non-current receivables	8	7	4	–	–	–	–	–	–
Decrease (increase) in non-current investments	(4 980)	(4 980)	(4 878)	(4 980)	(4 980)	(4 980)	(4 980)	(4 980)	(4 980)
Payments									
Capital assets	(172 777)	(211 056)	(254 800)	(274 775)	(239 979)	(239 979)	(212 808)	(102 598)	(99 011)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(178 314)**	**(212 740)**	**(258 734)**	**(279 748)**	**(244 949)**	**(244 949)**	**(217 788)**	**(107 578)**	**(103 991)**
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	54 000	54 000	54 000	50 000	50 000	50 000	50 000	50 000	60 000
Increase (decrease) in consumer deposits	–	–	–	2 000	2 000	2 000	2 000	2 000	2 000
Payments									
Repayment of borrowing	(33 448)	(39 725)	(46 576)	(54 646)	(54 646)	(54 646)	(50 623)	(58 592)	(51 239)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**20 552**	**14 275**	**7 424**	**(2 646)**	**(2 646)**	**(2 646)**	**1 377**	**(6 592)**	**10 761**
NET INCREASE/ (DECREASE) IN CASH HELD	**58 220**	**120 626**	**(41 091)**	**(67 293)**	**(46 410)**	**(46 410)**	**(120 268)**	**(32 140)**	**(5 080)**
Cash/cash equivalents at the year begin:	**474 967**	**533 188**	**653 813**	**518 129**	**612 723**	**612 723**	**566 302**	**446 034**	**413 894**
Cash/cash equivalents at the year end:	**533 188**	**653 813**	**612 723**	**450 836**	**566 312**	**566 312**	**446 034**	**413 894**	**408 814**

Cash/cash equivalents at the year end:

WC032 Overstrand - Schedule 6 - Cash backed reserves/accumulated surplus reconciliation

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Cash and investments available									
Cash/cash equivalents at the year end	533 188	653 813	612 723	450 836	566 312	566 312	446 034	413 894	408 814
Other current investments > 90 days	0	–	–	(7)	(10)	(10)	0	(0)	0
Non current assets - Investments	50 524	46 515	54 278	62 165	62 165	62 165	70 005	77 989	86 123
Cash and investments available:	**583 711**	**700 328**	**667 001**	**512 994**	**628 466**	**628 466**	**516 039**	**491 883**	**494 937**
Application of cash and investments									
Unspent conditional transfers	–	31 133	24 030	–	12 442	12 442	–	–	–
Unspent borrowing	38 199	–	44 066	44 066	22 761	22 761	22 033	–	–
Statutory requirements	–	–	–	–	–	–	–	–	–
Other working capital requirements	(26 508)	(9 362)	(3 156)	59 046	74 998	74 998	(478)	(45 920)	(79 171)
Other provisions	6 587	2 612	28 547	10 200	16 936	16 936	12 515	8 330	8 276
Long term investments committed	50 524	46 515	54 278	62 165	62 165	62 165	70 005	77 989	86 123
Reserves to be backed by cash/investments	3 227	3 227	3 227	3 228	3 228	3 228	3 223	3 218	3 213
Total Application of cash and investments:	**72 028**	**74 124**	**150 993**	**178 704**	**192 531**	**192 531**	**107 298**	**43 617**	**18 440**
Surplus(shortfall)	**511 683**	**626 204**	**516 008**	**334 290**	**435 936**	**435 936**	**408 741**	**448 266**	**476 497**

WC032 Overstrand - Table A9 Asset Management

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
CAPITAL EXPENDITURE									
Total New Assets	**173 682**	**188 804**	**199 520**	**191 795**	**155 115**	**155 115**	**125 175**	**48 730**	**24 814**
Roads Infrastructure	12 061	5 638	20 553	10 218	9 493	9 493	11 013	5 000	6 000
Storm water Infrastructure	7 247	7 918	14 169	6 590	6 590	6 590	–	8 500	–
Electrical Infrastructure	28 893	13 557	9 392	57 808	24 908	24 908	53 500	12 000	9 314
Water Supply Infrastructure	12 270	29 001	22 404	11 372	4 469	4 469	11 803	2 000	3 100
Sanitation Infrastructure	34 963	13 339	12 940	9 368	10 097	10 097	–	–	–
Solid Waste Infrastructure	1 499	7 311	12 254	3 262	4 516	4 516	–	–	–
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Infrastructure	***96 933***	***76 763***	***91 712***	***98 618***	***60 072***	***60 072***	***76 316***	***27 500***	***18 414***
Community Facilities	30 804	2 084	10 999	15 352	6 403	6 403	4 374	–	–
Sport and Recreation Facilities	–	2 447	15 000	7 481	7 081	7 081	400	–	–
Community Assets	***30 804***	***4 531***	***25 999***	***22 833***	***13 485***	***13 485***	***4 774***	**–**	**–**
Heritage Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Investment properties	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings	3 092	1 749	4 581	6 636	5 457	5 457	1 000	–	–
Housing	34 276	85 753	49 598	52 259	61 765	61 765	39 785	21 230	6 400
Other Assets	***37 368***	***87 502***	***54 179***	***58 895***	***67 222***	***67 222***	***40 785***	***21 230***	***6 400***
Biological or Cultivated Assets	**–**	**–**	**–**	**–**	**226**	**226**	**–**	**–**	**–**
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	–	–	–	–	–	–	–	–	–
Intangible Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment	**1 346**	**3 345**	**5 152**	**3 933**	**3 933**	**3 933**	**1 800**	**–**	**–**
Furniture and Office Equipment	**295**	**246**	**802**	**875**	**1 225**	**1 225**	**765**	**–**	**–**
Machinery and Equipment	**–**	**533**	**486**	**1 641**	**1 791**	**1 791**	**735**	**–**	**–**
Transport Assets	**6 936**	**15 884**	**21 189**	**5 000**	**7 161**	**7 161**	**–**	**–**	**–**
Land	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Renewal of Existing Assets	**–**	**3 606**	**15 499**	**33 945**	**31 515**	**31 515**	**20 730**	**18 650**	**29 500**
Roads Infrastructure	–	8	–	–	–	–	–	–	–
Storm water Infrastructure	–	–	–	–	–	–	–	–	–
Electrical Infrastructure	–	–	915	1 000	1 000	1 000	1 058	1 500	2 000
Water Supply Infrastructure	–	887	11 297	32 295	29 865	29 865	19 172	16 450	20 300
Sanitation Infrastructure	–	2 711	3 287	650	650	650	500	700	700
Solid Waste Infrastructure	–	–	–	–	–	–	–	–	6 500
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Infrastructure	**–**	***3 606***	***15 499***	***33 945***	***31 515***	***31 515***	***20 730***	***18 650***	***29 500***
Community Facilities	–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities	–	–	–	–	–	–	–	–	–
Community Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Heritage Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Investment properties	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings	–	–	–	–	–	–	–	–	–
Housing	–	–	–	–	–	–	–	–	–
Other Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Biological or Cultivated Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	–	–	–	–	–	–	–	–	–
Intangible Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Furniture and Office Equipment	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Machinery and Equipment	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Transport Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Land	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Total Upgrading of Existing Assets	**–**	**18 646**	**39 781**	**49 034**	**53 349**	**53 349**	**66 903**	**35 218**	**44 697**
Roads Infrastructure	–	–	181	–	–	–	–	–	–
Storm water Infrastructure	–	1 285	12 258	–	–	–	–	–	–
Electrical Infrastructure	–	7 871	120	7 173	7 173	7 173	10 831	8 500	13 000
Water Supply Infrastructure	–	1 863	1 873	8 315	3 000	3 000	8 315	550	–
Sanitation Infrastructure	–	32	14 286	30 873	38 643	38 643	45 439	15 300	18 400
Solid Waste Infrastructure	–	–	3 262	553	90	90	1 984	–	–
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Infrastructure	**–**	***11 051***	***31 980***	***46 913***	***48 906***	***48 906***	***66 569***	***24 350***	***31 400***
Community Facilities	–	–	830	100	100	100	334	–	–
Sport and Recreation Facilities	–	7 534	6 971	2 021	4 343	4 343	–	10 868	13 297
Community Assets	**–**	***7 534***	***7 801***	***2 121***	***4 443***	***4 443***	***334***	***10 868***	***13 297***
Heritage Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Investment properties	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings	–	61	–	–	–	–	–	–	–
Housing	–	–	–	–	–	–	–	–	–
Other Assets	**–**	***61***	**–**	**–**	**–**	**–**	**–**	**–**	**–**
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	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Capital Expenditure	**173 682**	**211 056**	**254 800**	**274 775**	**239 979**	**239 979**	**212 808**	**102 598**	**99 011**
Roads Infrastructure	12 061	5 645	20 734	10 218	9 493	9 493	11 013	5 000	6 000
Storm water Infrastructure	7 247	9 202	26 427	6 590	6 590	6 590	–	8 500	–
Electrical Infrastructure	28 893	21 428	10 427	65 981	33 081	33 081	65 389	22 000	24 314
Water Supply Infrastructure	12 270	31 752	35 574	51 982	37 334	37 334	39 290	19 000	23 400
Sanitation Infrastructure	34 963	16 081	30 513	40 891	49 390	49 390	45 939	16 000	19 100
Solid Waste Infrastructure	1 499	7 311	15 517	3 815	4 606	4 606	1 984	–	6 500
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Infrastructure	***96 933***	***91 420***	***139 192***	***179 477***	***140 493***	***140 493***	***163 615***	***70 500***	***79 314***
Community Facilities	30 804	2 084	11 829	15 452	6 503	6 503	4 708	–	–
Sport and Recreation Facilities	–	9 981	21 971	9 502	11 424	11 424	400	10 868	13 297
Community Assets	***30 804***	***12 065***	***33 801***	***24 954***	***17 928***	***17 928***	***5 108***	***10 868***	***13 297***
Heritage Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Investment properties	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings	3 092	1 810	4 581	6 636	5 457	5 457	1 000	–	–
Housing	34 276	85 753	49 598	52 259	61 765	61 765	39 785	21 230	6 400
Other Assets	***37 368***	***87 563***	***54 179***	***58 895***	***67 222***	***67 222***	***40 785***	***21 230***	***6 400***
Biological or Cultivated Assets	**–**	**–**	**–**	**–**	**226**	**226**	**–**	**–**	**–**
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	–	–	–	–	–	–	–	–	–
Intangible Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment	**1 346**	**3 345**	**5 152**	**3 933**	**3 933**	**3 933**	**1 800**	**–**	**–**
Furniture and Office Equipment	**295**	**246**	**802**	**875**	**1 225**	**1 225**	**765**	**–**	**–**
Machinery and Equipment	**–**	**533**	**486**	**1 641**	**1 791**	**1 791**	**735**	**–**	**–**
Transport Assets	**6 936**	**15 884**	**21 189**	**5 000**	**7 161**	**7 161**	**–**	**–**	**–**
Land	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL CAPITAL EXPENDITURE - Asset class	**173 682**	**211 056**	**254 800**	**274 775**	**239 979**	**239 979**	**212 808**	**102 598**	**99 011**

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
ASSET REGISTER SUMMARY - PPE (WDV)	3 662 386	3 748 856	3 867 277	4 034 713	3 999 918	3 999 918	4 071 630	4 034 043	3 990 279
Roads Infrastructure	1 068 859	1 056 127	1 092 369	977 558	976 832	976 832	950 122	916 812	886 416
Storm water Infrastructure		214 067	233 963	247 201	247 201	247 201	239 209	239 701	232 495
Electrical Infrastructure	525 175	520 173	503 932	552 006	519 106	519 106	555 433	548 549	542 442
Water Supply Infrastructure	464 323	474 519	481 726	532 361	517 713	517 713	533 438	529 358	523 908
Sanitation Infrastructure	582 010	398 307	410 831	435 850	444 350	444 350	472 739	471 189	472 953
Solid Waste Infrastructure	26 500	24 634	40 153	48 809	49 600	49 600	48 323	45 061	48 461
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Infrastructure	***2 666 867***	***2 687 827***	***2 762 974***	***2 793 785***	***2 754 801***	***2 754 801***	***2 799 265***	***2 750 670***	***2 706 676***
Community Facilities									
Sport and Recreation Facilities									
Community Assets	***204 522***	***206 866***	***226 656***	**–**	**–**	**–**	**–**	**–**	**–**
Heritage Assets	**130 928**	**130 928**	**130 928**	**130 928**	**130 928**	**130 928**	**130 928**	**130 928**	**130 928**
Revenue Generating			–		–	–		–	–
Non-revenue Generating			–		–	–		–	–
Investment properties	***117 433***	***122 921***	***127 538***	***127 346***	***127 346***	***127 346***	***132 846***	***138 346***	***143 846***
Operational Buildings	–		–		–	–		–	–
Housing	–		–		–	–		–	–
Other Assets	***534 039***	***496 877***	***494 213***	***860 822***	***858 061***	***858 061***	***889 041***	***906 211***	***910 831***
Biological or Cultivated Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes	–		–		–	–		–	–
Licences and Rights	–		–		–	–		–	–
Intangible Assets	***8 597***	***9 168***	***8 993***	***4 363***	***8 603***	***8 603***	***8 203***	***7 784***	***7 333***
Computer Equipment			**–**	**–**	**–**	**–**	**–**	**–**	**–**
Furniture and Office Equipment		**10 174**	**10 999**	**15 935**	**16 285**	**16 285**	**15 315**	**12 086**	**8 984**
Machinery and Equipment		**6 022**	**9 544**	**5 933**	**6 159**	**6 159**	**5 209**	**3 656**	**2 134**
Transport Assets		**78 074**	**95 432**	**95 602**	**97 734**	**97 734**	**90 823**	**84 363**	**79 548**
Land			**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals	**–**		**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	**3 662 386**	**3 748 856**	**3 867 277**	**4 034 713**	**3 999 918**	**3 999 918**	**4 071 630**	**4 034 043**	**3 990 279**
EXPENDITURE OTHER ITEMS									
Depreciation	131 114	134 574	140 110	145 663	145 663	145 663	146 596	145 685	148 275
Repairs and Maintenance by Asset Class	**215 024**	**188 517**	**210 901**	**254 233**	**257 628**	**257 628**	**267 602**	**282 171**	**298 725**
Roads Infrastructure	61 860	65 691	67 439	67 503	67 115	67 115	72 281	79 183	83 626
Storm water Infrastructure	5 765	4 749	5 584	7 712	7 712	7 712	7 292	7 686	8 103
Electrical Infrastructure	23 082	36 812	31 045	33 421	33 479	33 479	39 233	40 356	43 933
Water Supply Infrastructure	17 367	16 161	21 046	21 537	21 537	21 537	22 144	23 489	24 843
Sanitation Infrastructure	14 967	10 072	12 980	12 162	12 331	12 331	13 002	13 535	14 307
Solid Waste Infrastructure	22 918	1 168	2 535	6 936	6 506	6 506	7 320	7 686	8 123
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	113	110	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	1	–	–	–	–	–	–
Infrastructure	***145 959***	***134 766***	***140 742***	***149 272***	***148 682***	***148 682***	***161 272***	***171 935***	***182 936***
Community Facilities	27 117	29 422	37 364	46 573	42 120	42 120	43 340	43 186	45 648
Sport and Recreation Facilities	12 685	4 176	7 007	15 083	15 813	15 813	14 759	14 797	15 299
Community Assets	***39 801***	***33 597***	***44 371***	***61 656***	***57 933***	***57 933***	***58 100***	***57 982***	***60 947***
Heritage Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Investment properties	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings	8 009	1 582	2 136	11 914	15 973	15 973	15 246	16 876	17 880
Housing	–	–	1	–	–	–	–	–	–
Other Assets	***8 009***	***1 582***	***2 137***	***11 914***	***15 973***	***15 973***	***15 246***	***16 876***	***17 880***
Biological or Cultivated Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	–	6 009	5 672	6 528	6 471	6 471	6 994	7 381	7 794
Intangible Assets	**–**	***6 009***	***5 672***	***6 528***	***6 471***	***6 471***	***6 994***	***7 381***	***7 794***
Computer Equipment	**4 890**	**766**	**1 947**	**2 280**	**2 799**	**2 799**	**2 280**	**2 391**	**2 508**
Furniture and Office Equipment	**16 364**	**242**	**1 128**	**6 095**	**6 418**	**6 418**	**6 330**	**6 644**	**6 951**
Machinery and Equipment	**–**	**–**	**–**	**5 548**	**5 363**	**5 363**	**5 601**	**6 518**	**6 561**
Transport Assets	**–**	**11 555**	**14 904**	**10 940**	**13 990**	**13 990**	**11 779**	**12 444**	**13 149**
Libraries	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL EXPENDITURE OTHER ITEMS	**346 138**	**323 092**	**351 011**	**399 896**	**403 291**	**403 291**	**414 198**	**427 856**	**447 000**
Renewal and upgrading of Existing Assets as % of tota	*0.0%*	*10.5%*	*21.7%*	*30.2%*	*35.4%*	*35.4%*	*41.2%*	*52.5%*	*74.9%*
Renewal and upgrading of Existing Assets as % of dep	*0.0%*	*16.5%*	*39.5%*	*57.0%*	*58.3%*	*58.3%*	*59.8%*	*37.0%*	*50.0%*
R&M as a % of PPE	*6.3%*	*5.4%*	*5.9%*	*6.7%*	*6.9%*	*6.9%*	*7.0%*	*7.5%*	*8.1%*
Renewal and upgrading and R&M as a % of PPE	*6.0%*	*6.0%*	*7.0%*	*8.0%*	*9.0%*	*9.0%*	*9.0%*	*8.0%*	*9.0%*

WC032 Overstrand - Schedule 8 - Basic service delivery measurement

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Household service targets									
Water:									
Piped water inside dwelling	29 800	29 946	30 111	30 111	30 111	30 111	30 412	30 716	31 023
Piped water inside yard (but not in dwelling)	–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	3 620	3 675	3 779	3 779	3 779	3 779	4 650	4 900	5 000
Other water supply (at least min.service level)	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total	33 420	33 621	33 890	33 890	33 890	33 890	35 062	35 616	36 023
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	**33 420**	**33 621**	**33 890**	**33 890**	**33 890**	**33 890**	**35 062**	**35 616**	**36 023**
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	29 361	30 060	30 420	30 420	30 420	30 420	30 724	31 031	31 342
Flush toilet (with septic tank)	–	–	–	–	–	–	–	–	–
Chemical toilet	–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)	–	–	–	–	–	–	–	–	–
Other toilet provisions (> min.service level)	3 620	3 675	3 779	3 731	3 731	3 731	4 650	4 900	5 000
Minimum Service Level and Above sub-total	32 981	33 735	34 199	34 151	34 151	34 151	35 374	35 931	36 342
Bucket toilet	–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)	–	–	–	–	–	–	–	–	–
No toilet provisions	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	**32 981**	**33 735**	**34 199**	**34 151**	**34 151**	**34 151**	**35 374**	**35 931**	**36 342**
Energy:									
Electricity (at least min.service level)	5 831	5 946	5 826	5 706	5 706	5 706	5 586	5 466	5 346
Electricity - prepaid (min.service level)	19 464	19 731	20 146	20 561	20 561	20 561	20 976	21 391	21 806
Minimum Service Level and Above sub-total	25 295	25 677	25 972	26 267	26 267	26 267	26 562	26 857	27 152
Electricity (< min.service level)	–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–
Other energy sources	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	**25 295**	**25 677**	**25 972**	**26 267**	**26 267**	**26 267**	**26 562**	**26 857**	**27 152**
Refuse:									
Removed at least once a week	33 105	33 366	30 420	33 895	33 895	33 895	34 234	34 576	34 922
Minimum Service Level and Above sub-total	33 105	33 366	30 420	33 895	33 895	33 895	34 234	34 576	34 922
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	**33 105**	**33 366**	**30 420**	**33 895**	**33 895**	**33 895**	**34 234**	**34 576**	**34 922**
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	2 757 787	3 062 304	3 065 494	3 239 424	3 239 424	3 239 424	4 069 011	4 313 152	4 571 941
Sanitation (free minimum level service)	4 983 794	5 244 196	5 252 736	5 553 374	5 553 374	5 553 374	6 946 656	7 363 456	7 805 263
Electricity/other energy (50kwh per household per month)	4 812 394	5 415 995	5 512 648	6 422 904	6 422 904	6 422 904	8 482 421	8 991 366	9 530 848
Refuse (removed at least once a week)	15 047 886	16 905 559	16 929 210	17 901 192	17 901 192	17 901 192	23 463 779	24 871 606	26 363 902
Cost of Free Basic Services provided - Formal Settlements (R'000)									
Water (6 kilolitres per indigent household per month)	2 758	3 062	3 065	3 239	3 239	3 239	4 069	4 313	4 572
Sanitation (free sanitation service to indigent households)	4 984	5 244	5 253	5 553	5 553	5 553	6 947	7 363	7 805
Electricity/other energy (50kwh per indigent household per month)	4 812	5 416	5 513	6 423	6 423	6 423	8 482	8 991	9 531
Refuse (removed once a week for indigent households)	15 048	16 906	16 929	17 901	17 901	17 901	23 464	24 872	26 364
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	–	–	–	–	–	–	–	–	–
Total cost of FBS provided	**27 602**	**30 628**	**30 760**	**33 117**	**33 117**	**33 117**	**42 962**	**45 540**	**48 272**
Highest level of free service provided per household									
Property rates (R value threshold)	220 000	220 000	220 000	220 000	220 000	220 000	220 000	220 000	220 000
Water (kilolitres per household per month)	6	6	6	6	6	6	10	10	10
Sanitation (kilolitres per household per month)	4	4	4	4	4	4	7	7	7
Sanitation (Rand per household per month)	78	82	86	89	89	89	93	99	105
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50	50
Refuse (average litres per week)	210	210	210	210	210	210	210	210	210
Revenue cost of subsidised services provided (R'000)									
Property rates (tariff adjustment) (impermissable values per section 17 of MPRA)	–	–	–	–	–	–	–	–	–
Property rates exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)	50 983	–	–	–	–	–	–	–	–
Water (in excess of 6 kilolitres per indigent household per month)	–	–	–	–	–	–	–	–	–
Sanitation (in excess of free sanitation service to indigent households)	–	–	–	–	–	–	–	–	–
Electricity/other energy (in excess of 50 kwh per indigent household per month	–	–	–	–	–	–	–	–	–
Refuse (in excess of one removal a week for indigent households)	–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates	–	–	–	–	–	–	–	–	–
Housing - top structure subsidies	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided	**50 983**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

WC032 Overstrand - Schedule 9 - Budgeted Financial Performance (revenue and expenditure by functional classification)

Standard Classification Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue - Functional									
Governance and administration	**327 040**	**347 612**	**362 831**	**357 072**	**360 937**	**360 937**	**379 688**	**393 584**	**399 096**
Executive and council	27 347	30 254	38 681	31 359	32 134	32 134	45 165	44 584	34 973
Finance and administration	299 607	317 322	324 150	325 712	328 802	328 802	334 524	349 000	364 123
Internal audit	86	36	–	–	–	–	–	–	–
Community and public safety	**118 499**	**164 043**	**125 463**	**164 655**	**184 498**	**184 498**	**167 619**	**135 469**	**105 603**
Community and social services	8 471	8 071	8 291	7 145	9 367	9 367	8 776	7 189	7 660
Sport and recreation	30 199	18 801	29 089	10 133	12 855	12 855	10 772	22 097	25 031
Public safety	32 372	32 801	16 193	39 531	42 023	42 023	35 995	38 413	40 148
Housing	47 457	104 370	71 891	107 845	120 253	120 253	112 075	67 770	32 763
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	**16 861**	**15 503**	**16 035**	**16 227**	**17 887**	**17 887**	**24 599**	**16 637**	**16 231**
Planning and development	10 337	8 315	11 638	9 362	11 298	11 298	13 252	11 293	9 880
Road transport	6 229	7 166	4 365	6 828	6 103	6 103	11 310	5 304	6 310
Environmental protection	295	21	32	37	487	487	37	39	41
Trading services	**752 662**	**802 791**	**847 454**	**939 483**	**927 890**	**927 890**	**1 050 116**	**1 076 195**	**1 177 904**
Energy sources	419 560	458 532	481 695	570 263	559 013	559 013	638 320	674 436	748 530
Water management	145 980	153 663	153 115	157 061	147 446	147 446	165 889	161 617	171 831
Waste water management	110 345	103 934	117 987	116 972	124 991	124 991	146 050	134 538	142 087
Waste management	76 777	86 662	94 657	95 187	96 441	96 441	99 858	105 603	115 457
Other	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Revenue - Functional	**1 215 062**	**1 329 949**	**1 351 784**	**1 477 435**	**1 491 212**	**1 491 212**	**1 622 023**	**1 621 884**	**1 698 834**
Expenditure - Functional									
Governance and administration	**222 134**	**216 164**	**258 657**	**284 904**	**296 957**	**296 957**	**315 492**	**312 936**	**324 798**
Executive and council	56 567	39 624	69 529	66 557	71 292	71 292	74 135	65 674	67 611
Finance and administration	162 899	174 217	186 367	214 255	221 574	221 574	237 192	242 867	252 547
Internal audit	2 668	2 322	2 761	4 091	4 091	4 091	4 165	4 394	4 640
Community and public safety	**159 878**	**171 527**	**192 423**	**257 893**	**262 788**	**262 788**	**280 648**	**261 330**	**251 642**
Community and social services	16 972	15 216	22 122	19 164	21 384	21 384	21 285	22 212	23 647
Sport and recreation	43 905	44 289	52 169	59 600	60 673	60 673	63 214	63 089	65 995
Public safety	80 702	82 675	87 169	115 407	114 195	114 195	118 010	123 383	129 268
Housing	18 299	29 347	30 963	63 723	66 537	66 537	78 138	52 646	32 731
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	**146 841**	**156 576**	**170 202**	**187 466**	**191 121**	**191 121**	**198 519**	**207 252**	**213 885**
Planning and development	36 688	39 397	43 396	51 373	53 194	53 194	53 344	53 031	55 707
Road transport	103 331	107 277	110 465	116 270	116 706	116 706	122 093	129 975	132 972
Environmental protection	6 821	9 902	16 340	19 823	21 221	21 221	23 082	24 246	25 206
Trading services	**576 651**	**643 817**	**696 761**	**761 149**	**766 457**	**766 457**	**817 550**	**874 215**	**949 260**
Energy sources	313 606	368 705	384 141	442 180	442 480	442 480	490 011	535 087	590 344
Water management	107 916	112 899	120 612	129 815	131 067	131 067	130 791	136 847	148 880
Waste water management	84 120	90 406	95 785	102 665	99 684	99 684	104 107	109 313	113 142
Waste management	71 009	71 808	96 223	86 489	93 226	93 226	92 641	92 967	96 894
Other	**3 031**	**2 998**	**2 893**	**3 595**	**3 595**	**3 595**	**3 558**	**3 667**	**3 783**
Total Expenditure - Functional	**1 108 536**	**1 191 082**	**1 320 936**	**1 495 006**	**1 520 918**	**1 520 918**	**1 615 768**	**1 659 399**	**1 743 367**
Surplus/(Deficit) for the year	**106 526**	**138 868**	**30 848**	**(17 571)**	**(29 706)**	**(29 706)**	**6 255**	**(37 515)**	**(44 533)**

WC032 Overstrand - Schedule 10 - Budgeted Capital Expenditure by directorate

Vote Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote 1 - Council & Mayor's Office	–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager & Internal Audit	–	–	–	–	–	–	–	–	–
Vote 3 - Management Services	–	–	–	3 715	3 715	3 715	1 815	–	–
Vote 4 - Finance	–	–	–	60	60	60	60	–	–
Vote 5 - Infrastructure & Planning	63 169	15 575	73 712	190 806	162 383	162 383	191 130	102 598	99 011
Vote 6 - Protection Services	4 809	–	–	354	704	704	300	–	–
Vote 7 - Economic and Social Development	–	–	–	45	45	45	45	–	–
Vote 8 - Community Services	66 541	58 300	36 053	4 297	4 297	4 297	735	–	–
Total Capital Expenditure - Vote	**134 520**	**73 875**	**109 765**	**199 277**	**171 204**	**171 204**	**194 085**	**102 598**	**99 011**
Single-year expenditure to be appropriated									
Vote 1 - Council & Mayor's Office	–	–	352	–	–	–	–	–	–
Vote 2 - Municipal Manager & Internal Audit	–	–	–	–	–	–	–	–	–
Vote 3 - Management Services	295	3 966	2 288	–	–	–	–	–	–
Vote 4 - Finance	–	22	57	–	–	–	–	–	–
Vote 5 - Infrastructure & Planning	28 195	93 905	80 221	40 514	36 807	36 807	13 015	–	–
Vote 6 - Protection Services	–	12 064	8 160	7 535	8 893	8 893	1 000	–	–
Vote 7 - Economic and Social Development	–	375	498	–	–	–	–	–	–
Vote 8 - Community Services	10 672	26 849	53 459	27 449	23 075	23 075	4 708	–	–
Capital single-year expenditure sub-total	**39 162**	**137 181**	**145 035**	**75 498**	**68 775**	**68 775**	**18 723**	**–**	**–**
Total Capital Expenditure - Vote	**173 682**	**211 056**	**254 800**	**274 775**	**239 979**	**239 979**	**212 808**	**102 598**	**99 011**

ANNEXURE B

A1 SCHEDULE & A2 BUDGET CHARTS

The A Schedule Budget Tables is a National Treasury template, and now, also incorporated into the financial systems of the vendors, and in many instances, sheet & cell protected. It should be noted that some tables contain inconsistent formatting and formula errors, which displays some table layouts and data incorrectly. As the inclusion of the Budget tables in the Budget Report, which should be system generated, is a requirement of the Budget Regulations, the tables are displayed according to the formulae and formatting from the protected excel worksheets & cells from the schedules produced by the financial system.

Municipal annual budgets and MTREF & supporting tables

mSCOA Version 6.6

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national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Contact details:

Elsabé Rossouw
National Treasury
Tel: (012) 315-5534
Electronic submissions:
lgdocuments@treasury.gov.za
or
For registered users using the LG Upload Portal

Preparation Instructions

Municipality Name:	WC032 Overstrand
CFO Name:	SANTIE REYNEKE-NAUDE
Tel:	028 313 8040
Fax:	
E-Mail:	cfo@overstrand.gov.za
Budget for MTREF starting:	2022
Budget Year:	2022/23
Does this municipality have Entities?	No
If YES: Identify type of report:	Consolidated Informati

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

MFMA Budget Circulars	Click to view
MBRR Budget Formats Guide	Click to view
Dummy Budget Guide	Click to view
Funding Compliance Guide	Click to view
MFMA Return Forms	Click to view

Organisational Structure Votes		Complete Votes & Sub-Votes	Select Org. Structure
Vote 1 - Council & Mayor's Office	**Vote 1**	**Council & Mayor's Office**	
Vote 2 - Municipal Manager & Internal Audit	1.1	Council General	1.1 - Council General
Vote 3 - Management Services	1.2	Mayor's Office	1.2 - Mayor's Office
Vote 4 - Finance	1.3	Pensioners & Continued Members	1.3 - Pensioners & Continued Members
Vote 5 - Infrastructure & Planning	1.4	[Name of sub-vote]	
Vote 6 - Protection Services	1.5	[Name of sub-vote]	
Vote 7 - Economic and Social Development & Tourism	1.6	[Name of sub-vote]	
Vote 8 - Community Services	1.7	[Name of sub-vote]	
Vote 9 - Costing Services	1.8	[Name of sub-vote]	
Vote 10 - Main Ledger Services	1.9	[Name of sub-vote]	
Vote 11 - [NAME OF VOTE 11]	1.10	[Name of sub-vote]	
Vote 12 - [NAME OF VOTE 12]	**Vote 2**	**Municipal Manager & Internal Audit**	
Vote 13 - [NAME OF VOTE 13]	2.1	Municipal Manager	2.1 - Municipal Manager
Vote 14 - [NAME OF VOTE 14]	2.2	Internal Audit	2.2 - Internal Audit
Vote 15 - [NAME OF VOTE 15]	2.3	Risk Management	2.3 - Risk Management
	Vote 3	**Management Services**	
	3.1	Director: Management Services	3.1 - Director: Management Services
	3.2	Communication	3.2 - Communication
	3.3	Legal Services	3.3 - Legal Services
	3.4	Strategic Services	3.4 - Strategic Services
	3.5	Human Resources	3.5 - Human Resources
	3.6	Info & Communication Technology	3.6 - Info & Communication Technology
	3.7	Council Support Services	3.7 - Council Support Services
	3.8	Social Development	3.8 - Social Development
	3.9	Municipal Court	3.9 - Municipal Court
	3.10	[Name of sub-vote]	
	Vote 4	**Finance**	
	4.1	Finance: Director	4.1 - Finance: Director
	4.2	Finance: Deputy Director	4.2 - Finance: Deputy Director
	4.3	Finance: Accounting Services	4.3 - Finance: Accounting Services
	4.4	Finance: Expenditure & Assets	4.4 - Finance: Expenditure & Assets
	4.5	Finance: Revenue	4.5 - Finance: Revenue
	4.6	Finance: Supply Chain Management	4.6 - Finance: Supply Chain Management
	4.7	Data Control	4.7 - Data Control
	4.8	Assessment Rates	4.8 - Assessment Rates
	4.9	[Name of sub-vote]	
	4.10	[Name of sub-vote]	
	Vote 5	**Infrastructure & Planning**	
	5.1	Director: Infrastructure & Planning	5.1 - Director: Infrastructure & Planning
	5.2	Deputy Director:Engineering Planning	5.2 - Deputy Director:Engineering Planning
	5.3	Engineering Services & Housing Development	5.3 - Engineering Services & Housing Development
	5.4	Town Planning	5.4 - Town Planning
	5.5	Geographical Info System (GIS)	5.5 - Geographical Info System (GIS)
	5.6	Building Control Services	5.6 - Building Control Services
	5.7	Environmental Management Services	5.7 - Environmental Management Services
	5.8	Electricity	5.8 - Electricity
	5.9	Solid Waste Planning & Solid Waste Disposal	5.9 - Solid Waste Planning & Solid Waste Disposal
	5.10	Property Administration	5.10 - Property Administration
	Vote 6	**Protection Services**	
	6.1	Director: Protection Services	6.1 - Director: Protection Services
	6.2	Traffic	6.2 - Traffic
	6.3	Law Enforcement	6.3 - Law Enforcement
	6.4	Vehicle testing	6.4 - Vehicle testing
	6.5	Fire Brigade	6.5 - Fire Brigade
	6.6	Vehicle Licensing	6.6 - Vehicle Licensing
	6.7	Special Task Team Unit	6.7 - Special Task Team Unit
	6.8	Disaster Management	6.8 - Disaster Management
	6.9	Security Services	6.9 - Security Services
	6.10	[Name of sub-vote]	
	Vote 7	**Economic and Social Development & Tourism**	
	7.1	Director: Economic Development & Planning	7.1 - Director: Economic Development & Planning
	7.2	Tourism	7.2 - Tourism
	7.3	Social Development	7.3 - Social Development
	7.4	EPWP	7.4 - EPWP
	7.5	Thusong Centre: Hawston	7.5 - Thusong Centre: Hawston
	7.6	Parking Services	7.6 - Parking Services
	7.7	[Name of sub-vote]	
	7.8	[Name of sub-vote]	
	7.9	[Name of sub-vote]	
	7.10	[Name of sub-vote]	
	Vote 8	**Community Services**	
	8.1	Director & Administration	8.1 - Director & Administration
	8.2	Offices & Community Buildings	8.2 - Offices & Community Buildings
	8.3	Parks & Townlands, Cemetries	8.3 - Parks & Townlands, Cemetries
	8.4	Libraries	8.4 - Libraries
	8.5	Sport & Recreation	8.5 - Sport & Recreation
	8.6	Housing & Social Upliftment	8.6 - Housing & Social Upliftment
	8.7	Roads & Stormwater	8.7 - Roads & Stormwater
	8.8	Water	8.8 - Water
	8.9	Sewerage	8.9 - Sewerage
	8.10	Refuse	8.10 - Refuse
	Vote 9	**Costing Services**	
	9.1	Departmental Charges & Recoveries	9.1 - Departmental Charges & Recoveries
	9.2	Internal Billing	9.2 - Internal Billing
	9.3	Activity Based Costing	9.3 - Activity Based Costing
	Vote 10	**Main Ledger Services**	
	10.1	Main Ledger	10.1 - Main Ledger

WC032 Overstrand - Contact Information

A. GENERAL INFORMATION

Municipality	WC032 Overstrand
Grade	3
Province	WC WESTERN CAPE
Web Address	www.overstrand.gov.za
E-mail Address	bking@overstrand.gov.za

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

B. CONTACT INFORMATION

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P.O. Box	P.O.BOX 20
City / Town	HERMANUS
Postal Code	7200
Street address	
Building	MUNICIPAL OFFICE
Street No. & Name	MAGNOLIA STREET
City / Town	HERMANUS
Postal Code	7200
General Contacts	
Telephone number	028 313 8000
Fax number	028 313 8128

C. POLITICAL LEADERSHIP

Speaker:		**Secretary/PA to the Speaker:**	
ID Number		ID Number	
Title	Mr	Title	Ms
Name	GRANT MICHAEL COHEN	Name	ANNA KORVER
Telephone number	028 313 8193	Telephone number	028 313 8058
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Mayor/Executive Mayor:		**Secretary/PA to the Mayor/Executive Mayor:**	
ID Number		ID Number	
Title	Mrs	Title	Ms
Name	ANNA LOUISE RABIE	Name	ANNA KORVER
Telephone number	028 313 8011	Telephone number	028 313 8058
Cell number	083 457 8711	Cell number	076 823 1324
Fax number		Fax number	
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Deputy Mayor/Executive Mayor:		**Secretary/PA to the Deputy Mayor/Executive Mayor:**	
ID Number		ID Number	
Title	Mr	Title	Ms
Name	LINDILE NTSABO	Name	ANNA KORVER
Telephone number	028 313 8000	Telephone number	028 313 8058
Cell number	081 491 0949	Cell number	076 823 1324
Fax number		Fax number	
E-mail address	lntsabo@overstrand.gov.za	E-mail address	akorver@overstrand.gov.za

D. MANAGEMENT LEADERSHIP

Municipal Manager:		**Secretary/PA to the Municipal Manager:**	
ID Number		ID Number	
Title	Mr	Title	Mrs
Name	DEAN GABRIEL IAN O'NEILL	Name	RENTIA PRETORIUS
Telephone number	028 313 8003	Telephone number	028 313 8909
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Fax number		Fax number	
E-mail address	mm@overstrand.gov.za	E-mail address	rpretorius@overstrand.gov.za

Chief Financial Officer		**Secretary/PA to the Chief Financial Officer**	
ID Number		ID Number	
Title	Mrs	Title	Mrs
Name	SANTIE REYNEKE-NAUDE	Name	DORET TALJAARD
Telephone number	028 313 8040	Telephone number	028 313 8074
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Official responsible for submitting financial information		**Official responsible for submitting financial information**	
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E-mail address	bking@overstrand.gov.za	E-mail address	vallen@overstrand.gov.za

Official responsible for submitting financial information		**Official responsible for submitting financial information**	
ID Number		ID Number	
Title	Mrs	Title	Ms
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Telephone number	028 313 8913	Telephone number	028 313 8138
Cell number		Cell number	
Fax number		Fax number	
E-mail address	gbucchianeri@overstrand.gov.za	E-mail address	kjeptha@overstrand.gov.za

WC032 Overstrand - Table A1 Budget Summary

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Financial Performance									
Property rates	**233 093**	240 910	261 222	275 637	275 637	275 637	287 941	300 836	314 308
Service charges	648 033	698 179	733 197	793 858	793 858	793 858	873 575	944 565	1 021 904
Investment revenue	41 767	48 146	30 504	27 456	27 456	27 456	24 871	25 991	27 161
Transfers recognised - operational	106 306	123 140	140 895	139 692	157 281	157 281	166 040	174 999	192 746
Other own revenue	127 227	178 453	121 523	180 196	184 321	184 321	184 756	144 125	110 104
Total Revenue (excluding capital transfers and contributions)	1 156 425	1 288 828	1 287 342	1 416 839	1 438 553	1 438 553	1 537 183	1 590 516	1 666 223
Employee costs	368 000	382 572	437 874	463 804	478 179	478 179	507 139	522 622	551 734
Remuneration of councillors	10 573	11 282	11 219	12 401	12 401	12 401	12 401	12 905	13 432
Depreciation & asset impairment	131 114	134 574	140 110	145 663	145 663	145 663	146 596	145 685	148 275
Finance charges	44 921	46 570	48 805	51 804	51 804	51 804	48 056	47 734	47 159
Materials and bulk purchases	277 663	320 849	343 314	398 552	400 854	400 854	444 508	490 391	543 870
Transfers and grants	486	560	8 710	12 324	12 774	12 774	12 557	13 060	13 582
Other expenditure	275 779	294 674	330 903	410 460	419 244	419 244	444 512	427 002	425 316
Total Expenditure	1 108 536	1 191 082	1 320 936	1 495 006	1 520 918	1 520 918	1 615 768	1 659 399	1 743 367
Surplus/(Deficit)	47 890	97 746	(33 594)	(78 168)	(82 365)	(82 365)	(78 586)	(68 883)	(77 144)
Transfers and subsidies - capital (monetary allocations) (	31 952	37 392	37 219	46 354	49 062	49 062	72 398	31 368	32 611
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	26 685	3 730	27 223	14 243	3 597	3 597	12 442	–	–
Surplus/(Deficit) after capital transfers & contributions	106 526	138 868	30 848	(17 571)	(29 706)	(29 706)	6 255	(37 515)	(44 533)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	106 526	138 868	30 848	(17 571)	(29 706)	(29 706)	6 255	(37 515)	(44 533)
Capital expenditure & funds sources									
Capital expenditure	**173 682**	211 056	254 800	274 775	239 979	239 979	212 808	102 598	99 011
Transfers recognised - capital	**91 574**	117 493	83 490	111 555	113 123	113 123	124 625	52 598	39 011
Public contributions & donations	**–**	3 730	23 919	–	–	–	–	–	–
Borrowing	**36 495**	50 476	45 443	94 066	72 761	72 761	72 033	50 000	60 000
Internally generated funds	**45 613**	39 358	101 949	69 154	54 094	54 094	16 149	–	–
Total sources of capital funds	**173 682**	211 056	254 800	274 775	239 979	239 979	212 808	102 598	99 011
Financial position									
Total current assets	**684 399**	809 609	765 709	583 272	707 463	707 463	622 854	623 337	652 506
Total non current assets	**3 712 914**	3 795 371	3 921 556	4 096 878	4 062 082	4 062 082	4 141 636	4 112 032	4 076 402
Total current liabilities	**220 717**	294 861	310 222	341 312	382 500	382 500	333 782	318 072	425 363
Total non current liabilities	**645 090**	642 137	678 212	657 833	695 824	695 824	711 285	711 957	617 158
Community wealth/Equity	**3 531 506**	3 667 983	3 698 830	3 681 004	3 691 222	3 691 222	3 719 423	3 705 339	3 686 388
Cash flows									
Net cash from (used) operating	**215 983**	319 091	210 220	215 101	201 184	201 184	96 144	82 030	88 150
Net cash from (used) investing	**(178 314)**	(212 740)	(258 734)	(279 748)	(244 949)	(244 949)	(217 788)	(107 578)	(103 991)
Net cash from (used) financing	**20 552**	14 275	7 424	(2 646)	(2 646)	(2 646)	1 377	(6 592)	10 761
Cash/cash equivalents at the year end	**533 188**	653 813	612 723	450 836	566 312	566 312	446 034	413 894	408 814
Cash backing/surplus reconciliation									
Cash and investments available	**583 711**	700 328	667 001	512 994	628 466	628 466	516 039	491 883	494 937
Application of cash and investments	**72 028**	74 124	150 993	178 704	192 531	192 531	107 298	43 617	18 440
Balance - surplus (shortfall)	**511 683**	626 204	516 008	334 290	435 936	435 936	408 741	448 266	476 497
Asset management									
Asset register summary (WDV)	**3 662 386**	3 748 856	3 867 277	4 034 713	3 999 918	3 999 918	4 071 630	4 034 043	3 990 279
Depreciation	**131 114**	134 574	140 110	145 663	145 663	145 663	146 596	145 685	148 275
Renewal of Existing Assets	**–**	3 606	15 499	33 945	31 515	31 515	20 730	18 650	29 500
Repairs and Maintenance	**215 024**	188 517	210 901	254 233	257 628	257 628	267 602	282 171	298 725
Free services									
Cost of Free Basic Services provided	**27 602**	30 628	30 760	33 117	33 117	33 117	42 962	45 540	48 272
Revenue cost of free services provided	**50 983**	–	–	–	–	–	–	–	–
Households below minimum service level									
Water:	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–

WC032 Overstrand - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue - Functional										
Governance and administration		**327 040**	**347 612**	**362 831**	**357 072**	**360 937**	**360 937**	**379 688**	**393 584**	**399 096**
Executive and council		27 347	30 254	38 681	31 359	32 134	32 134	45 165	44 584	34 973
Finance and administration		299 607	317 322	324 150	325 712	328 802	328 802	334 524	349 000	364 123
Internal audit		86	36	–	–	–	–	–	–	–
Community and public safety		**118 499**	**164 043**	**125 463**	**164 655**	**184 498**	**184 498**	**167 619**	**135 469**	**105 603**
Community and social services		8 471	8 071	8 291	7 145	9 367	9 367	8 776	7 189	7 660
Sport and recreation		30 199	18 801	29 089	10 133	12 855	12 855	10 772	22 097	25 031
Public safety		32 372	32 801	16 193	39 531	42 023	42 023	35 995	38 413	40 148
Housing		47 457	104 370	71 891	107 845	120 253	120 253	112 075	67 770	32 763
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**16 861**	**15 503**	**16 035**	**16 227**	**17 887**	**17 887**	**24 599**	**16 637**	**16 231**
Planning and development		10 337	8 315	11 638	9 362	11 298	11 298	13 252	11 293	9 880
Road transport		6 229	7 166	4 365	6 828	6 103	6 103	11 310	5 304	6 310
Environmental protection		295	21	32	37	487	487	37	39	41
Trading services		**752 662**	**802 791**	**847 454**	**939 483**	**927 890**	**927 890**	**1 050 116**	**1 076 195**	**1 177 904**
Energy sources		419 560	458 532	481 695	570 263	559 013	559 013	638 320	674 436	748 530
Water management		145 980	153 663	153 115	157 061	147 446	147 446	165 889	161 617	171 831
Waste water management		110 345	103 934	117 987	116 972	124 991	124 991	146 050	134 538	142 087
Waste management		76 777	86 662	94 657	95 187	96 441	96 441	99 858	105 603	115 457
Other	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	**1 215 062**	**1 329 949**	**1 351 784**	**1 477 435**	**1 491 212**	**1 491 212**	**1 622 023**	**1 621 884**	**1 698 834**
Expenditure - Functional										
Governance and administration		**222 134**	**216 164**	**258 657**	**284 904**	**296 957**	**296 957**	**315 492**	**312 936**	**324 798**
Executive and council		56 567	39 624	69 529	66 557	71 292	71 292	74 135	65 674	67 611
Finance and administration		162 899	174 217	186 367	214 255	221 574	221 574	237 192	242 867	252 547
Internal audit		2 668	2 322	2 761	4 091	4 091	4 091	4 165	4 394	4 640
Community and public safety		**159 878**	**171 527**	**192 423**	**257 893**	**262 788**	**262 788**	**280 648**	**261 330**	**251 642**
Community and social services		16 972	15 216	22 122	19 164	21 384	21 384	21 285	22 212	23 647
Sport and recreation		43 905	44 289	52 169	59 600	60 673	60 673	63 214	63 089	65 995
Public safety		80 702	82 675	87 169	115 407	114 195	114 195	118 010	123 383	129 268
Housing		18 299	29 347	30 963	63 723	66 537	66 537	78 138	52 646	32 731
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**146 841**	**156 576**	**170 202**	**187 466**	**191 121**	**191 121**	**198 519**	**207 252**	**213 885**
Planning and development		36 688	39 397	43 396	51 373	53 194	53 194	53 344	53 031	55 707
Road transport		103 331	107 277	110 465	116 270	116 706	116 706	122 093	129 975	132 972
Environmental protection		6 821	9 902	16 340	19 823	21 221	21 221	23 082	24 246	25 206
Trading services		**576 651**	**643 817**	**696 761**	**761 149**	**766 457**	**766 457**	**817 550**	**874 215**	**949 260**
Energy sources		313 606	368 705	384 141	442 180	442 480	442 480	490 011	535 087	590 344
Water management		107 916	112 899	120 612	129 815	131 067	131 067	130 791	136 847	148 880
Waste water management		84 120	90 406	95 785	102 665	99 684	99 684	104 107	109 313	113 142
Waste management		71 009	71 808	96 223	86 489	93 226	93 226	92 641	92 967	96 894
Other	4	**3 031**	**2 998**	**2 893**	**3 595**	**3 595**	**3 595**	**3 558**	**3 667**	**3 783**
Total Expenditure - Functional	3	**1 108 536**	**1 191 082**	**1 320 936**	**1 495 006**	**1 520 918**	**1 520 918**	**1 615 768**	**1 659 399**	**1 743 367**
Surplus/(Deficit) for the year		**106 526**	**138 868**	**30 848**	**(17 571)**	**(29 706)**	**(29 706)**	**6 255**	**(37 515)**	**(44 533)**

WC032 Overstrand - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue - Functional										
Municipal governance and administrati		**327 040**	**347 612**	**362 831**	**357 072**	**360 937**	**360 937**	**379 688**	**393 584**	**399 096**
Executive and council		27 347	30 254	38 681	31 359	32 134	32 134	45 165	44 584	34 973
Mayor and Council		27 246	30 091	38 321	31 285	31 735	31 735	45 007	44 425	34 813
Municipal Manager,		101	163	360	75	400	400	158	159	160
Finance and administration		299 607	317 322	324 150	325 712	328 802	328 802	334 524	349 000	364 123
Administrative and		253	378	2 958	318	1 343	1 343	262	270	278
Asset Management		–	–	–	–	–	–	–	–	–
Finance		292 659	300 353	308 988	318 337	318 337	318 337	327 365	341 774	356 827
Fleet Management		–	95	–	0	0	0	0	0	0
Human Resources		721	738	2 246	809	2 085	2 085	858	896	935
Information Technology		–	–	257	–	789	789	–	–	–
Legal Services		–	–	6	–	–	–	–	–	–
Marketing, Customer		–	–	–	–	–	–	–	–	–
Property Services		(124)	701	4 403	321	321	321	348	364	381
Risk Management		–	–	–	–	–	–	–	–	–
Security Services		–	–	–	–	–	–	–	–	–
Supply Chain		205	152	373	313	313	313	71	71	71
Valuation Service		5 893	14 906	4 918	5 615	5 615	5 615	5 620	5 625	5 631
Internal audit		86	36	–	–	–	–	–	–	–
Governance Function		86	36	–	–	–	–	–	–	–
Community and public safety		**118 499**	**164 043**	**125 463**	**164 655**	**184 498**	**184 498**	**167 619**	**135 469**	**105 603**
Community and social services		**8 471**	**8 071**	**8 291**	**7 145**	**9 367**	**9 367**	**8 776**	**7 189**	**7 660**
Aged Care		–	–	–	–	–	–	–	–	–
Agricultural		–	–	–	–	–	–	–	–	–
Animal Care and		–	–	–	–	–	–	–	–	–
Cemeteries, Funeral		289	301	425	180	180	180	225	235	245
Child Care Facilities		400	–	–	–	–	–	–	–	–
Community Halls and		298	385	174	365	365	365	271	126	281
Consumer Protection			–	–	–	–	–	–	–	–
Cultural Matters			–	–	–	–	–	–	–	–
Disaster Management			–	–	–	–	–	–	–	–
Education			–	–	–	–	–	–	–	–
Indigenous and			–	–	–	–	–	–	–	–
Industrial Promotion			–	–	–	–	–	–	–	–
Language Policy			–	–	–	–	–	–	–	–
Libraries and Archives		7 423	7 385	7 692	6 599	8 821	8 821	8 280	6 828	7 134
Literacy Programmes		–	–	–	–	–	–	–	–	–

Functional Classification Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Media Services		–	–	–	–	–	–	–	–	–
Museums and Art		–	–	–	–	–	–	–	–	–
Population Development		62	–	–	–	–	–	–	–	–
Provincial Cultural			–	–	–	–	–	–	–	–
Theatres			–	–	–	–	–	–	–	–
Zoo's		–	–	–	–	–	–	–	–	–
Sport and recreation		**30 199**	**18 801**	**29 089**	**10 133**	**12 855**	**12 855**	**10 772**	**22 097**	**25 031**
Beaches and Jetties		1 735	755	524	328	328	328	734	767	801
Casinos, Racing,		–	–	–	–	–	–	–	–	–
Community Parks		4 319	3 816	3 459	3 244	3 444	3 444	4 082	4 265	4 456
Recreational Facilities		7 090	6 083	4 901	3 937	4 137	4 137	5 952	6 192	6 472
Sports Grounds and		17 055	8 147	20 205	2 625	4 947	4 947	5	10 873	13 302
Public safety		**32 372**	**32 801**	**16 193**	**39 531**	**42 023**	**42 023**	**35 995**	**38 413**	**40 148**
Civil Defence		200	3 870	1 638	–	–	–	–	–	–
Cleansing			–	–	–	–	–	–	–	–
Control of Public			–	–	2 420	10 353	10 353	5 378	5 481	5 739
Fencing and Fences			–	–	–	–	–	–	–	–
Fire Fighting and		228	3 137	3 571	150	2 369	2 369	131	137	143
Licensing and Control of		318	1 787	1 219	214	404	404	368	380	393
Police Forces, Traffic		31 626	24 007	9 764	36 747	28 897	28 897	30 118	32 415	33 873
Pounds		–	–	–	–	–	–	–	–	–
Housing		**47 457**	**104 370**	**71 891**	**107 845**	**120 253**	**120 253**	**112 075**	**67 770**	**32 763**
Housing		47 457	104 370	71 891	107 845	120 253	120 253	112 075	67 770	32 763
Informal Settlements		–	–	–	–	–	–	–	–	–
Health		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Ambulance		–	–	–	–	–	–	–	–	–
Health Services		–	–	–	–	–	–	–	–	–
Laboratory Services		–	–	–	–	–	–	–	–	–
Food Control		–	–	–	–	–	–	–	–	–
Health Surveillance and		–	–	–	–	–	–	–	–	–
Vector Control		–	–	–	–	–	–	–	–	–
Chemical Safety		–	–	–	–	–	–	–	–	–
Economic and environmental services		**16 861**	**15 503**	**16 035**	**16 227**	**17 887**	**17 887**	**24 599**	**16 637**	**16 231**
Planning and development		**10 337**	**8 315**	**11 638**	**9 362**	**11 298**	**11 298**	**13 252**	**11 293**	**9 880**
Billboards			–	–	–	–	–	–	–	–
Corporate Wide			–	–	–	–	–	–	–	–
Central City			–	–	–	–	–	–	–	–
Development			–	–	–	–	–	–	–	–
Economic		1 926	2 635	3 798	2 531	4 466	4 466	2 593	–	–

Functional Classification Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Regional Planning and		–	–	–	–	–	–	–	–	–
Town Planning, Building		8 411	5 680	7 840	6 831	6 831	6 831	9 659	10 093	8 608
Project Management			–	–	–	–	–	1 000	1 200	1 272
Provincial Planning			–	–	–	–	–	–	–	–
Support to Local			–	–	–	–	–	–	–	–
Road transport		**6 229**	**7 166**	**4 365**	**6 828**	**6 103**	**6 103**	**11 310**	**5 304**	**6 310**
Public Transport			–	–	–	–	–	–	–	–
Road and Traffic			–	–	–	–	–	–	–	–
Roads		6 229	7 166	4 365	6 828	6 103	6 103	11 310	5 304	6 310
Taxi Ranks			–	–	–	–	–	–	–	–
Environmental protection		**295**	**21**	**32**	**37**	**487**	**487**	**37**	**39**	**41**
Biodiversity and		295	21	32	37	487	487	37	39	41
Coastal Protection		–	–	–	–	–	–	–	–	–
Indigenous Forests		–	–	–	–	–	–	–	–	–
Nature Conservation		–	–	–	–	–	–	–	–	–
Pollution Control		–	–	–	–	–	–	–	–	–
Soil Conservation		–	–	–	–	–	–	–	–	–
Trading services		**752 662**	**802 791**	**847 454**	**939 483**	**927 890**	**927 890**	**1 050 116**	**1 076 195**	**1 177 904**
Energy sources		**419 560**	**458 532**	**481 695**	**570 263**	**559 013**	**559 013**	**638 320**	**674 436**	**748 530**
Electricity		419 560	458 532	481 695	570 263	559 013	559 013	633 320	670 236	742 530
Street Lighting and			–	–	–	–	–	5 000	4 200	6 000
Nonelectric Energy		–	–	–	–	–	–	–	–	–
Water management		**145 980**	**153 663**	**153 115**	**157 061**	**147 446**	**147 446**	**165 889**	**161 617**	**171 831**
Water Treatment			–	–	–	–	–	–	–	–
Water Distribution		145 980	153 663	153 115	157 061	147 446	147 446	165 889	161 617	171 831
Water Storage			–	–	–	–	–	–	–	–
Waste water management		**110 345**	**103 934**	**117 987**	**116 972**	**124 991**	**124 991**	**146 050**	**134 538**	**142 087**
Public Toilets			–	–	–	–	–	–	–	–
Sewerage		104 583	98 448	109 568	116 872	124 891	124 891	145 950	125 938	141 986
Storm Water		5 762	5 486	8 420	100	100	100	100	8 600	100
Waste Water Treatment					–	–	–	–	–	–
Waste management		**76 777**	**86 662**	**94 657**	**95 187**	**96 441**	**96 441**	**99 858**	**105 603**	**115 457**
Recycling		–	–	–	–	–	–	–	–	–
Solid Waste Disposal		1 157	38	5 204	1 080	2 334	2 334	1 782	42	43
Solid Waste Removal		75 619	86 624	89 453	94 107	94 107	94 107	98 076	105 561	115 414
Street Cleaning		–	–	–	–	–	–	–	–	–
Other		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Abattoirs		–	–	–	–	–	–	–	–	–
Air Transport		–	–	–	–	–	–	–	–	–

Functional Classification Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Forestry		–	–	–	–	–	–	–	–	–
Licensing and Regulation		–	–	–	–	–	–	–	–	–
Markets		–	–	–	–	–	–	–	–	–
Tourism					–	–	–	–	–	–
Total Revenue - Functional	2	**1 215 062**	**1 329 949**	**1 351 784**	**1 477 435**	**1 491 212**	**1 491 212**	**1 622 023**	**1 621 884**	**1 698 834**
Expenditure - Functional										
Municipal governance and administrati		**222 134**	**216 164**	**258 657**	**284 904**	**296 957**	**296 957**	**315 492**	**312 936**	**324 798**
Executive and council		56 567	39 624	69 529	66 557	71 292	71 292	74 135	65 674	67 611
Mayor and Council		38 174	19 926	44 088	37 046	42 988	42 988	44 657	34 502	34 660
Municipal Manager,		18 394	19 698	25 441	29 511	28 304	28 304	29 478	31 173	32 950
Finance and administration		162 899	174 217	186 367	214 255	221 574	221 574	237 192	242 867	252 547
Administrative and		41 615	31 711	41 606	36 556	40 774	40 774	41 553	43 818	45 791
Asset Management		–	–	–	1 500	1 450	1 450	1 500	1 500	1 500
Finance		65 880	59 491	67 609	82 841	82 606	82 606	92 732	92 510	97 313
Fleet Management		7 758	9 154	9 733	8 143	8 343	8 343	9 505	9 486	8 439
Human Resources		11 468	11 881	13 909	14 170	15 446	15 446	14 939	15 930	16 713
Information Technology		17 349	19 178	21 697	25 152	25 941	25 941	28 114	28 348	29 716
Legal Services		4 512	4 855	5 167	5 603	5 803	5 803	6 095	6 177	6 481
Marketing, Customer		1 570	2 026	2 098	3 233	3 233	3 233	3 627	3 757	3 897
Property Services		3 963	21 530	9 509	21 354	21 674	21 674	21 299	22 624	23 203
Risk Management		–	–	53	255	1 092	1 092	1 113	1 164	1 219
Security Services		–	4 414	5 054	3 881	3 755	3 755	4 385	4 556	4 560
Supply Chain		8 784	9 977	9 932	11 568	11 458	11 458	12 329	12 996	13 717
Valuation Service			–	–	–	–	–	–	–	–
Internal audit		2 668	2 322	2 761	4 091	4 091	4 091	4 165	4 394	4 640
Governance Function		2 668	2 322	2 761	4 091	4 091	4 091	4 165	4 394	4 640
Community and public safety		**159 878**	**171 527**	**192 423**	**257 893**	**262 788**	**262 788**	**280 648**	**261 330**	**251 642**
Community and social services		**16 972**	**15 216**	**22 122**	**19 164**	**21 384**	**21 384**	**21 285**	**22 212**	**23 647**
Aged Care		1	1	1	1	1	1	1	1	1
Agricultural		–	–	–	–	–	–	–	–	–
Animal Care and		–	–	–	–	–	–	–	–	–
Cemeteries, Funeral		1 077	728	967	1 074	1 074	1 074	1 112	1 149	1 189
Child Care Facilities		576	59	–	–	–	–	–	–	–
Community Halls and		7 007	5 638	12 340	7 779	7 472	7 472	9 694	10 105	10 859
Consumer Protection			–	–	–	–	–	–	–	–
Cultural Matters			–	–	–	–	–	–	–	–
Disaster Management			–	–	–	–	–	–	–	–
Education			–	–	–	–	–	–	–	–

Functional Classification Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Indigenous and			–	–	–	–	–	–	–	–
Industrial Promotion			–	–	–	–	–	–	–	–
Language Policy			–	–	–	–	–	–	–	–
Libraries and Archives		8 250	8 790	8 815	10 311	12 838	12 838	10 479	10 957	11 598
Literacy Programmes		–	–	–	–	–	–	–	–	–
Media Services		–	–	–	–	–	–	–	–	–
Museums and Art		–	–	–	–	–	–	–	–	–
Population Development		62	–	–	–	–	–	–	–	–
Provincial Cultural			–	–	–	–	–	–	–	–
Theatres			–	–	–	–	–	–	–	–
Zoo's		–	–	–	–	–	–	–	–	–
Sport and recreation		**43 905**	**44 289**	**52 169**	**59 600**	**60 673**	**60 673**	**63 214**	**63 089**	**65 995**
Beaches and Jetties		6 912	7 024	6 447	6 839	6 839	6 839	7 667	8 086	8 390
Casinos, Racing,		–	–	–	–	–	–	–	–	–
Community Parks		22 501	22 913	28 575	33 866	34 344	34 344	35 080	34 254	36 085
Recreational Facilities		10 390	10 051	10 790	12 137	12 732	12 732	13 444	13 333	13 682
Sports Grounds and		4 102	4 301	6 357	6 758	6 758	6 758	7 023	7 417	7 838
Public safety		**80 702**	**82 675**	**87 169**	**115 407**	**114 195**	**114 195**	**118 010**	**123 383**	**129 268**
Civil Defence		3 066	3 320	3 542	15 299	15 234	15 234	16 270	17 150	18 096
Cleansing		–	–	–	–	–	–	–	–	–
Control of Public		13 476	19 715	25 863	19 321	23 918	23 918	24 958	26 062	27 413
Fencing and Fences		–	–	–	–	–	–	–	–	–
Fire Fighting and		27 322	24 661	26 729	30 266	33 509	33 509	33 221	34 889	36 706
Licensing and Control of		57	–	–	–	–	–	–	–	–
Police Forces, Traffic		36 782	34 979	31 034	50 521	41 534	41 534	43 561	45 282	47 053
Pounds		–	–	–	–	–	–	–	–	–
Housing		**18 299**	**29 347**	**30 963**	**63 723**	**66 537**	**66 537**	**78 138**	**52 646**	**32 731**
Housing		18 299	29 347	30 963	63 723	66 537	66 537	78 138	52 646	32 731
Informal Settlements		–	–	–	–	–	–	–	–	–
Health		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Ambulance		–	–	–	–	–	–	–	–	–
Health Services		–	–	–	–	–	–	–	–	–
Laboratory Services		–	–	–	–	–	–	–	–	–
Food Control		–	–	–	–	–	–	–	–	–
Health Surveillance and		–	–	–	–	–	–	–	–	–
Vector Control		–	–	–	–	–	–	–	–	–
Chemical Safety		–	–	–	–	–	–	–	–	–
Economic and environmental services		**146 841**	**156 576**	**170 202**	**187 466**	**191 121**	**191 121**	**198 519**	**207 252**	**213 885**
Planning and development		**36 688**	**39 397**	**43 396**	**51 373**	**53 194**	**53 194**	**53 344**	**53 031**	**55 707**

Functional Classification Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Billboards		–	–	–	–	–	–	–	–	–
Corporate Wide		3 902	4 168	4 081	3 049	2 949	2 949	3 229	3 270	3 429
Central City		–	–	–	–	–	–	–	–	–
Development		1 189	918	1 359	2 599	2 649	2 649	2 078	2 130	2 187
Economic		6 067	7 320	8 706	10 652	12 523	12 523	10 136	7 876	8 182
Regional Planning and		–	–	–	–	–	–	–	–	–
Town Planning, Building		18 211	19 105	20 094	25 172	25 172	25 172	27 061	28 341	29 876
Project Management		7 319	7 885	9 155	9 901	9 901	9 901	10 839	11 414	12 033
Provincial Planning		–	–	–	–	–	–	–	–	–
Support to Local		–	–	–	–	–	–	–	–	–
Road transport		**103 331**	**107 277**	**110 465**	**116 270**	**116 706**	**116 706**	**122 093**	**129 975**	**132 972**
Public Transport		–	–	–	–	–	–	–	–	–
Road and Traffic		1 094	1 080	1 080	1 334	1 458	1 458	1 361	1 440	1 524
Roads		102 237	106 198	109 386	114 936	115 248	115 248	120 731	128 535	131 448
Taxi Ranks		–	–	–	–	–	–	–	–	–
Environmental protection		**6 821**	**9 902**	**16 340**	**19 823**	**21 221**	**21 221**	**23 082**	**24 246**	**25 206**
Biodiversity and		6 309	9 663	15 780	19 115	20 533	20 533	22 375	23 509	24 436
Coastal Protection		–	–	–	–	–	–	–	–	–
Indigenous Forests		–	–	–	–	–	–	–	–	–
Nature Conservation		512	239	560	708	688	688	708	737	770
Pollution Control			–	–	–	–	–	–	–	–
Soil Conservation		–	–	–	–	–	–	–	–	–
Trading services		**576 651**	**643 817**	**696 761**	**761 149**	**766 457**	**766 457**	**817 550**	**874 215**	**949 260**
Energy sources		**313 606**	**368 705**	**384 141**	**442 180**	**442 480**	**442 480**	**490 011**	**535 087**	**590 344**
Electricity		312 207	365 294	377 148	439 634	439 734	439 734	483 065	528 728	582 263
Street Lighting and		1 399	3 411	6 994	2 546	2 746	2 746	6 946	6 360	8 081
Nonelectric Energy		–	–	–	–	–	–	–	–	–
Water management		**107 916**	**112 899**	**120 612**	**129 815**	**131 067**	**131 067**	**130 791**	**136 847**	**148 880**
Water Treatment		52 395	53 893	58 428	63 702	64 002	64 002	68 253	72 208	77 540
Water Distribution		51 366	54 102	57 010	61 084	62 035	62 035	56 572	57 632	64 525
Water Storage		4 155	4 904	5 174	5 029	5 029	5 029	5 965	7 007	6 815
Waste water management		**84 120**	**90 406**	**95 785**	**102 665**	**99 684**	**99 684**	**104 107**	**109 313**	**113 142**
Public Toilets		631	704	658	4 562	1 281	1 281	1 545	1 607	1 665
Sewerage		47 375	49 426	54 917	54 643	54 643	54 643	52 362	55 792	58 652
Storm Water		11 426	11 920	12 876	15 460	15 460	15 460	15 790	16 234	15 886
Waste Water Treatment		24 689	28 355	27 334	27 999	28 299	28 299	34 410	35 681	36 939
Waste management		**71 009**	**71 808**	**96 223**	**86 489**	**93 226**	**93 226**	**92 641**	**92 967**	**96 894**
Recycling		143	39	7	258	258	258	400	605	441
Solid Waste Disposal		31 028	33 108	58 574	43 566	50 367	50 367	47 437	45 251	46 987

Functional Classification Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Solid Waste Removal		38 983	37 711	37 642	42 665	42 601	42 601	44 804	47 110	49 465
Street Cleaning		855	948	–	–	–	–	–	–	–
Other		**3 031**	**2 998**	**2 893**	**3 595**	**3 595**	**3 595**	**3 558**	**3 667**	**3 783**
Abattoirs			–	–	–	–	–	–	–	–
Air Transport			–	–	–	–	–	–	–	–
Forestry			–	–	–	–	–	–	–	–
Licensing and Regulation			–	–	–	–	–	–	–	–
Markets			–	–	–	–	–	–	–	–
Tourism		3 031	2 998	2 893	3 595	3 595	3 595	3 558	3 667	3 783
Total Expenditure - Functional	3	**1 108 536**	**1 191 082**	**1 320 936**	**1 495 006**	**1 520 918**	**1 520 918**	**1 615 768**	**1 659 399**	**1 743 367**
Surplus/(Deficit) for the year		**106 526**	**138 868**	**30 848**	**(17 571)**	**(29 706)**	**(29 706)**	**6 255**	**(37 515)**	**(44 533)**

WC032 Overstrand - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue by Vote	1									
Vote 1 - Council & Mayor's Office		27 246	30 091	38 321	31 285	31 735	31 735	45 007	44 425	34 813
Vote 2 - Municipal Manager & Internal Audit		86	36	–	–	–	–	–	–	–
Vote 3 - Management Services		1 070	1 189	2 564	869	2 934	2 934	869	907	946
Vote 4 - Finance		292 876	300 506	309 284	318 650	318 650	318 650	327 436	341 845	356 898
Vote 5 - Infrastructure & Planning		496 225	584 067	585 823	691 845	692 670	692 670	768 118	758 813	796 482
Vote 6 - Protection Services		32 267	32 797	16 193	39 531	42 673	42 673	35 995	38 413	40 148
Vote 7 - Economic and Social Development & Tourism		2 030	2 914	3 860	2 838	4 773	4 773	2 811	71	224
Vote 8 - Community Services		363 260	378 350	395 739	392 418	397 776	397 776	441 787	437 410	469 323
Vote 9 - Costing Services		–	–	–	–	–	–	–	–	–
Vote 10 - Main Ledger Services		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	**1 215 062**	**1 329 949**	**1 351 784**	**1 477 435**	**1 491 212**	**1 491 212**	**1 622 023**	**1 621 884**	**1 698 834**
Expenditure by Vote ***to be appropriated***	1									
Vote 1 - Council & Mayor's Office		38 174	19 927	44 089	37 047	42 989	42 989	44 658	34 502	34 661
Vote 2 - Municipal Manager & Internal Audit		5 050	5 361	5 885	8 040	8 040	8 040	8 042	8 437	8 857
Vote 3 - Management Services		46 736	50 129	54 639	60 741	62 976	62 976	65 889	68 244	71 390
Vote 4 - Finance		74 680	69 425	77 490	95 684	95 289	95 289	106 313	106 744	112 252
Vote 5 - Infrastructure & Planning		449 522	529 692	577 728	672 313	684 869	684 869	755 611	782 435	828 925
Vote 6 - Protection Services		81 089	83 725	91 326	115 502	115 586	115 586	118 480	123 434	128 971
Vote 7 - Economic and Social Development & Tourism		10 303	12 042	13 558	17 311	19 247	19 247	17 686	15 510	16 237
Vote 8 - Community Services		402 983	420 782	456 221	488 368	491 922	491 922	499 089	520 094	542 073
Vote 9 - Costing Services		–	–	–	–	–	–	–	–	–
Vote 10 - Main Ledger Services		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	**1 108 536**	**1 191 082**	**1 320 936**	**1 495 006**	**1 520 918**	**1 520 918**	**1 615 768**	**1 659 399**	**1 743 367**
Surplus/(Deficit) for the year	2	**106 526**	**138 868**	**30 848**	**(17 571)**	**(29 706)**	**(29 706)**	**6 255**	**(37 515)**	**(44 533)**

WC032 Overstrand - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue by Vote	1									
Vote 1 - Council & Mayor's Office		**27 246**	**30 091**	**38 321**	**31 285**	**31 735**	**31 735**	**45 007**	**44 425**	**34 813**
1.1 - Council General		27 246	30 091	38 321	31 285	31 735	31 735	45 007	44 425	34 813
1.2 - Mayor's Office		–	–	–	–	–	–	–	–	–
1.3 - Pensioners & Continued Members		–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager & Internal Audit		**86**	**36**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
2.1 - Municipal Manager		–	–	–	–	–	–	–	–	–
2.2 - Internal Audit		86	36	–	–	–	–	–	–	–
2.3 - Risk Management		–	–	–	–	–	–	–	–	–
Vote 3 - Management Services		**1 070**	**1 189**	**2 564**	**869**	**2 934**	**2 934**	**869**	**907**	**946**
3.1 - Director: Management Services		73	178	60	60	60	60	10	10	10
3.2 - Communication			–	–	–	–	–	–	–	–
3.3 - Legal Services			–	–	–	–	–	–	–	–
3.4 - Strategic Services			–	–	–	–	–	–	–	–
3.5 - Human Resources		993	1 010	2 246	809	2 085	2 085	858	896	935
3.6 - Info & Communication Technology			–	257	–	789	789	–	–	–
3.7 - Council Support Services		4	1	1	1	1	1	1	1	1
3.8 - Social Development		–	–		–	–	–	–	–	–
3.9 - Municipal Court		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Vote 4 - Finance		**292 876**	**300 506**	**309 284**	**318 650**	**318 650**	**318 650**	**327 436**	**341 845**	**356 898**
4.1 - Finance: Director		–	–	–	–	–	–	–	–	–
4.2 - Finance: Deputy Director		1 550	1 550	1 000	1 000	1 000	1 000	1 550	1 550	1 550
4.3 - Finance: Accounting Services		42 662	35 893	33 810	30 731	30 731	30 731	27 596	28 716	29 886
4.4 - Finance: Expenditure & Assets		4 250	12 273	3 070	1 535	1 535	1 535	1 525	1 525	1 525
4.5 - Finance: Revenue		10 936	9 723	9 759	9 434	9 434	9 434	8 753	9 147	9 558
4.6 - Finance: Supply Chain Management		205	152	423	313	313	313	71	71	71
4.7 - Data Control		–	–	–	–	–	–	–	–	–
4.8 - Assessment Rates		233 274	240 914	261 222	275 637	275 637	275 637	287 941	300 836	314 308
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Vote 5 - Infrastructure & Planning		**496 225**	**584 067**	**585 823**	**691 845**	**692 670**	**692 670**	**768 118**	**758 813**	**796 482**
5.1 - Director: Infrastructure & Planning		–	–	52	0	0	0	0	0	0
5.2 - Deputy Director:Engineering Planning		–	154	–	0	0	0	0	0	0
5.3 - Engineering Services & Housing Development		46 576	104 498	72 226	109 100	120 725	120 725	112 740	68 620	33 672
5.4 - Town Planning		17 852	1 220	16 436	1 196	1 196	1 196	1 181	1 234	(650)

WC032 Overstrand - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
5.5 - Geographical Info System (GIS)		–	–	–	–	–	–	–	–	–
5.6 - Building Control Services		6 881	4 461	6 404	5 635	5 635	5 635	8 477	8 858	9 257
5.7 - Environmental Management Services		45	21	32	37	487	487	37	39	41
5.8 - Electricity		419 548	458 532	481 695	570 263	559 013	559 013	638 320	674 436	748 530
5.9 - Solid Waste Planning & Solid Waste Disposal			–	–	–	–	–	1 742	–	–
5.10 - Property Administration		5 324	15 182	8 978	5 615	5 615	5 615	5 620	5 625	5 631
Vote 6 - Protection Services		**32 267**	**32 797**	**16 193**	**39 531**	**42 673**	**42 673**	**35 995**	**38 413**	**40 148**
6.1 - Director: Protection Services		200	–	–	–	650	650	–	–	–
6.2 - Traffic		31 521	24 003	9 764	36 747	28 897	28 897	30 118	32 415	33 873
6.3 - Law Enforcement		318	5 000	2 857	2 634	10 757	10 757	5 746	5 861	6 132
6.4 - Vehicle testing			–	–	–	–	–	–	–	–
6.5 - Fire Brigade		228	2 965	1 271	150	150	150	131	137	143
6.6 - Vehicle Licensing		–	–	–	–	–	–	–	–	–
6.7 - Special Task Team Unit		–	–	–	–	–	–	–	–	–
6.8 - Disaster Management		–	829	2 300	–	2 219	2 219	–	–	–
6.9 - Security Services		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Vote 7 - Economic and Social Development & Touri		**2 030**	**2 914**	**3 860**	**2 838**	**4 773**	**4 773**	**2 811**	**71**	**224**
7.1 - Director: Economic Development & Planning		1 926	2 911	3 761	2 530	4 466	4 466	2 593	0	0
7.2 - Tourism			–	–	–	–	–	–	–	–
7.3 - Social Development		104	4	–	–	–	–	–	–	–
7.4 - EPWP			–	–	–	–	–	–	–	–
7.5 - Thusong Centre: Hawston			–	98	307	307	307	218	71	224
7.6 - Parking Services		–		0	1	1	1	–	–	–
Vote 8 - Community Services		**363 260**	**378 350**	**395 739**	**392 418**	**397 776**	**397 776**	**441 787**	**437 410**	**469 323**
8.1 - Director & Administration		722	241	2 544	141	841	841	213	214	215
8.2 - Offices & Community Buildings		1 008	750	604	571	571	571	597	623	650
8.3 - Parks & Townlands, Cemetries		4 608	4 117	3 884	3 424	3 624	3 624	4 307	4 500	4 701
8.4 - Libraries		7 423	7 385	7 692	6 599	8 821	8 821	8 280	6 828	7 134
8.5 - Sport & Recreation		9 559	14 985	10 630	6 290	8 812	8 812	6 691	17 832	20 575
8.6 - Housing & Social Upliftment		609	351	415	345	1 128	1 128	335	350	363
8.7 - Roads & Stormwater		11 991	11 902	12 631	5 928	5 203	5 203	11 410	13 904	6 410
8.8 - Water		145 980	153 510	153 115	157 061	147 446	147 446	165 889	161 617	171 831
8.9 - Sewerage		104 583	98 448	109 568	116 872	124 891	124 891	145 950	125 938	141 986
8.10 - Refuse		76 777	86 662	94 657	95 187	96 441	96 441	98 116	105 603	115 457
Vote 9 - Costing Services		–	–	–	–	–	–	–	–	–
9.1 - Departmental Charges & Recoveries		–	–	–	–	–	–	–	–	–

WC032 Overstrand - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
9.2 - Internal Billing		–	–	–	–	–	–	–	–	–
9.3 - Activity Based Costing		–	–	–	–	–	–	–	–	–
Vote 10 - Main Ledger Services		–	–	–	–	–	–	–	–	–
10.1 - Main Ledger		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	**1 215 062**	**1 329 949**	**1 351 784**	**1 477 435**	**1 491 212**	**1 491 212**	**1 622 023**	**1 621 884**	**1 698 834**
Expenditure by Vote	1									
Vote 1 - Council & Mayor's Office		**38 174**	**19 927**	**44 089**	**37 047**	**42 989**	**42 989**	**44 658**	**34 502**	**34 661**
1.1 - Council General		37 129	18 889	43 160	35 452	41 394	41 394	43 565	33 419	33 535
1.2 - Mayor's Office		1 044	1 037	928	1 594	1 594	1 594	1 092	1 083	1 126
1.3 - Pensioners & Continued Members		1	1	1	1	1	1	1	1	1
Vote 2 - Municipal Manager & Internal Audit		**5 050**	**5 361**	**5 885**	**8 040**	**8 040**	**8 040**	**8 042**	**8 437**	**8 857**
2.1 - Municipal Manager		2 382	3 039	3 070	2 857	2 857	2 857	2 763	2 879	2 998
2.2 - Internal Audit		2 668	2 322	2 761	4 091	4 091	4 091	4 165	4 394	4 640
2.3 - Risk Management		–	–	53	1 092	1 092	1 092	1 113	1 164	1 219
Vote 3 - Management Services		**46 736**	**50 129**	**54 639**	**60 741**	**62 976**	**62 976**	**65 889**	**68 244**	**71 390**
3.1 - Director: Management Services		5 183	5 289	4 372	4 956	4 956	4 956	4 537	5 143	5 255
3.2 - Communication		1 570	2 026	2 098	3 233	3 233	3 233	3 627	3 757	3 897
3.3 - Legal Services		2 381	2 670	2 479	2 716	2 916	2 916	2 856	3 004	3 165
3.4 - Strategic Services		1 834	1 975	2 126	2 525	2 425	2 425	2 653	2 700	2 855
3.5 - Human Resources		11 468	11 857	13 889	14 130	15 406	15 406	14 896	15 884	16 664
3.6 - Info & Communication Technology		17 349	19 178	21 697	25 152	25 941	25 941	28 114	28 348	29 716
3.7 - Council Support Services		4 819	4 949	5 284	5 143	5 213	5 213	5 966	6 234	6 523
3.8 - Social Development					2 888	2 888	2 888	3 239	3 173	3 316
3.9 - Municipal Court		2 131	2 185	2 694	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Vote 4 - Finance		**74 680**	**69 425**	**77 490**	**95 684**	**95 289**	**95 289**	**106 313**	**106 744**	**112 252**
4.1 - Finance: Director		2 255	2 258	2 366	2 640	2 640	2 640	2 643	2 754	2 871
4.2 - Finance: Deputy Director		7 394	6 996	6 611	8 452	8 562	8 562	8 321	8 445	8 578
4.3 - Finance: Accounting Services		6 641	4 993	8 840	8 295	8 080	8 080	8 265	8 699	9 160
4.4 - Finance: Expenditure & Assets		11 390	14 967	11 718	14 997	14 957	14 957	15 797	16 708	17 684
4.5 - Finance: Revenue		27 804	25 679	27 268	32 849	32 709	32 709	36 049	38 153	40 470
4.6 - Finance: Supply Chain Management		8 784	9 723	9 950	11 495	11 385	11 385	12 249	12 911	13 627
4.7 - Data Control		604	723	671	1 459	1 459	1 459	1 498	1 543	1 592
4.8 - Assessment Rates		9 809	4 086	10 065	15 496	15 496	15 496	21 492	17 531	18 270
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–

WC032 Overstrand - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Vote 5 - Infrastructure & Planning		**449 522**	**529 692**	**577 728**	**672 313**	**684 869**	**684 869**	**755 611**	**782 435**	**828 925**
5.1 - Director: Infrastructure & Planning		2 574	2 722	2 655	3 035	3 035	3 035	3 153	3 254	3 369
5.2 - Deputy Director:Engineering Planning		61 738	67 131	72 015	78 575	80 177	80 177	87 505	94 195	101 086
5.3 - Engineering Services & Housing Development		15 884	27 664	28 774	60 547	62 666	62 666	77 840	52 378	32 510
5.4 - Town Planning		10 611	10 591	10 954	12 485	12 485	12 485	12 841	13 380	14 090
5.5 - Geographical Info System (GIS)		2 018	2 549	2 380	2 692	2 692	2 692	2 806	2 980	3 165
5.6 - Building Control Services		5 582	5 966	6 662	8 058	8 058	8 058	9 426	9 905	10 453
5.7 - Environmental Management Services		6 786	9 561	16 122	19 601	20 999	20 999	22 836	23 984	24 928
5.8 - Electricity		313 442	367 166	378 837	440 305	441 005	441 005	487 975	532 947	588 093
5.9 - Solid Waste Planning & Solid Waste Disposal		28 650	29 731	55 370	42 712	49 448	49 448	46 633	44 551	46 095
5.10 - Property Administration		2 237	6 611	3 959	4 304	4 304	4 304	4 595	4 860	5 135
Vote 6 - Protection Services		**81 089**	**83 725**	**91 326**	**115 502**	**115 586**	**115 586**	**118 480**	**123 434**	**128 971**
6.1 - Director: Protection Services		2 373	2 270	2 603	3 859	4 282	4 282	4 262	4 219	4 369
6.2 - Traffic		36 604	33 999	33 628	48 481	39 869	39 869	41 421	42 950	44 598
6.3 - Law Enforcement		13 191	17 806	23 513	17 779	22 376	22 376	23 216	24 217	25 456
6.4 - Vehicle testing		354	428	534	593	717	717	644	673	706
6.5 - Fire Brigade		27 082	20 807	20 619	23 482	26 236	26 236	28 392	29 809	31 375
6.6 - Vehicle Licensing		1 082	1 024	960	1 204	1 204	1 204	1 264	1 342	1 426
6.7 - Special Task Team Unit		162	182	268	11 641	11 576	11 576	12 490	13 156	13 873
6.8 - Disaster Management		240	2 796	2 657	2 323	2 990	2 990	914	934	940
6.9 - Security Services			4 414	6 544	6 140	6 337	6 337	5 878	6 134	6 229
		–	–	–	–	–	–	–	–	–
Vote 7 - Economic and Social Development & Touri		**10 303**	**12 042**	**13 558**	**17 311**	**19 247**	**19 247**	**17 686**	**15 510**	**16 237**
7.1 - Director: Economic Development & Planning		4 074	8 155	8 594	9 100	10 971	10 971	10 079	7 816	8 118
7.2 - Tourism		3 014	2 956	2 893	3 595	3 595	3 595	3 558	3 667	3 783
7.3 - Social Development		2 011	931	1 354	1 941	1 992	1 992	2 099	2 147	2 203
7.4 - EPWP			–	–	–	–	–	–	–	–
7.5 - Thusong Centre: Hawston			–	193	1 175	1 190	1 190	1 949	1 881	2 133
7.6 - Parking Services		1 204	–	524	1 500	1 500	1 500	–	–	–
Vote 8 - Community Services		**402 983**	**420 782**	**456 221**	**488 368**	**491 922**	**491 922**	**499 089**	**520 094**	**542 073**
8.1 - Director & Administration		49 699	77 941	92 163	94 988	94 737	94 737	100 910	106 159	110 502
8.2 - Offices & Community Buildings		19 902	19 584	22 514	23 295	23 293	23 293	23 265	24 734	25 465
8.3 - Parks & Townlands, Cemetries		24 551	22 461	27 284	33 148	33 526	33 526	34 213	33 305	35 051
8.4 - Libraries		8 009	8 506	8 815	10 311	12 838	12 838	10 479	10 957	11 598
8.5 - Sport & Recreation		20 432	20 355	22 115	24 486	25 081	25 081	26 804	27 449	28 464
8.6 - Housing & Social Upliftment		6 012	5 421	6 883	8 315	9 011	9 011	5 999	6 261	6 525
8.7 - Roads & Stormwater		110 978	109 531	112 267	122 143	121 756	121 756	127 624	135 338	137 337

WC032 Overstrand - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
8.8 - Water		64 021	65 200	69 398	71 469	71 469	71 469	65 232	66 206	73 107
8.9 - Sewerage		57 875	55 317	58 013	60 329	60 329	60 329	62 822	65 790	68 019
8.10 - Refuse		41 504	36 464	36 770	39 882	39 882	39 882	41 742	43 894	46 006
Vote 9 - Costing Services		–	–	–	–	–	–	–	–	–
9.1 - Departmental Charges & Recoveries		–	–	–	–	–	–	–	–	–
9.2 - Internal Billing		–	–	–	–	–	–	–	–	–
9.3 - Activity Based Costing		–	–	–	–	–	–	–	–	–
Vote 10 - Main Ledger Services		–	–	–	–	–	–	–	–	–
10.1 - Main Ledger		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	**1 108 536**	**1 191 082**	**1 320 936**	**1 495 006**	**1 520 918**	**1 520 918**	**1 615 768**	**1 659 399**	**1 743 367**
Surplus/(Deficit) for the year	2	**106 526**	**138 868**	**30 848**	**(17 571)**	**(29 706)**	**(29 706)**	**6 255**	**(37 515)**	**(44 533)**

WC032 Overstrand - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue By Source										
Property rates	2	233 093	240 910	261 222	275 637	275 637	275 637	287 941	300 836	314 308
Service charges - electricity revenue	2	378 693	415 960	442 792	499 317	499 317	499 317	560 796	616 798	678 418
Service charges - water revenue	2	129 858	133 037	131 113	132 168	132 168	132 168	138 138	144 354	150 851
Service charges - sanitation revenue	2	77 719	80 925	87 094	87 631	87 631	87 631	95 791	99 911	104 207
Service charges - refuse revenue	2	61 763	68 256	72 198	74 741	74 741	74 741	78 850	83 502	88 427
Rental of facilities and equipment		6 278	5 735	4 068	3 440	3 440	3 440	4 573	4 778	4 989
Interest earned - external investments		41 767	48 146	30 504	27 456	27 456	27 456	24 871	25 991	27 161
Interest earned - outstanding debtors		4 193	5 040	4 244	4 681	4 681	4 681	3 982	4 161	4 348
Dividends received				–	–	–	–	–	–	–
Fines, penalties and forfeits		25 672	18 211	1 095	28 223	20 223	20 223	20 344	22 188	23 174
Licences and permits		2 526	1 975	2 227	2 039	2 538	2 538	2 636	2 750	2 869
Agency services		4 885	4 376	6 189	6 680	6 680	6 680	7 858	8 211	8 580
Transfers and subsidies		106 306	123 140	140 895	139 692	157 281	157 281	166 040	174 999	192 746
Other revenue	2	83 673	139 226	96 156	126 909	138 535	138 535	137 139	93 814	57 920
Gains		–	3 890	7 545	8 225	8 225	8 225	8 225	8 225	8 225
Total Revenue (excluding capital transfers and contributions)		**1 156 425**	**1 288 828**	**1 287 342**	**1 416 839**	**1 438 553**	**1 438 553**	**1 537 183**	**1 590 516**	**1 666 223**
Expenditure By Type										
Employee related costs	2	368 000	382 572	437 874	463 804	478 179	478 179	507 139	522 622	551 734
Remuneration of councillors		10 573	11 282	11 219	12 401	12 401	12 401	12 401	12 905	13 432
Debt impairment	3	17 500	23 434	12 138	21 500	13 544	13 544	13 564	13 699	13 836
Depreciation & asset impairment	2	131 114	134 574	140 110	145 663	145 663	145 663	146 596	145 685	148 275
Finance charges		44 921	46 570	48 805	51 804	51 804	51 804	48 056	47 734	47 159
Bulk purchases	2	242 614	278 548	298 272	353 707	353 707	353 707	393 853	438 555	488 331
Other materials	8	35 049	42 302	45 042	44 845	47 147	47 147	50 655	51 837	55 539
Contracted services		186 336	178 363	208 095	247 340	254 506	254 506	266 785	276 065	290 073
Transfers and subsidies		486	560	8 710	12 324	12 774	12 774	12 557	13 060	13 582
Other expenditure	4, 5	71 333	91 238	110 367	141 620	151 193	151 193	164 163	137 237	121 406
Losses		610	1 639	303	–	–	–	–	–	–
Total Expenditure		**1 108 536**	**1 191 082**	**1 320 936**	**1 495 006**	**1 520 918**	**1 520 918**	**1 615 768**	**1 659 399**	**1 743 367**

Surplus/(Deficit)		**47 890**	**97 746**	**(33 594)**	**(78 168)**	**(82 365)**	**(82 365)**	**(78 586)**	**(68 883)**	**(77 144)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		31 952	37 392	37 219	46 354	49 062	49 062	72 398	31 368	32 611
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	6	–	–	8 465	14 243	3 597	3 597	12 442	–	–
Transfers and subsidies - capital (in-kind - all)		26 685	3 730	18 757	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**106 526**	**138 868**	**30 848**	**(17 571)**	**(29 706)**	**(29 706)**	**6 255**	**(37 515)**	**(44 533)**
Taxation		–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		**106 526**	**138 868**	**30 848**	**(17 571)**	**(29 706)**	**(29 706)**	**6 255**	**(37 515)**	**(44 533)**
Attributable to minorities		–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		**106 526**	**138 868**	**30 848**	**(17 571)**	**(29 706)**	**(29 706)**	**6 255**	**(37 515)**	**(44 533)**
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		**106 526**	**138 868**	**30 848**	**(17 571)**	**(29 706)**	**(29 706)**	**6 255**	**(37 515)**	**(44 533)**

WC032 Overstrand - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Capital expenditure - Vote										
Multi-year expenditure ***to be appropriated***	2									
Vote 1 - Council & Mayor's Office		–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager & Internal Audit		–	–	–	–	–	–	–	–	–
Vote 3 - Management Services		–	–	–	3 715	3 715	3 715	1 815	–	–
Vote 4 - Finance		–	–	–	60	60	60	60	–	–
Vote 5 - Infrastructure & Planning		63 169	15 575	73 712	190 806	162 383	162 383	191 130	102 598	99 011
Vote 6 - Protection Services		4 809	–	–	354	704	704	300	–	–
Vote 7 - Economic and Social Development & Tourism		–	–	–	45	45	45	45	–	–
Vote 8 - Community Services		66 541	58 300	36 053	4 297	4 297	4 297	735	–	–
Vote 9 - Costing Services		–	–	–	–	–	–	–	–	–
Vote 10 - Main Ledger Services		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total		**134 520**	**73 875**	**109 765**	**199 277**	**171 204**	**171 204**	**194 085**	**102 598**	**99 011**
Single-year expenditure ***to be appropriated***	2									
Vote 1 - Council & Mayor's Office		–	–	352	–	–	–	–	–	–
Vote 2 - Municipal Manager & Internal Audit		–	–	–	–	–	–	–	–	–
Vote 3 - Management Services		295	3 966	2 288	–	–	–	–	–	–
Vote 4 - Finance		–	22	57	–	–	–	–	–	–
Vote 5 - Infrastructure & Planning		28 195	93 905	80 221	40 514	36 807	36 807	13 015	–	–
Vote 6 - Protection Services		–	12 064	8 160	7 535	8 893	8 893	1 000	–	–
Vote 7 - Economic and Social Development & Tourism		–	375	498	–	–	–	–	–	–
Vote 8 - Community Services		10 672	26 849	53 459	27 449	23 075	23 075	4 708	–	–
Vote 9 - Costing Services		–	–	–	–	–	–	–	–	–
Vote 10 - Main Ledger Services		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**39 162**	**137 181**	**145 035**	**75 498**	**68 775**	**68 775**	**18 723**	**–**	**–**
Total Capital Expenditure - Vote	3,7	**173 682**	**211 056**	**254 800**	**274 775**	**239 979**	**239 979**	**212 808**	**102 598**	**99 011**

WC032 Overstrand - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Capital Expenditure - Functional										
Governance and administration		7 231	4 049	7 054	3 775	3 775	3 775	1 875	–	–
Executive and council		295	2	355	5	5	5	5	–	–
Finance and administration		6 936	4 048	6 699	3 770	3 770	3 770	1 870	–	–
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		68 172	112 758	96 981	79 999	88 762	88 762	46 594	32 098	19 697
Community and social services		5 164	1 330	16 072	9 991	5 617	5 617	5 109	–	–
Sport and recreation		23 923	9 981	22 886	7 752	9 674	9 674	400	10 868	13 297
Public safety		4 809	15 694	8 425	7 897	9 605	9 605	1 300	–	–
Housing		34 276	85 753	49 598	54 359	63 865	63 865	39 785	21 230	6 400
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		13 407	6 865	29 200	19 511	14 211	14 211	11 737	5 000	6 000
Planning and development		1 346	1 220	8 466	7 987	3 412	3 412	390	–	–
Road transport		12 061	5 645	20 734	11 524	10 799	10 799	11 347	5 000	6 000
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		84 872	87 384	121 565	171 489	133 231	133 231	152 602	65 500	73 314
Energy sources		28 893	21 428	10 436	68 211	35 311	35 311	65 389	22 000	24 314
Water management		12 270	31 752	35 574	51 982	37 334	37 334	39 290	19 000	23 400
Waste water management		42 210	26 893	57 190	47 481	55 980	55 980	45 939	24 500	19 100
Waste management		1 499	7 311	18 365	3 815	4 606	4 606	1 984	–	6 500
Other		–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	3,7	173 682	211 056	254 800	274 775	239 979	239 979	212 808	102 598	99 011
Funded by:										
National Government		30 445	31 528	35 100	45 754	45 754	45 754	72 398	31 368	32 611
Provincial Government		35 615	85 965	48 390	600	3 308	3 308	–	–	–
District Municipality					–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		25 514			65 201	64 061	64 061	52 227	21 230	6 400
Transfers recognised - capital	4	91 574	117 493	83 490	111 555	113 123	113 123	124 625	52 598	39 011
Public contributions & donations	5		3 730	23 919	–	–	–	–	–	–
Borrowing	6	36 495	50 476	45 443	94 066	72 761	72 761	72 033	50 000	60 000
Internally generated funds		45 613	39 358	101 949	69 154	54 094	54 094	16 149	–	–
Total Capital Funding	7	173 682	211 056	254 800	274 775	239 979	239 979	212 808	102 598	99 011

WC032 Overstrand - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Capital expenditure - Municipal Vote										
Multi-year expenditure appropriation	2									
Vote 1 - Council & Mayor's Office		–	–	–	–	–	–	–	–	–
1.1 - Council General		–	–	–	–	–	–	–	–	–
1.2 - Mayor's Office		–	–	–	–	–	–	–	–	–
1.3 - Pensioners & Continued Members		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager & Internal Audit		–	–	–	–	–	–	–	–	–
2.1 - Municipal Manager		–	–	–	–	–	–	–	–	–
2.2 - Internal Audit		–	–	–	–	–	–	–	–	–
2.3 - Risk Management		–	–	–	–	–	–	–	–	–
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Vote 3 - Management Services		–	–	–	3 715	3 715	3 715	1 815	–	–
3.1 - Director: Management Services		–	–		15	15	15	15	–	–
3.2 - Communication		–	–	–	–	–	–	–	–	–
3.3 - Legal Services		–	–	–	–	–	–	–	–	–
3.4 - Strategic Services		–	–	–	–	–	–	–	–	–
3.5 - Human Resources		–	–		–	–	–	–	–	–
3.6 - Info & Communication Technology		–	–		3 700	3 700	3 700	1 800	–	–
3.7 - Council Support Services		–	–	–	–	–	–	–	–	–
3.8 - Social Development		–	–	–	–	–	–	–	–	–
3.9 - Municipal Court		–	–	–	–	–	–	–	–	–
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Vote 4 - Finance		–	–	–	60	60	60	60	–	–
4.1 - Finance: Director		–	–		60	60	60	60	–	–
4.2 - Finance: Deputy Director		–	–	–	–	–	–	–	–	–
4.3 - Finance: Accounting Services		–		–	–	–	–	–	–	–
4.4 - Finance: Expenditure & Assets		–	–	–	–	–	–	–	–	–
4.5 - Finance: Revenue		–	–	–	–	–	–	–	–	–
4.6 - Finance: Supply Chain Management		–	–	–	–	–	–	–	–	–
4.7 - Data Control		–	–	–	–	–	–	–	–	–
4.8 - Assessment Rates		–	–	–	–	–	–	–	–	–
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Vote 5 - Infrastructure & Planning		63 169	15 575	73 712	190 806	162 383	162 383	191 130	102 598	99 011
5.1 - Director: Infrastructure & Planning			–	1 212	1 370	1 370	1 370	1 403	1 500	2 000
5.2 - Deputy Director:Engineering Planning			–	14 777	68 002	63 698	63 698	72 614	35 000	42 500
5.3 - Engineering Services & Housing Development		34 276	4 082	48 411	57 842	66 623	66 623	50 798	45 598	25 697
5.4 - Town Planning			–	–	–	–	–	–	–	–
5.5 - Geographical Info System (GIS)			–	–	–	–	–	–	–	–
5.6 - Building Control Services			–	–	–	–	–	–	–	–
5.7 - Environmental Management Services			–	–	–	–	–	–	–	–
5.8 - Electricity		28 893	11 493	9 313	63 592	30 692	30 692	64 331	20 500	22 314
5.9 - Solid Waste Planning & Solid Waste Disposal		–	–	–	–	–	–	1 984	–	6 500
5.10 - Property Administration		–	–	–	–	–	–	–	–	–
Vote 6 - Protection Services		4 809	–	–	354	704	704	300	–	–
6.1 - Director: Protection Services					350	700	700	300	–	–

Multi-year appropriation for Budget Year 2022/23 in the 2021/22 Annual Budget				Multi-year appropriation for 2023/24 in the 2021/22 Annual Budget				New multi-year appropriations (funds for new and existing projects)		
Appropriation for 2022/23	Adjustments in 2021/22	Downward adjustments for 2022/23	Appropriation carried forward	Appropriation for 2022/23	Adjustments in 2021/22	Downward adjustments for 2022/23	Appropriation carried forward	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
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			–				–	72 614	35 000	42 500
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Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework			Multi-year appropriation for Budget Year 2022/23 in the 2021/22 Annual Budget				Multi-year appropriation for 2023/24 in the 2021/22 Annual Budget				New multi-year appropriations (funds for new and existing projects)		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	Appropriation for 2022/23	Adjustments in 2021/22	Downward adjustments for 2022/23	Appropriation carried forward	Appropriation for 2022/23	Adjustments in 2021/22	Downward adjustments for 2022/23	Appropriation carried forward	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
6.2 - Traffic				–	–	–	–	–	–	–				–				–	–	–	–
6.3 - Law Enforcement				–	4	4	4	–	–	–				–				–	–	–	–
6.4 - Vehicle testing				–	–	–	–	–	–	–				–				–	–	–	–
6.5 - Fire Brigade		4 809		–	–	–	–	–	–	–				–				–	–	–	–
6.6 - Vehicle Licensing				–	–	–	–	–	–	–				–				–	–	–	–
6.7 - Special Task Team Unit		–	–	–	–	–	–	–	–	–				–				–	–	–	–
6.8 - Disaster Management		–	–	–	–	–	–	–	–	–				–				–	–	–	–
6.9 - Security Services		–	–	–	–	–	–	–	–	–				–				–	–	–	–
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Vote 7 - Economic and Social Development & Touri		**–**	**–**	**–**	**45**	**45**	**45**	**45**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**45**	**–**	**–**
7.1 - Director: Economic Development & Planning		–	–	–	45	45	45	45	–	–				–				–	45	–	–
7.2 - Tourism		–	–	–	–	–	–	–	–	–				–				–	–	–	–
7.3 - Social Development		–	–	–	–	–	–	–	–	–				–				–	–	–	–
7.4 - EPWP		–	–	–	–	–	–	–	–	–				–				–	–	–	–
7.5 - Thusong Centre: Hawston		–	–	–	–	–	–	–	–	–				–				–	–	–	–
7.6 - Parking Services		–	–	–	–	–	–	–	–	–				–				–	–	–	–
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Vote 8 - Community Services		**66 541**	**58 300**	**36 053**	**4 297**	**4 297**	**4 297**	**735**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**735**	**–**	**–**
8.1 - Director & Administration				–	4 297	4 297	4 297	735	–	–				–				–	735	–	–
8.2 - Offices & Community Buildings				–	–	–	–	–	–	–				–				–	–	–	–
8.3 - Parks & Townlands, Cemetries				–	–	–	–	–	–	–				–				–	–	–	–
8.4 - Libraries				–	–	–	–	–	–	–				–				–	–	–	–
8.5 - Sport & Recreation				–	–	–	–	–	–	–				–				–	–	–	–
8.6 - Housing & Social Upliftment				–	–	–	–	–	–	–				–				–	–	–	–
8.7 - Roads & Stormwater		19 308	24 277	36 053	–	–	–	–	–	–				–				–	–	–	–
8.8 - Water		12 270	20 965	–	–	–	–	–	–	–				–				–	–	–	–
8.9 - Sewerage		34 963	13 058	–	–	–	–	–	–	–				–				–	–	–	–
8.10 - Refuse		–	–	–	–	–	–	–	–	–				–				–	–	–	–
Vote 9 - Costing Services		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
9.1 - Departmental Charges & Recoveries		–	–	–	–	–	–	–	–	–				–				–	–	–	–
9.2 - Internal Billing		–	–	–	–	–	–	–	–	–				–				–	–	–	–
9.3 - Activity Based Costing		–	–	–	–	–	–	–	–	–				–				–	–	–	–
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Vote 10 - Main Ledger Services		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
10.1 - Main Ledger		–	–	–	–	–	–	–	–	–				–				–	–	–	–
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Vote 11 - [NAME OF VOTE 11]		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
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Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework			Multi-year appropriation for Budget Year 2022/23 in the 2021/22 Annual Budget				Multi-year appropriation for 2023/24 in the 2021/22 Annual Budget				New multi-year appropriations (funds for new and existing projects)		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	Appropriation for 2022/23	Adjustments in 2021/22	Downward adjustments for 2022/23	Appropriation carried forward	Appropriation for 2022/23	Adjustments in 2021/22	Downward adjustments for 2022/23	Appropriation carried forward	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
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Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
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Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
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Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
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Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
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Capital multi-year expenditure sub-total		134 520	73 875	109 765	199 277	171 204	171 204	194 085	102 598	99 011	–	–	–	–	–	–		–	194 085	102 598	

WC032 Overstrand - Table A6 Budgeted Financial Position

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
ASSETS										
Current assets										
Cash		123 988	143 570	202 482	50 829	166 302	166 302	46 034	13 894	8 814
Call investment deposits	1	409 200	510 243	410 241	400 000	400 000	400 000	400 000	400 000	400 000
Consumer debtors	1	74 000	88 509	83 846	84 475	84 475	84 475	107 292	128 134	150 753
Other debtors		61 176	57 060	56 404	38 027	46 027	46 027	58 620	70 119	81 522
Current portion of long-term receivables		7	4	–	–	–	–	–	–	–
Inventory	2	16 029	10 222	12 736	9 940	10 659	10 659	10 908	11 190	11 416
Total current assets		**684 399**	**809 609**	**765 709**	**583 272**	**707 463**	**707 463**	**622 854**	**623 337**	**652 506**
Non current assets										
Long-term receivables		4	–	–	–	–	–	–	–	–
Investments		50 524	46 515	54 278	62 165	62 165	62 165	70 005	77 989	86 123
Investment property		117 433	122 921	127 538	127 346	127 346	127 346	132 846	138 346	143 846
Investment in Associate		–	–	–	–	–	–	–	–	–
Property, plant and equipment	3	3 405 429	3 485 840	3 599 818	3 772 076	3 733 041	3 733 041	3 799 653	3 756 986	3 708 173
Agricultural		–	–	–	–	–	–	–	–	–
Biological		–	–	–	–	–	–	–	–	–
Intangible		8 597	9 168	8 993	4 363	8 603	8 603	8 203	7 783	7 332
Other non-current assets		130 928	130 928	130 928	130 928	130 928	130 928	130 928	130 928	130 928
Total non current assets		**3 712 914**	**3 795 371**	**3 921 556**	**4 096 878**	**4 062 082**	**4 062 082**	**4 141 636**	**4 112 032**	**4 076 402**
TOTAL ASSETS		**4 397 313**	**4 604 980**	**4 687 265**	**4 680 150**	**4 769 546**	**4 769 546**	**4 764 490**	**4 735 369**	**4 728 908**
LIABILITIES										
Current liabilities										
Bank overdraft	1	–	–	–	–	–	–	–	–	–
Borrowing	4	39 725	45 458	53 957	50 263	50 263	50 263	58 592	51 239	155 011
Consumer deposits		40 020	40 992	42 248	64 074	64 074	64 074	66 074	68 074	70 074
Trade and other payables	4	107 963	165 950	164 032	180 596	215 812	215 812	160 905	145 725	145 375
Provisions		33 010	42 460	49 986	46 378	52 351	52 351	48 210	53 034	54 903
Total current liabilities		**220 717**	**294 861**	**310 222**	**341 312**	**382 500**	**382 500**	**333 782**	**318 072**	**425 363**
Non current liabilities										
Borrowing		422 933	431 475	430 400	430 795	430 795	430 795	421 184	419 946	324 935
Provisions		222 157	210 662	247 812	227 039	265 029	265 029	290 101	292 012	292 223
Total non current liabilities		**645 090**	**642 137**	**678 212**	**657 833**	**695 824**	**695 824**	**711 285**	**711 957**	**617 158**
TOTAL LIABILITIES		**865 807**	**936 998**	**988 434**	**999 146**	**1 078 323**	**1 078 323**	**1 045 067**	**1 030 030**	**1 042 521**
NET ASSETS	5	**3 531 506**	**3 667 983**	**3 698 830**	**3 681 004**	**3 691 222**	**3 691 222**	**3 719 423**	**3 705 339**	**3 686 388**
COMMUNITY WEALTH/EQUITY										
Accumulated Surplus/(Deficit)		3 528 279	3 664 755	3 695 603	3 677 777	3 687 995	3 687 995	3 716 200	3 702 122	3 683 175
Reserves	4	3 227	3 227	3 227	3 228	3 228	3 228	3 223	3 218	3 213
TOTAL COMMUNITY WEALTH/EQUITY	5	**3 531 506**	**3 667 983**	**3 698 830**	**3 681 004**	**3 691 222**	**3 691 222**	**3 719 423**	**3 705 339**	**3 686 388**

WC032 Overstrand - Table A7 Budgeted Cash Flows

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		230 566	238 449	262 672	279 664	279 664	279 664	–	282 135	295 703	308 946
Service charges		643 620	689 210	737 211	792 663	792 663	792 663	–	856 588	929 001	1 004 943
Other revenue		128 882	175 357	131 492	159 489	152 925	152 925	–	162 798	110 562	76 348
Transfers and Subsidies - Operational	1	110 341	120 949	133 792	139 692	157 281	157 281	–	166 040	174 999	192 746
Transfers and Subsidies - Capital	1	32 017	60 675	37 219	46 354	49 062	49 062	–	72 398	31 368	32 611
Interest		45 960	53 186	34 748	27 456	27 456	27 456	–	24 871	25 991	27 161
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(929 996)	(971 606)	(1 069 400)	(1 166 090)	(1 193 289)	(1 193 289)	–	(1 408 073)	(1 424 801)	(1 493 864)
Finance charges		(44 921)	(46 570)	(48 805)	(51 804)	(51 804)	(51 804)	–	(48 056)	(47 734)	(47 159)
Transfers and Grants	1	(486)	(560)	(8 710)	(12 324)	(12 774)	(12 774)	–	(12 557)	(13 060)	(13 582)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**215 983**	**319 091**	**210 220**	**215 101**	**201 184**	**201 184**	**–**	**96 144**	**82 030**	**88 150**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		(566)	3 289	940	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables		8	7	4	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		(4 980)	(4 980)	(4 878)	(4 980)	(4 980)	(4 980)	–	(4 980)	(4 980)	(4 980)
Payments											
Capital assets		(172 777)	(211 056)	(254 800)	(274 775)	(239 979)	(239 979)	–	(212 808)	(102 598)	(99 011)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(178 314)**	**(212 740)**	**(258 734)**	**(279 748)**	**(244 949)**	**(244 949)**	**–**	**(217 788)**	**(107 578)**	**(103 991)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		54 000	54 000	54 000	50 000	50 000	50 000	–	50 000	50 000	60 000
Increase (decrease) in consumer deposits		–	–	–	2 000	2 000	2 000	–	2 000	2 000	2 000
Payments											
Repayment of borrowing		(33 448)	(39 725)	(46 576)	(54 646)	(54 646)	(54 646)	–	(50 623)	(58 592)	(51 239)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**20 552**	**14 275**	**7 424**	**(2 646)**	**(2 646)**	**(2 646)**	**–**	**1 377**	**(6 592)**	**10 761**
NET INCREASE/ (DECREASE) IN CASH HELD		**58 220**	**120 626**	**(41 091)**	**(67 293)**	**(46 410)**	**(46 410)**	**–**	**(120 268)**	**(32 140)**	**(5 080)**
Cash/cash equivalents at the year begin:	2	**474 967**	**533 188**	**653 813**	518 129	612 723	612 723	**–**	**566 302**	**446 034**	**413 894**
Cash/cash equivalents at the year end:	2	**533 188**	**653 813**	**612 723**	**450 836**	**566 312**	**566 312**	**–**	**446 034**	**413 894**	**408 814**

WC032 Overstrand - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Cash and investments available											
Cash/cash equivalents at the year end	1	533 188	653 813	612 723	450 836	566 312	566 312	–	446 034	413 894	408 814
Other current investments > 90 days		0	–	–	(7)	(10)	(10)	–	0	(0)	0
Non current assets - Investments	1	50 524	46 515	54 278	62 165	62 165	62 165	–	70 005	77 989	86 123
Cash and investments available:		**583 711**	**700 328**	**667 001**	**512 994**	**628 466**	**628 466**	**–**	**516 039**	**491 883**	**494 937**
Application of cash and investments											
Unspent conditional transfers		–	31 133	24 030	–	12 442	12 442	–	–	–	–
Unspent borrowing		38 199	–	44 066	44 066	22 761	22 761		22 033	–	–
Statutory requirements	2	–	–	–	–	–	–	–	–	–	–
Other working capital requirements	3	(26 508)	(9 362)	(3 156)	59 046	74 998	74 998	–	(478)	(45 920)	(79 171)
Other provisions		6 587	2 612	28 547	10 200	16 936	16 936	–	12 515	8 330	8 276
Long term investments committed	4	50 524	46 515	54 278	62 165	62 165	62 165	–	70 005	77 989	86 123
Reserves to be backed by cash/investments	5	3 227	3 227	3 227	3 228	3 228	3 228	0	3 223	3 218	3 213
Total Application of cash and investments:		**72 028**	**74 124**	**150 993**	**178 704**	**192 531**	**192 531**	**0**	**107 298**	**43 617**	**18 440**
Surplus(shortfall)		**511 683**	**626 204**	**516 008**	**334 290**	**435 936**	**435 936**	**(0)**	**408 741**	**448 266**	**476 497**

WC032 Overstrand - Table A9 Asset Management

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
CAPITAL EXPENDITURE										
Total New Assets	1	173 682	188 804	199 520	191 795	155 115	155 115	125 175	48 730	24 814
Roads Infrastructure		12 061	5 638	20 553	10 218	9 493	9 493	11 013	5 000	6 000
Storm water Infrastructure		7 247	7 918	14 169	6 590	6 590	6 590	–	8 500	–
Electrical Infrastructure		28 893	13 557	9 392	57 808	24 908	24 908	53 500	12 000	9 314
Water Supply Infrastructure		12 270	29 001	22 404	11 372	4 469	4 469	11 803	2 000	3 100
Sanitation Infrastructure		34 963	13 339	12 940	9 368	10 097	10 097	–	–	–
Solid Waste Infrastructure		1 499	7 311	12 254	3 262	4 516	4 516	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***96 933***	***76 763***	***91 712***	***98 618***	***60 072***	***60 072***	***76 316***	***27 500***	***18 414***
Community Facilities		30 804	2 084	10 999	15 352	6 403	6 403	4 374	–	–
Sport and Recreation Facilities		–	2 447	15 000	7 481	7 081	7 081	400	–	–
Community Assets		***30 804***	***4 531***	***25 999***	***22 833***	***13 485***	***13 485***	***4 774***	**–**	**–**
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		3 092	1 749	4 581	6 636	5 457	5 457	1 000	–	–
Housing		34 276	85 753	49 598	52 259	61 765	61 765	39 785	21 230	6 400
Other Assets		***37 368***	***87 502***	***54 179***	***58 895***	***67 222***	***67 222***	***40 785***	***21 230***	***6 400***
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**226**	**226**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment		**1 346**	**3 345**	**5 152**	**3 933**	**3 933**	**3 933**	**1 800**	**–**	**–**
Furniture and Office Equipment		**295**	**246**	**802**	**875**	**1 225**	**1 225**	**765**	**–**	**–**
Machinery and Equipment		**–**	**533**	**486**	**1 641**	**1 791**	**1 791**	**735**	**–**	**–**
Transport Assets		**6 936**	**15 884**	**21 189**	**5 000**	**7 161**	**7 161**	**–**	**–**	**–**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Renewal of Existing Assets	2	–	3 606	15 499	33 945	31 515	31 515	20 730	18 650	29 500
Roads Infrastructure		–	8	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	915	1 000	1 000	1 000	1 058	1 500	2 000
Water Supply Infrastructure		–	887	11 297	32 295	29 865	29 865	19 172	16 450	20 300
Sanitation Infrastructure		–	2 711	3 287	650	650	650	500	700	700
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	6 500
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		**–**	***3 606***	***15 499***	***33 945***	***31 515***	***31 515***	***20 730***	***18 650***	***29 500***
Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Furniture and Office Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Machinery and Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Transport Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Upgrading of Existing Assets	6	–	18 646	39 781	49 034	53 349	53 349	66 903	35 218	44 697
Roads Infrastructure		–	–	181	–	–	–	–	–	–
Storm water Infrastructure		–	1 285	12 258	–	–	–	–	–	–
Electrical Infrastructure		–	7 871	120	7 173	7 173	7 173	10 831	8 500	13 000
Water Supply Infrastructure		–	1 863	1 873	8 315	3 000	3 000	8 315	550	–
Sanitation Infrastructure		–	32	14 286	30 873	38 643	38 643	45 439	15 300	18 400
Solid Waste Infrastructure		–	–	3 262	553	90	90	1 984	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		**–**	***11 051***	***31 980***	***46 913***	***48 906***	***48 906***	***66 569***	***24 350***	***31 400***
Community Facilities		–	–	830	100	100	100	334	–	–
Sport and Recreation Facilities		–	7 534	6 971	2 021	4 343	4 343	–	10 868	13 297
Community Assets		**–**	***7 534***	***7 801***	***2 121***	***4 443***	***4 443***	***334***	***10 868***	***13 297***
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	61	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	*61*	–	–	–	–	–	–	–
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		–	–	–	–	–	–	–	–	–
Total Capital Expenditure	4	**173 682**	**211 056**	**254 800**	**274 775**	**239 979**	**239 979**	**212 808**	**102 598**	**99 011**
Roads Infrastructure		12 061	5 645	20 734	10 218	9 493	9 493	11 013	5 000	6 000
Storm water Infrastructure		7 247	9 202	26 427	6 590	6 590	6 590	–	8 500	–
Electrical Infrastructure		28 893	21 428	10 427	65 981	33 081	33 081	65 389	22 000	24 314
Water Supply Infrastructure		12 270	31 752	35 574	51 982	37 334	37 334	39 290	19 000	23 400
Sanitation Infrastructure		34 963	16 081	30 513	40 891	49 390	49 390	45 939	16 000	19 100
Solid Waste Infrastructure		1 499	7 311	15 517	3 815	4 606	4 606	1 984	–	6 500
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***96 933***	***91 420***	***139 192***	***179 477***	***140 493***	***140 493***	***163 615***	***70 500***	***79 314***
Community Facilities		30 804	2 084	11 829	15 452	6 503	6 503	4 708	–	–
Sport and Recreation Facilities		–	9 981	21 971	9 502	11 424	11 424	400	10 868	13 297
Community Assets		***30 804***	***12 065***	***33 801***	***24 954***	***17 928***	***17 928***	***5 108***	***10 868***	***13 297***
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		3 092	1 810	4 581	6 636	5 457	5 457	1 000	–	–
Housing		34 276	85 753	49 598	52 259	61 765	61 765	39 785	21 230	6 400
Other Assets		***37 368***	***87 563***	***54 179***	***58 895***	***67 222***	***67 222***	***40 785***	***21 230***	***6 400***
Biological or Cultivated Assets		–	–	–	–	226	226	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		**1 346**	**3 345**	**5 152**	**3 933**	**3 933**	**3 933**	**1 800**	–	–
Furniture and Office Equipment		**295**	**246**	**802**	**875**	**1 225**	**1 225**	**765**	–	–
Machinery and Equipment		–	**533**	**486**	**1 641**	**1 791**	**1 791**	**735**	–	–
Transport Assets		**6 936**	**15 884**	**21 189**	**5 000**	**7 161**	**7 161**	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class		**173 682**	**211 056**	**254 800**	**274 775**	**239 979**	**239 979**	**212 808**	**102 598**	**99 011**
ASSET REGISTER SUMMARY - PPE (WDV)	5	3 662 386	3 748 856	3 867 277	4 034 713	3 999 918	3 999 918	4 071 630	4 034 043	3 990 279
Roads Infrastructure		1 068 859	1 056 127	1 092 369	977 558	976 832	976 832	950 122	916 812	886 416
Storm water Infrastructure			214 067	233 963	247 201	247 201	247 201	239 209	239 701	232 495
Electrical Infrastructure		525 175	520 173	503 932	552 006	519 106	519 106	555 433	548 549	542 442
Water Supply Infrastructure		464 323	474 519	481 726	532 361	517 713	517 713	533 438	529 358	523 908
Sanitation Infrastructure		582 010	398 307	410 831	435 850	444 350	444 350	472 739	471 189	472 953
Solid Waste Infrastructure		26 500	24 634	40 153	48 809	49 600	49 600	48 323	45 061	48 461
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***2 666 867***	***2 687 827***	***2 762 974***	***2 793 785***	***2 754 801***	***2 754 801***	***2 799 265***	***2 750 670***	***2 706 676***
Community Assets		204 522	206 866	226 656	–	–	–	–	–	–
Heritage Assets		130 928	130 928	130 928	130 928	130 928	130 928	130 928	130 928	130 928
Investment properties		117 433	122 921	127 538	127 346	127 346	127 346	132 846	138 346	143 846
Other Assets		534 039	496 877	494 213	860 822	858 061	858 061	889 041	906 211	910 831
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		8 597	9 168	8 993	4 363	8 603	8 603	8 203	7 784	7 333
Computer Equipment				–	–	–	–	–	–	–
Furniture and Office Equipment			10 174	10 999	15 935	16 285	16 285	15 315	12 086	8 984
Machinery and Equipment			6 022	9 544	5 933	6 159	6 159	5 209	3 656	2 134
Transport Assets			78 074	95 432	95 602	97 734	97 734	90 823	84 363	79 548
Land				–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–		–	–	–	–	–	–	–
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	**3 662 386**	**3 748 856**	**3 867 277**	**4 034 713**	**3 999 918**	**3 999 918**	**4 071 630**	**4 034 043**	**3 990 279**
EXPENDITURE OTHER ITEMS										
Depreciation	7	131 114	134 574	140 110	145 663	145 663	145 663	146 596	145 685	148 275
Repairs and Maintenance by Asset Class	3	**215 024**	**188 517**	**210 901**	**254 233**	**257 628**	**257 628**	**267 602**	**282 171**	**298 725**
Roads Infrastructure		61 860	65 691	67 439	67 503	67 115	67 115	72 281	79 183	83 626
Storm water Infrastructure		5 765	4 749	5 584	7 712	7 712	7 712	7 292	7 686	8 103
Electrical Infrastructure		23 082	36 812	31 045	33 421	33 479	33 479	39 233	40 356	43 933
Water Supply Infrastructure		17 367	16 161	21 046	21 537	21 537	21 537	22 144	23 489	24 843
Sanitation Infrastructure		14 967	10 072	12 980	12 162	12 331	12 331	13 002	13 535	14 307
Solid Waste Infrastructure		22 918	1 168	2 535	6 936	6 506	6 506	7 320	7 686	8 123

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	113	110	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	1	–	–	–	–	–	–
Infrastructure		***145 959***	***134 766***	***140 742***	***149 272***	***148 682***	***148 682***	***161 272***	***171 935***	***182 936***
Community Facilities		27 117	29 422	37 364	46 573	42 120	42 120	43 340	43 186	45 648
Sport and Recreation Facilities		12 685	4 176	7 007	15 083	15 813	15 813	14 759	14 797	15 299
Community Assets		***39 801***	***33 597***	***44 371***	***61 656***	***57 933***	***57 933***	***58 100***	***57 982***	***60 947***
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		8 009	1 582	2 136	11 914	15 973	15 973	15 246	16 876	17 880
Housing		–	–	1	–	–	–	–	–	–
Other Assets		***8 009***	***1 582***	***2 137***	***11 914***	***15 973***	***15 973***	***15 246***	***16 876***	***17 880***
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	6 009	5 672	6 528	6 471	6 471	6 994	7 381	7 794
Intangible Assets		**–**	***6 009***	***5 672***	***6 528***	***6 471***	***6 471***	***6 994***	***7 381***	***7 794***
Computer Equipment		**4 890**	**766**	**1 947**	**2 280**	**2 799**	**2 799**	**2 280**	**2 391**	**2 508**
Furniture and Office Equipment		**16 364**	**242**	**1 128**	**6 095**	**6 418**	**6 418**	**6 330**	**6 644**	**6 951**
Machinery and Equipment		**–**	**–**	**–**	**5 548**	**5 363**	**5 363**	**5 601**	**6 518**	**6 561**
Transport Assets		**–**	**11 555**	**14 904**	**10 940**	**13 990**	**13 990**	**11 779**	**12 444**	**13 149**
Libraries		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL EXPENDITURE OTHER ITEMS		**346 138**	**323 092**	**351 011**	**399 896**	**403 291**	**403 291**	**414 198**	**427 856**	**447 000**
Renewal and upgrading of Existing Assets as % of total capex		*0.0%*	*10.5%*	*21.7%*	*30.2%*	*35.4%*	*35.4%*	*41.2%*	*52.5%*	*74.9%*
Renewal and upgrading of Existing Assets as % of deprecn		*0.0%*	*16.5%*	*39.5%*	*57.0%*	*58.3%*	*58.3%*	*59.8%*	*37.0%*	*50.0%*
R&M as a % of PPE		*6.3%*	*5.4%*	*5.9%*	*6.7%*	*6.9%*	*6.9%*	*7.0%*	*7.5%*	*8.1%*
Renewal and upgrading and R&M as a % of PPE		*6.0%*	*6.0%*	*7.0%*	*8.0%*	*9.0%*	*9.0%*	*9.0%*	*8.0%*	*9.0%*

WC032 Overstrand - Table A10 Basic service delivery measurement

Description	Ref	-2018	-2019	-2020	-2021-O	-2021-A	-2021-F	-2022	-2023	-2024
		2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Household service targets	1									
Water:										
Piped water inside dwelling		29 800	29 946	30 111	30 111	30 111	30 111	30 412	30 716	31 023
Piped water inside yard (but not in dwelling)		–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	2	3 620	3 675	3 779	3 779	3 779	3 779	4 650	4 900	5 000
Other water supply (at least min.service level)	4	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		33 420	33 621	33 890	33 890	33 890	33 890	35 062	35 616	36 023
Using public tap (< min.service level)	3	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	**33 420**	**33 621**	**33 890**	**33 890**	**33 890**	**33 890**	**35 062**	**35 616**	**36 023**
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		29 361	30 060	30 420	30 420	30 420	30 420	30 724	31 031	31 342
Flush toilet (with septic tank)		–	–	–	–	–	–	–	–	–
Chemical toilet		–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)		–	–	–	–	–	–	–	–	–
Other toilet provisions (> min.service level)		3 620	3 675	3 779	3 731	3 731	3 731	4 650	4 900	5 000
Minimum Service Level and Above sub-total		32 981	33 735	34 199	34 151	34 151	34 151	35 374	35 931	36 342
Bucket toilet		–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		–	–	–	–	–	–	–	–	–
No toilet provisions		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	**32 981**	**33 735**	**34 199**	**34 151**	**34 151**	**34 151**	**35 374**	**35 931**	**36 342**
Energy:										
Electricity (at least min.service level)		5 831	5 946	5 826	5 706	5 706	5 706	5 586	5 466	5 346
Electricity - prepaid (min.service level)		19 464	19 731	20 146	20 561	20 561	20 561	20 976	21 391	21 806
Minimum Service Level and Above sub-total		25 295	25 677	25 972	26 267	26 267	26 267	26 562	26 857	27 152
Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	**25 295**	**25 677**	**25 972**	**26 267**	**26 267**	**26 267**	**26 562**	**26 857**	**27 152**
Refuse:										
Removed at least once a week		33 105	33 366	30 420	33 895	33 895	33 895	34 234	34 576	34 922
Minimum Service Level and Above sub-total		33 105	33 366	30 420	33 895	33 895	33 895	34 234	34 576	34 922
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	5	**33 105**	**33 366**	**30 420**	**33 895**	**33 895**	**33 895**	**34 234**	**34 576**	**34 922**
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		2 757 787	3 062 304	3 065 494	3 239 424	3 239 424	3 239 424	4 069 011	4 313 152	4 571 941
Sanitation (free minimum level service)		4 983 794	5 244 196	5 252 736	5 553 374	5 553 374	5 553 374	6 946 656	7 363 456	7 805 263
Electricity/other energy (50kwh per household per month)		4 812 394	5 415 995	5 512 648	6 422 904	6 422 904	6 422 904	8 482 421	8 991 366	9 530 848
Refuse (removed at least once a week)		15 047 886	16 905 559	16 929 210	17 901 192	17 901 192	17 901 192	23 463 779	24 871 606	26 363 902
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per **indigent** household per month)		2 758	3 062	3 065	3 239	3 239	3 239	4 069	4 313	4 572
Sanitation (free sanitation service to **indigent households**)		4 984	5 244	5 253	5 553	5 553	5 553	6 947	7 363	7 805
Electricity/other energy (50kwh per **indigent** household per month)		4 812	5 416	5 513	6 423	6 423	6 423	8 482	8 991	9 531
Refuse (removed once a week **for indigent households**)		15 048	16 906	16 929	17 901	17 901	17 901	23 464	24 872	26 364
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	–	–	–	–	–	–	–
Total cost of FBS provided		**27 602**	**30 628**	**30 760**	**33 117**	**33 117**	**33 117**	**42 962**	**45 540**	**48 272**
Highest level of free service provided per household										
Property rates (R value threshold)		220 000	220 000	220 000	220 000	220 000	220 000	220 000	220 000	220 000
Water (kilolitres per household per month)		6	6	6	6	6	6	10	10	10
Sanitation (kilolitres per household per month)		4	4	4	4	4	4	7	7	7
Sanitation (Rand per household per month)		78	82	86	89	89	89	93	99	105
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		210	210	210	210	210	210	210	210	210
Revenue cost of subsidised services provided (R'000)	9									
Property rates **(tariff adjustment)** (**impermissable values per section 17 of MPRA**)		–	–	–	–	–	–	–	–	–
Property rates exemptions, reductions and rebates **and impermissable values in excess of section 17 of MPRA)**		50 983	–	–	–	–	–	–	–	–
Water **(in excess of 6 kilolitres per indigent household per month)**		–	–	–	–	–	–	–	–	–
Sanitation **(in excess of free sanitation service to indigent households)**		–	–	–	–	–	–	–	–	–
Electricity/other energy **(in excess of 50 kwh per indigent household per month)**		–	–	–	–	–	–	–	–	–
Refuse **(in excess of one removal a week for indigent households)**		–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates		–	–	–	–	–	–	–	–	–
Housing - top structure subsidies	6	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided		**50 983**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

WC032 Overstrand - Supporting Table SA1 Supportinging detail to 'Budgeted Financial Performance'

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
REVENUE ITEMS:										
Property rates	6									
Total Property Rates		284 076	240 910	261 222	275 637	275 637	275 637	287 941	300 836	314 308
less Revenue Foregone ***(exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)***		50 983		–	–	–	–	–	–	–
Net Property Rates		**233 093**	**240 910**	**261 222**	**275 637**	**275 637**	**275 637**	**287 941**	**300 836**	**314 308**
Service charges - electricity revenue	6									
Total Service charges - electricity revenue		383 505	421 376	448 305	505 740	505 740	505 740	569 279	625 789	687 949
less Revenue Foregone ***(in excess of 50 kwh per indigent household per month)***		–	–	–	–	–	–	–	–	–
less Cost of Free Basic Services (50 kwh per indigent household per month)		4 812	5 416	5 513	6 423	6 423	6 423	8 482	8 991	9 531
Net Service charges - electricity revenue		**378 693**	**415 960**	**442 792**	**499 317**	**499 317**	**499 317**	**560 796**	**616 798**	**678 418**
Service charges - water revenue	6									
Total Service charges - water revenue		132 615	136 100	134 178	135 408	135 408	135 408	142 207	148 667	155 423
less Revenue Foregone ***(in excess of 6 kilolitres per indigent household per month)***				–	–	–	–	–	–	–
less Cost of Free Basic Services (6 kilolitres per indigent household per month)		2 758	3 062	3 065	3 239	3 239	3 239	4 069	4 313	4 572
Net Service charges - water revenue		**129 858**	**133 037**	**131 113**	**132 168**	**132 168**	**132 168**	**138 138**	**144 354**	**150 851**
Service charges - sanitation revenue										
Total Service charges - sanitation revenue		82 703	86 170	92 346	93 185	93 185	93 185	102 738	107 275	112 012
less Revenue Foregone ***(in excess of free sanitation service to indigent households)***					–	–	–	–	–	–
less Cost of Free Basic Services (free sanitation service to indigent households)		4 984	5 244	5 253	5 553	5 553	5 553	6 947	7 363	7 805
Net Service charges - sanitation revenue		**77 719**	**80 925**	**87 094**	**87 631**	**87 631**	**87 631**	**95 791**	**99 911**	**104 207**
Service charges - refuse revenue	6									
Total refuse removal revenue		76 811	85 161	89 128	92 642	92 642	92 642	102 313	108 373	114 791
Total landfill revenue		–	–	–	–	–	–	–	–	–
less Revenue Foregone ***(in excess of one removal a week to indigent households)***		–	–	–	–	–	–	–	–	–
less Cost of Free Basic Services (removed once a week to indigent households)		15 048	16 906	16 929	17 901	17 901	17 901	23 464	24 872	26 364
Net Service charges - refuse revenue		**61 763**	**68 256**	**72 198**	**74 741**	**74 741**	**74 741**	**78 850**	**83 502**	**88 427**
Other Revenue by source										
Fuel Levy				–	–	–	–	–	–	–
Other Revenue										
Discontinued Operations				–	–	–	–	–	–	–
Rent on Land				966	1 106	1 106	1 106	1 229	1 284	1 341
Operational Revenue				9 019	6 039	6 039	6 039	7 419	7 638	7 867
Intercompany/Parent-subsidiary Transactions				–	–	–	–	–	–	–
Surcharges and Taxes				–	–	–	–	–	–	–
Sales of Goods and Rendering of Services		83 673	139 226	86 171	119 765	131 390	131 390	128 491	84 891	48 712
Fuel Levy	3	–	–	–	–	–	–	–	–	–
Total 'Other' Revenue	1	**83 673**	**139 226**	**96 156**	**126 909**	**138 535**	**138 535**	**137 139**	**93 814**	**57 920**
EXPENDITURE ITEMS:										
Employee related costs										
Basic Salaries and Wages	2	368 000	382 572	290 839	290 769	298 752	298 752	319 567	335 697	355 617
Pension and UIF Contributions				42 603	48 870	49 249	49 249	52 853	56 007	59 363
Medical Aid Contributions				13 951	17 876	17 905	17 905	17 116	18 143	19 271
Overtime				341	317	317	317	326	347	368
Performance Bonus				19 229	22 518	22 047	22 047	23 967	25 459	27 045
Motor Vehicle Allowance				8 115	8 255	8 515	8 515	8 321	8 324	8 327
Cellphone Allowance				2 150	2 465	2 498	2 498	2 364	2 364	2 364
Housing Allowances				2 741	2 674	2 701	2 701	1 829	1 829	1 910
Other benefits and allowances				52 802	55 621	56 263	56 263	58 905	62 185	65 966
Payments in lieu of leave				–	–	–	–	–	–	–
Long service awards				3 047	3 230	3 658	3 658	3 945	3 310	3 739
Post-retirement benefit obligations	4			2 057	11 208	16 272	16 272	17 946	8 956	7 764
sub-total	5	**368 000**	**382 572**	**437 874**	**463 804**	**478 179**	**478 179**	**507 139**	**522 622**	**551 734**
Less: Employees costs capitalised to PPE		–	–	–	–	–	–	–	–	–
Total Employee related costs	1	**368 000**	**382 572**	**437 874**	**463 804**	**478 179**	**478 179**	**507 139**	**522 622**	**551 734**
Contributions recognised - capital										
List contributions by contract				8 465	14 243	3 597	3 597	12 442		
Total Contributions recognised - capital		**–**	**–**	**8 465**	**14 243**	**3 597**	**3 597**	**12 442**	**–**	**–**
Depreciation & asset impairment										
Depreciation of Property, Plant & Equipment		131 114	132 740	136 560	145 272	145 272	145 272	146 196	145 265	147 824
Lease amortisation					390	390	390	400	420	451
Capital asset impairment			1 835	3 550	–	–	–	–	–	–
Depreciation resulting from revaluation of PPE	10	–	–	–	–	–	–	–	–	–
Total Depreciation & asset impairment	1	**131 114**	**134 574**	**140 110**	**145 663**	**145 663**	**145 663**	**146 596**	**145 685**	**148 275**
Bulk purchases										
Electricity Bulk Purchases		242 614	278 548	298 272	353 707	353 707	353 707	393 853	438 555	488 331
Water Bulk Purchases		–	–	–	–	–	–	–	–	–
Total bulk purchases	1	**242 614**	**278 548**	**298 272**	**353 707**	**353 707**	**353 707**	**393 853**	**438 555**	**488 331**

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Transfers and grants										
Cash transfers and grants		486	560	8 710	12 324	12 774	12 774	12 557	13 060	13 582
Non-cash transfers and grants		–	–	–	–	–	–	–	–	–
Total transfers and grants	1	**486**	**560**	**8 710**	**12 324**	**12 774**	**12 774**	**12 557**	**13 060**	**13 582**
Contracted services										
Outsourced Services				87 046	107 372	108 118	108 118	116 194	120 861	127 817
Consultants and Professional Services				26 274	38 471	41 995	41 995	45 926	43 278	45 209
Contractors		186 336	178 363	94 775	101 496	104 394	104 394	104 665	111 926	117 047
sub-total	1	**186 336**	**178 363**	**208 095**	**247 340**	**254 506**	**254 506**	**266 785**	**276 065**	**290 073**
Allocations to organs of state:										
Electricity		–	–	–	–	–	–	–	–	–
Water		–	–	–	–	–	–	–	–	–
Sanitation		–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Total contracted services		**186 336**	**178 363**	**208 095**	**247 340**	**254 506**	**254 506**	**266 785**	**276 065**	**290 073**
Other Expenditure By Type										
Collection costs					6 642	6 642	6 642	7 041	7 463	7 911
Contributions to 'other' provisions					10 200	16 936	16 936	12 515	8 330	8 276
Audit fees					5 561	5 561	5 561	5 561	5 561	5 561
General expenses	3	71 333	91 133	110 254						
Operating Leases			105	113	1 611	1 084	1 084	296	308	321
Operational Cost					117 606	120 969	120 969	138 750	115 575	99 338
Statutory Payments other than Income Taxes				–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–
Total 'Other' Expenditure	1	**71 333**	**91 238**	**110 367**	**141 620**	**151 193**	**151 193**	**164 163**	**137 237**	**121 406**
by Expenditure Item	8									
Employee related costs		89 415	96 484	101 119	126 792	122 805	122 805	125 237	132 851	141 069
Other materials		17 594	18 615	19 462	20 700	21 496	21 496	25 392	26 801	29 219
Contracted Services		85 762	58 168	80 996	95 771	102 535	102 535	104 388	109 469	114 854
Other Expenditure		22 253	15 250	9 324	10 971	10 793	10 793	12 586	13 050	13 583
Total Repairs and Maintenance Expenditure	9	215 024	188 517	210 901	254 233	257 628	257 628	267 602	282 171	298 725
Inventory Consumed										
Inventory Consumed - Water		(134)	(142)	(206)	(205)	(205)	(205)	(204)	(203)	(202)
Inventory Consumed - Other		(5 754 408)	(5 975 058)	(6 217 806)	(6 563 310)	(6 524 274)	(6 524 274)	(6 759 899)	(6 883 339)	(7 004 969)
Total Inventory Consumed & Other Material		**(5 754 542)**	**(5 975 200)**	**(6 218 012)**	**(6 563 515)**	**(6 524 479)**	**(6 524 479)**	**(6 760 103)**	**(6 883 541)**	**(7 005 171)**

WC032 Overstrand - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description R thousand	Ref 1	Vote 1 - Council & Mayor's Office	Vote 2 - Municipal Manager & Internal Audit	Vote 3 - Management Services	Vote 4 - Finance	Vote 5 - Infrastructure & Planning	Vote 6 - Protection Services	Vote 7 - Economic and Social Development & Tourism	Vote 8 - Community Services	Vote 9 - Costing Services	Vote 10 - Main Ledger Services	Vote 11 - [NAME OF VOTE 11]	Vote 12 - [NAME OF VOTE 12]	Vote 13 - [NAME OF VOTE 13]	Vote 14 - [NAME OF VOTE 14]	Vote 15 - [NAME OF VOTE 15]	Total
Revenue By Source																	
Property rates		–	–	–	287 941	–	–	–	–	–	–	–	–	–	–	–	287 941
Service charges - electricity revenue		–	–	–	711	560 085	–	–	–	–	–	–	–	–	–	–	560 796
Service charges - water revenue		–	–	–	16	–	–	–	138 122	–	–	–	–	–	–	–	138 138
Service charges - sanitation revenue		–	–	–	–	–	0	–	95 791	–	–	–	–	–	–	–	95 791
Service charges - refuse revenue		–	–	–	–	–	–	–	78 850	–	–	–	–	–	–	–	78 850
Rental of facilities and equipment		–	–	–	–	0	–	68	4 505	–	–	–	–	–	–	–	4 573
Interest earned - external investments		–	–	–	24 871	–	–	–	–	–	–	–	–	–	–	–	24 871
Interest earned - outstanding debtors		–	–	–	3 981	–	–	–	0	–	–	–	–	–	–	–	3 982
Dividends received		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		–	–	–	0	76	20 168	–	100	–	–	–	–	–	–	–	20 344
Licences and permits		–	–	–	–	–	2 045	–	591	–	–	–	–	–	–	–	2 636
Agency services		–	–	–	–	–	7 838	–	20	–	–	–	–	–	–	–	7 858
Other revenue		116	–	869	8 366	127 655	566	0	7 792	–	–	–	–	–	–	–	145 364
Transfers and subsidies		44 891	–	–	1 550	46 528	5 378	2 743	64 949	–	–	–	–	–	–	–	166 040
Gains		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		**45 007**	**–**	**869**	**327 436**	**734 345**	**35 995**	**2 811**	**390 720**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1 537 183**
Expenditure By Type																	
Employee related costs		22 412	7 081	33 403	54 481	77 144	86 231	13 819	212 568	–	–	–	–	–	–	–	507 139
Remuneration of councillors		12 401	–	–	–	–	–	–	–	–	–	–	–	–	–	–	12 401
Debt impairment		–	–	–	1 705	956	9 447	–	1 456	–	–	–	–	–	–	–	13 564
Depreciation & asset impairment		8	21	2 399	283	30 100	1 637	226	111 922	–	–	–	–	–	–	–	146 596
Finance charges		–	–	–	41	15 578	–	–	32 437	–	–	–	–	–	–	–	48 056
Bulk purchases		–	–	–	–	393 853	–	–	–	–	–	–	–	–	–	–	393 853
Other materials		1 375	59	2 059	484	10 920	1 265	255	34 238	–	–	–	–	–	–	–	50 655
Contracted services		223	590	7 720	13 577	129 468	14 770	1 956	98 481	–	–	–	–	–	–	–	266 785
Transfers and subsidies		–	–	–	12 557	–	–	–	–	–	–	–	–	–	–	–	12 557
Other expenditure		8 240	291	20 308	23 185	97 594	5 130	1 430	7 986	–	–	–	–	–	–	–	164 163
Losses		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		**44 658**	**8 042**	**65 889**	**106 313**	**755 611**	**118 480**	**17 686**	**499 089**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1 615 768**
Surplus/(Deficit)		**349**	**(8 042)**	**(65 021)**	**221 123**	**(21 266)**	**(82 485)**	**(14 874)**	**(108 369)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(78 586)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		–	–	–	–	21 331	–	–	51 067	–	–	–	–	–	–	–	72 398
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		–	–	–	–	12 442	–	–	–	–	–	–	–	–	–	–	12 442
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**349**	**(8 042)**	**(65 021)**	**221 123**	**12 507**	**(82 485)**	**(14 874)**	**(57 302)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**6 255**

WC032 Overstrand - Supporting Table SA3 Supportinging detail to 'Budgeted Financial Position'

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
ASSETS										
Call investment deposits										
Call deposits		409 200	510 243	410 241	400 000	400 000	400 000	400 000	400 000	400 000
Other current investments		–	–	–	–	–	–	–	–	–
Total Call investment deposits	2	**409 200**	**510 243**	**410 241**	**400 000**	**400 000**	**400 000**	**400 000**	**400 000**	**400 000**
Consumer debtors										
Consumer debtors		100 108	128 996	128 345	126 617	126 617	126 617	153 550	178 550	205 369
Less: Provision for debt impairment		(26 108)	(40 486)	(44 499)	(42 141)	(42 141)	(42 141)	(46 258)	(50 416)	(54 616)
Total Consumer debtors	2	**74 000**	**88 509**	**83 846**	**84 475**	**84 475**	**84 475**	**107 292**	**128 134**	**150 753**
Debt impairment provision										
Balance at the beginning of the year		(21 774)	(26 108)	(40 486)	(40 641)	(40 641)	(40 641)	(42 141)	(46 258)	(50 416)
Contributions to the provision		(4 334)	(14 378)	(4 012)	(1 500)	(1 500)	(1 500)	(4 117)	(4 158)	(4 200)
Bad debts written off		–	–	–	–	–	–	–	–	–
Balance at end of year		**(26 108)**	**(40 486)**	**(44 499)**	**(42 141)**	**(42 141)**	**(42 141)**	**(46 258)**	**(50 416)**	**(54 616)**
Inventory										
Water										
Opening Balance		128	**134**	**142**	**206**	**206**	**206**	**205**	**204**	**203**
System Input Volume		**6**	**8**	**63**	**(1)**	**11 118**	**11 118**	**11 396**	**11 681**	**11 973**
Water Treatment Works		6	8	63	(1)	(1)	(1)	(1)	(1)	(1)
Bulk Purchases		–	–	–	–	–	–	–	–	–
Natural Sources		–	–	–	–	11 119	11 119	11 397	11 682	11 974
Authorised Consumption	6	–	–	–	–	**(8 785)**	**(8 785)**	**(9 004)**	**(9 230)**	**(9 460)**
Billed Authorised Consumption		–	–	–	–	**(8 593)**	**(8 593)**	**(8 808)**	**(9 028)**	**(9 254)**
Billed Metered Consumption		–	–	–	–	**(8 593)**	**(8 593)**	**(8 808)**	**(9 028)**	**(9 254)**
Free Basic Water		–	–	–	–	–	–	–	–	–
Subsidised Water		–	–	–	–	–	–	–	–	–
Revenue Water		–	–	–	–	(8 593)	(8 593)	(8 808)	(9 028)	(9 254)
Billed Unmetered Consumption		–	–	–	–	–	–	–	–	–
Free Basic Water		–	–	–	–	–	–	–	–	–
Subsidised Water		–	–	–	–	–	–	–	–	–
Revenue Water		–	–	–	–	–	–	–	–	–
UnBilled Authorised Consumption		–	–	–	–	**(192)**	**(192)**	**(197)**	**(202)**	**(207)**
Unbilled Metered Consumption		–	–	–	–	–	–	–	–	–
Unbilled Unmetered Consumption		–	–	–	–	(192)	(192)	(197)	(202)	(207)
Water Losses		–	–	–	–	**(2 334)**	**(2 334)**	**(2 392)**	**(2 452)**	**(2 513)**
Apparent losses		–	–	–	–	**(2 334)**	**(2 334)**	**(2 392)**	**(2 452)**	**(2 513)**
Unauthorised Consumption		–	–	–	–	(2 334)	(2 334)	(2 392)	(2 452)	(2 513)
Customer Meter Inaccuracies		–	–	–	–	–	–	–	–	–
Real losses		–	–	–	–	–	–	–	–	–
Leakage on Transmission and Distribution Mains		–	–	–	–	–	–	–	–	–
Leakage and Overflows at Storage Tanks/Reservoirs		–	–	–	–	–	–	–	–	–
Leakage on Service Connections up to the point of Custom		–	–	–	–	–	–	–	–	–
Data Transfer and Management Errors		–	–	–	–	–	–	–	–	–
Unavoidable Annual Real Losses		–	–	–	–	–	–	–	–	–
Non-revenue Water		–	–	–	–	**(2 526)**	**(2 526)**	**(2 589)**	**(2 654)**	**(2 720)**
Closing Balance Water		**134**	**142**	**206**	**205**	**205**	**205**	**204**	**203**	**202**
Agricultural										
Opening Balance		–	–	–	–	–	–	–	–	–
Acquisitions		–	–	–	–	–	–	–	–	–
Issues	7	–	–	–	–	–	–	–	–	–
Adjustments	8	–	–	–	–	–	–	–	–	–
Write-offs	9	–	–	–	–	–	–	–	–	–
Closing balance - Agricultural		–	–	–	–	–	–	–	–	–
Consumables										
Standard Rated										

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Opening Balance		7 322	**9 591**	**8 782**	**8 899**	**8 899**	**8 899**	7 938	**8 188**	**8 471**
Acquisitions		13 594	15 894	14 090	15 900	15 900	15 900	15 900	15 900	15 900
Issues	7	(11 320)	(16 704)	(13 498)	(16 861)	(16 861)	(16 861)	(15 650)	(15 617)	(15 673)
Adjustments	8	(2)	–	–	–	–	–	–	–	–
Write-offs	9	(3)	–	–	–	–	–	–	–	–
Closing balance - Consumables Standard Rated		**9 591**	**8 782**	**9 374**	**7 938**	**7 938**	**7 938**	**8 188**	**8 471**	**8 698**
Zero Rated										
Opening Balance		–	–	–	–	–	–	–	–	–
Acquisitions		–	–	–	–	–	–	–	–	–
Issues	7	–	–	–	–	–	–	–	–	–
Adjustments	8	–	–	–	–	–	–	–	–	–
Write-offs	9	–	–	–	–	–	–	–	–	–
Closing balance - Consumables Zero Rated		–	–	–	–	–	–	–	–	–
Finished Goods										
Opening Balance		–	–	–	–	–	–	–	–	–
Acquisitions		–	–	–	–	–	–	–	–	–
Issues	7	–	–	–	–	–	–	–	–	–
Adjustments	8	–	–	–	–	–	–	–	–	–
Write-offs	9	–	–	–	–	–	–	–	–	–
Closing balance - Finished Goods		–	–	–	–	–	–	–	–	–
Materials and Supplies										
Opening Balance		–	–	–	–	–	–	–	–	–
Acquisitions		–	–	–	–	–	–	–	–	–
Issues	7	–	–	–	–	–	–	–	–	–
Adjustments	8	–	–	–	–	–	–	–	–	–
Write-offs	9	–	–	–	–	–	–	–	–	–
Closing balance - Materials and Supplies		–	–	–	–	–	–	–	–	–
Work-in-progress										
Opening Balance		–	–	–	–	–	–	–	–	–
Materials		–	–	–	–	–	–	–	–	–
Transfers		–	–	–	–	–	–	–	–	–
Closing balance - Work-in-progress		–	–	–	–	–	–	–	–	–
Housing Stock										
Opening Balance		–	–	–	–	–	–	–	–	–
Acquisitions		–	–	–	–	–	–	–	–	–
Transfers		–	–	–	–	–	–	–	–	–
Sales		–	–	–	–	–	–	–	–	–
Closing Balance - Housing Stock		–	–	–	–	–	–	–	–	–
Land										
Opening Balance		6 304	**6 304**	**1 295**	**3 157**	**3 157**	**3 157**	2 517	**2 517**	**2 517**
Acquisitions		–	–	1 862	–	–	–	–	–	–
Sales		–	(197)	–	–	–	–	–	–	–
Adjustments		–	(4 812)	–	(640)	(640)	(640)	–	–	–
Correction of Prior period errors		–	–	–	–	–	–	–	–	–
Closing Balance - Land		**6 304**	**1 295**	**3 157**	**2 517**	**2 517**	**2 517**	**2 517**	**2 517**	**2 517**
Closing Balance - Inventory & Consumables		**16 029**	**10 219**	**12 736**	**10 659**	**10 659**	**10 659**	**10 908**	**11 190**	**11 416**
Property, plant and equipment (PPE)										
PPE at cost/valuation (excl. finance leases)		5 680 408	5 886 548	6 133 960	6 478 835	6 439 799	6 439 799	6 652 607	6 755 205	6 854 216
Leases recognised as PPE	3		–	–	–	–	–	–	–	–
Less: Accumulated depreciation		(2 274 979)	(2 400 708)	(2 534 142)	(2 706 758)	(2 706 758)	(2 706 758)	(2 852 954)	(2 998 219)	(3 146 043)
Total Property, plant and equipment (PPE)	2	**3 405 429**	**3 485 840**	**3 599 818**	**3 772 076**	**3 733 041**	**3 733 041**	**3 799 653**	**3 756 986**	**3 708 173**

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
LIABILITIES										
Current liabilities - Borrowing										
Short term loans (other than bank overdraft)		–	–	–	–	–	–	–	–	–
Current portion of long-term liabilities		39 725	45 458	53 957	50 263	50 263	50 263	58 592	51 239	155 011
Total Current liabilities - Borrowing		**39 725**	**45 458**	**53 957**	**50 263**	**50 263**	**50 263**	**58 592**	**51 239**	**155 011**
Trade and other payables										
Trade Payables		97 922	134 818	140 002	180 596	203 369	203 369	160 905	145 725	145 375
Other Creditors		10 041	–	–	–	–	–	–	–	–
Unspent conditional transfers		–	31 133	24 030	–	12 442	12 442	–	–	–
VAT		–	–	–	–	–	–	–	–	–
Total Trade and other payables	2	**107 963**	**165 950**	**164 032**	**180 596**	**215 812**	**215 812**	**160 905**	**145 725**	**145 375**
Non current liabilities - Borrowing										
Borrowing	4	422 933	431 475	430 400	430 795	430 795	430 795	421 184	419 946	324 935
Finance leases (including PPP asset element)		–	–	–	–	–	–	–	–	–
Total Non current liabilities - Borrowing		**422 933**	**431 475**	**430 400**	**430 795**	**430 795**	**430 795**	**421 184**	**419 946**	**324 935**
Provisions - non-current										
Retirement benefits		108 914	92 981	108 533	110 759	118 853	118 853	130 437	132 502	133 078
List other major provision items										
Refuse landfill site rehabilitation		98 402	99 799	120 448	96 642	126 384	126 384	138 837	137 926	136 498
Other		14 841	17 882	18 831	19 638	19 792	19 792	20 827	21 584	22 647
Total Provisions - non-current		**222 157**	**210 662**	**247 812**	**227 039**	**265 029**	**265 029**	**290 101**	**292 012**	**292 223**
CHANGES IN NET ASSETS										
Accumulated Surplus/(Deficit)										
Accumulated Surplus/(Deficit) - opening balance		3 422 258	3 525 888	3 664 755	3 660 705	3 720 021	3 720 021	3 687 995	3 716 200	3 702 122
GRAP adjustments		(502)	–	–	–	–	–	–	–	–
Restated balance		3 421 756	3 525 888	3 664 755	3 660 705	3 720 021	3 720 021	3 687 995	3 716 200	3 702 122
Surplus/(Deficit)		106 526	138 868	30 848	(17 571)	(29 706)	(29 706)	6 255	(37 515)	(44 533)
Transfers to/from Reserves		(3)	(0)	(0)	750	750	750	10	10	10
Depreciation offsets		–	–	–	–	–	–	–	–	–
Other adjustments		(0)	0	(0)	33 892	(3 070)	(3 070)	21 941	23 426	25 576
Accumulated Surplus/(Deficit)	1	**3 528 279**	**3 664 755**	**3 695 603**	**3 677 777**	**3 687 995**	**3 687 995**	**3 716 200**	**3 702 122**	**3 683 175**
Reserves										
Housing Development Fund		3 227	3 227	3 227	3 228	3 228	3 228	3 223	3 218	3 213
Capital replacement		–	–	–	–	–	–	–	–	–
Self-insurance		–	–	–	–	–	–	–	–	–
Other reserves							–			
Compensation for Occupational Injuries and Diseases		–	–	–	–	–	–	–	–	–
Employee Benefit Reserve		–	–	–	–	–	–	–	–	–
Non-current Provisions Reserve		–	–	–	–	–	–	–	–	–
Valuation Reserve		–	–	–	–	–	–	–	–	–
Investment in associate account		–	–	–	–	–	–	–	–	–
Capitalisation Reserve		–	–	–	–	–	–	–	–	–
Equity		–	–	–	–	–	–	–	–	–
Non-Controlling Interest		–	–	–	–	–	–	–	–	–
Share Premium		–	–	–	–	–	–	–	–	–
Revaluation		–	–	–	–	–	–	–	–	–
Total Reserves	2	**3 227**	**3 227**	**3 227**	**3 228**	**3 228**	**3 228**	**3 223**	**3 218**	**3 213**
TOTAL COMMUNITY WEALTH/EQUITY	2	**3 531 506**	**3 667 983**	**3 698 830**	**3 681 004**	**3 691 222**	**3 691 222**	**3 719 423**	**3 705 339**	**3 686 388**

Total capital expenditure includes expenditure on nationally significant priorities:

Provision of basic services										

WC032 Overstrand - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
The provision of democratic, accountable and ethical governance	Good Governance	1		328 011	347 612	362 831	357 072	360 937	360 937	379 688	393 584	399 096
The provision and maintenance of municipal services	Basic Service Delivery	2		752 662	802 791	847 454	939 483	927 890	927 890	1 050 116	1 077 442	1 179 161
The encouragement of structured community participation in the matters of the municipality	Good Governance	3										
The creation and maintenance of a safe and healthy environment	Safe and Healthy Environment	4		70 070	59 673	53 573	56 809	64 245	64 245	55 544	67 699	72 839
The promotion of tourism, economic and social development	Economic Development and Social upliftmnent	5		64 318	119 873	87 926	124 072	138 140	138 140	136 675	83 160	47 738
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	**1 215 062**	**1 329 949**	**1 351 784**	**1 477 435**	**1 491 212**	**1 491 212**	**1 622 023**	**1 621 884**	**1 698 834**

WC032 Overstrand - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
The provision of democratic, accountable and ethical governance	Good Governance	1		222 134	217 320	257 275	283 779	295 755	295 755	315 492	312 936	324 798
The provision and maintenance of municipal services	Basic Service Delivery	2		576 651	641 935	696 761	761 149	766 057	766 057	817 550	874 215	949 260
The encouragement of structured community participation in the matters of the municipality	Good Governance	3		1 250	725	1 382	1 125	1 125	1 125			
The creation and maintenance of a safe and healthy environment	Safe and Healthy Environment	4		141 579	171 527	161 460	194 170	197 488	197 488	202 510	208 684	218 910
The promotion of tourism, economic and social development	Economic Development and Social upliftmnent	5		166 921	159 574	204 057	254 784	260 493	260 493	280 215	263 565	250 400
Allocations to other priorities												
Total Expenditure			1	**1 108 536**	**1 191 082**	**1 320 936**	**1 495 006**	**1 520 918**	**1 520 918**	**1 615 768**	**1 659 399**	**1 743 367**

WC032 Overstrand - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
The provision of democratic, accountable and ethical governance	Good Governance	1		7 231	4 049	7 054	3 775	3 775	3 775	1 875		
The provision and maintenance of municipal services	Basic Service Delivery	2		84 872	87 384	121 565	171 489	133 231	133 231	152 602	65 500	73 314
The encouragement of structured community participation in the matters of the municipality	Good Governance	3										
The creation and maintenance of a safe and healthy environment	Safe and Healthy Environment	4		33 896	27 005	47 383	25 640	24 897	24 897	6 809	10 868	13 297
The promotion of tourism, economic and social development	Economic Development and Social upliftmnent	5		47 683	92 618	78 798	73 871	78 076	78 076	51 522	26 230	12 400
Allocations to other priorities			3									
Total Capital Expenditure			1	**173 682**	**211 056**	**254 800**	**274 775**	**239 979**	**239 979**	**212 808**	**102 598**	**99 011**

WC032 Overstrand - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Council and Municipal Manager										
Municipal Manager										
Submit three progress reports on the revision of the top 10 risks as a corrective action to the Top Management Team	Number of progress reports submitted	3	4	4	4	0	4	3	4	3
Percentage of a municipality's capital budget actually spent on capital projects identified for 2022/23 in terms of the municipality's IDP {(Actual amount spent on projects as identified for the year in the IDP/Total amount budgeted on capital projects) x 100 (MPPMR Reg 10 (c))	% of the capital budget spent	99.39%	76.53%	90.9%	95%	0	95%	95.0%	95.0%	95.0%
Sign section 56 performance agreements with all directors by the end of July 2022	Number of agreements signed	6	6	6	6	0	6	6	6	6
Monitor the implementation of the action plan developed to address all the issues raised in the management letter of the Auditor General and submit three progress reports to Executive Mayor	Number of progress reports monitored and submitted to Executive Mayor	6	5	7	4	0	4	3	4	3
Bi- annual formal performance appraisals of the section 56 appointees for the previous financial period April to June 2022 to be completed by Sept 2022 and the current period October to December 2022 to be completed by February 2023.	Number of appraisals	12	12	12	12	0	12	12	12	12
Draft the annual report and submit to the Auditor-General by end of August 2022	Draft Annual report submitted	1	1	1	1	0	1	1	1	1
Submit the final Annual report and oversight report to Council before end March 2023	Final Annual report and oversight report submitted	1	1	1	1	0	1	1	1	1
Prepare the final IDP for submission to Council by the end of May 2023	Final IDP submitted	1	1	1	1	0	1	1	1	1
Submit the Final MTREF Budget by the end of May 2023	Final Budget submitted	1	1	1	1	0	1	1	1	1
Management Services										
Director: Management Services										
Human Resources										
92% of the approved and funded organogram filled {(actual number of posts filled dived by the funded posts budgeted) x100}	% filled	92.30%	90.64%	92.08%	92.0%	0.0%	92%	92.0%	92.0%	92.0%
The number of people from employment equity target groups employed in the	The number of people from	68	71	71	74	0	74	75	75	75
The percentage of a municipality's budget (training budget) actually spent on implementing its workplace skills plan	% of the training budget spent on implementation of the WSP	100.0%	84.5%	100.0%	100.0%	0.0%	100%	100.0%	100.0%	100.0%
Review the Municipal Organisational Staff Structure by the end of June 2023	Structure reviewed	1	1	1	1	0	1	1	1	1
Corporate Support Services										
Revise the Section 14 Access to Information Manual by the end of June 2023 to ensure compliant and up to date policies	Manual revised	1	1	1	1	0	1	1	1	1
Finance										
Director: Finance										
Director Finance										
Financial viability measured in terms of the available cash to cover fixed operating expenditure ((Available cash+ investments)/ Monthly fixed operating expenditure) (MPPMR Reg 10 (g))	Ratio achieved	6.55	7.63%	6.27%	3	0	3	3	3	3
Financial viability measured in terms of the municipality's ability to meet it's service debt obligations ((Total operating revenue-operating grants received)/debt service payments due within the year) (MPPR Reg 10 (g))	Ratio achieved	22.91%	25.06	23.56%	15	0	15	15	15	15
Financial viability measured in terms of the outstanding service debtors (Total outstanding service debtors/ revenue received for services) (MPPR Reg 10 (g))	% achieved	10.02%	12.33%	11.37%	16.0%	0.0%	16%	16%	16%	16%
Submit a reviewed long term financial plan to the CFO by the end of October 2022	Reviewed long term financial plan submitted	1	1	1	1	0	1	1	1	1
Financial statements submitted to the Auditor General by end August 2022	Financial statements submitted	0	1	1	1	0	1	1	1	1
Provision of free basic electricity, refuse removal, sanitation and water in terms of the equitable share requirements	Number of indgent households	7630	7595	7278	7750	7000	7 000	7 500	7 500	7 500
Achieve a debt recovery rate not less than 95% (Receipts/total billed for 12 months period x 100)	% Recovered	98.6%	97.10%	100.15%	80%	0.0%	95%	95%	95%	95%
Community Services										
Director: Community Services										
Director: Community Services										
98% of the operational conditional grant (Libraries, CDW) spent (Actual expenditure divided by the total grant received)	% of total conditional operational grants spent (Libraries, CDW)	100.0%	98.49%	100.0%	98.0%	0.0%	98.0%	98.0%	98.0%	98.0%
m² of roads patched and resealed according to approved Pavement Management System within available budget	m² of roads patched and resealed	112 982	104 952	105 067	110 000	0	110 000	110 000	110 000	110 000
Limit unaccounted water to less than 20% {(Number of kiloliter water purified - Number of kiloliter water sold)/Number of kiloliter purified x 100)}	% of water unaccounted for	24.25%	23%	28.3%	18%	0.0%	18.0%	20.0%	20.0%	20.0%
Ward committee meetings held to facilitate consistent and regular communication with residents	No of ward committee meetings per ward per annum (UOM revised in 2018/19 - Number of ward committees per annum)	114	77	79	97	97	97	126	126	126
Provision of water to informal households (excluding invaded state owned land and private land) based on the standard of 1 water point to 25 households (MPPMR Reg 10 (a))	The number of taps installed in relation to the number of informal households (excluding invaded state owned land and private land)	285	317	341	320	320	320	328	328	328

Provision of cleaned piped water to all formal households within 200 m from households	No of formal households that meet agreed service standards for piped water	29 800	29 946	30 111	30 396	30 111	30 111	32 563	32 563	32 563
Provision of refuse removal, refuse dumps and solid waste disposal to all formal households at least once a week (A household is a residenntial unit being billed for the particular services rendered by way of the financial system (SAMRAS)	Number of formal households for which refuse is removed at least once a week	33 105	33 366	33 895	34 098	33 895	33 895	36 175	36 175	36 175
Provision of refuse removal, refuse dumps and solid waste disposal to all informal households at least once a week	Number of weekly removal of refuse in informal households (once per week = 52 weeks per annum)	52	53	52	52	0	52	52	52	52
The provision of sanitation services to informal households (excluding invaded state owned land and private land) based on the standard of 1 toilette to 5 households (MPPMR Reg 10 (a))	The number of toilets provided in relation to the number of informal households (excluding invaded state owned land and private land)	881	885	934	930	980	980	1 020	1 020	1 020
Provision of sanitation services to formal residential households (A household is a residenntial unit being billed for the particular services rendered by way of the financial system (SAMRAS)	No of formal residential households which are billed for sewerage in accordance to the SAMRAS financial system	29 631	30 060	30 420	30 520	30 420	30 420	32 279	32 279	32 279
Provision of water to informal households on invaded land with available funding ("Land Invasion" refers to the illegal occupation of land, with the intention of establishing dwellings / a settlement upon it. An invasion may be by one individual or by hundreds of households).	The number of taps installed for informal households on invaded land with available funding	88	104	80	70		70	70	70	70
The provision of sanitation services to informal households on invaded land with available funding ("Land Invasion" refers to the illegal occupation of land, with the intention of establishing dwellings / a settlement upon it. An invasion may be by one individual or by hundreds of households).	The number of toilets provided for informal households on invaded land with available funding	120	137	139	105	95	95	95	95	95
Infrastructure & Planning										
Director: Infrastructure and Planning										
Water Treatment										
Quality of effluent comply 75% with license and/or general limit in terms of the Water Act (Act 36 of 1998)	% compliance	95.77%	86.34%	79.61%	75.0%	0.0%	75.0%	75.0%	75.0%	75.0%
Quality of potable water comply 95% with SANS 241	% compliance with SANS 241	98.90%	98.45%	98.83%	95%	0.0%	95%	95%	95%	95%
Report on the implementation of the Water Service Development plan annually by the end of October	Report submitted	1	1	1	1	0	1	1	1	1
Electricity										
Limit electricity losses to 7.5% or less {(Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated) × 100}	% of electricity unaccounted for	6.45%	6.02%	7.35%	7.5%	0.0%	7.5%	7.5%	7.5%	7.5%
Provision of Electricity: Number of metered electrical connections in formal area (Eskom Areas excluded) (Definition: refers to residential households (RE) and pensioners (PR) as per the Finance department's billed households)	Number of formal household that meet agreed service standards	21 332	21 546	21 914	21 500	-	21 500	22 000	22 000	22 000
MIG										
100% of the Municipal Infrastructure Grant (MIG) spent by 30 June 2022 (Actual MIG expenditure/Allocation received)	% Expenditure of allocated funds	100.0%	77.0%	100%	100%	0.0%	100%	100%	100%	100%
Protection Services										
Director Protection Services										
Protection Services										
Arrange public awareness sessions on Protection Services	Number of sessions held	90	103	103	100	0	100	100	100	100
Collect R10 000 000 Public Safety Income by 30 June 2023 (Actual revenue, excluding the fine impairment amount)	R-value of public safety collected income (excluding fines impairment amount)	R15 493 008	R17 347 607	R19 716 064	R10 000 000	R0	R10 000 000	R10 000 000	R10 000 000	R10 000 000
Review Community Safety Plan in three year cycle by end of June 2022 in conjuction with the Department of Community Safety	Plan reviewed	no kpi set	0	0	1	0	1	0	0	1
Disaster and Fire Manangement										
Annually review and submit Disaster Management Plan to Council by the end of October	Reviewed plan submitted	1	1	1	1	0	1	1	1	1
Local Economic Development and Social Development										
Director: LED										
LED and Social Development										
Provide three progress reports on LED and Social Development initiatives to Council by end June 2023 (Refers to three progress reports for the 2022/23 financial year)	Number of progress reports on LED and Social Development initiatives	3	4	3	3	0	3	3	3	3
Provide a schedule of funded events to the Executive Mayor for sign off by end of July 2021	Number of schedules submitted	1	1	0	removed from TL SDBIP			removed from TL SDBIP	removed from TL SDBIP	removed from TL SDBIP
Support 130 SMME's in terms of the SMME Development Programme by 30 June 2023	Number of SMME's supported	120	160	172	130	0	130	130	130	130
Support 60 Emerging Contractors in terms of the Emerging Contractor Development Programme by 30 June 2023	Number of emerging contractors supported	52	61	65	60	0	60	60	60	60
Report on projects/ initiatives in collaboration with other stakeholders for local economic development and social development	Number of projects / initiatives collaborated on	14	28	13	28	0	28	15	15	15
The number of job opportunities created through the EPWP programme and as per set targets (grant agreement - FTE's, translates to 1028 work opportunities)	Number of temporary jobs created	1048	1060	1238	1028	0	1028	1028	1028	1028
Managers LED and Social Development report on the hosting of Thusong/Outreach for the financial year to the Director Economic and Social Development by 30 June 2023	Report on the Thusong/Outreach programme	no kpi set	no kpi set	no kpi set	1	0	1	1	1	1
And so on for the rest of the Votes										

WC032 Overstrand - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Borrowing Management										
Credit Rating										
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	7.1%	7.2%	7.2%	7.1%	7.0%	7.0%	6.1%	6.4%	5.6%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	7.5%	7.4%	8.3%	8.3%	8.3%	8.3%	7.2%	7.5%	6.7%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	65.8%	60.1%	36.6%	30.6%	39.4%	39.4%	56.7%	100.0%	100.0%
Safety of Capital										
Gearing	Long Term Borrowing/ Funds & Reserves	13106.3%	13370.1%	13335.9%	13347.6%	13347.6%	13347.6%	13070.1%	13051.9%	10114.7%
Liquidity										
Current Ratio	Current assets/current liabilities	3.1	2.7	2.5	1.7	1.8	1.8	1.9	2.0	1.5
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	3.1	2.7	2.5	1.7	1.8	1.8	1.9	2.0	1.5
Liquidity Ratio	Monetary Assets/Current Liabilities	2.4	2.2	2.0	1.3	1.5	1.5	1.3	1.3	1.0
Revenue Management										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		99.2%	98.8%	100.5%	100.3%	100.3%	100.3%	98.0%	98.3%	98.3%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	11.7%	11.3%	10.9%	8.6%	9.1%	9.1%	10.8%	12.5%	13.9%
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%
Creditors Management										
Creditors System Efficiency	% of Creditors Paid Within Terms (within`MFMA' s 65(e))	99.5%	99.6%	99.6%	99.8%	99.8%	99.8%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		18.4%	20.6%	22.8%	40.1%	35.9%	35.9%	36.1%	35.2%	35.6%
Other Indicators										
Electricity Distribution Losses (2)	Total Volume Losses (kW)	16 537 242	14 613 426	18 855 038	15 054 751	15 054 751	15 054 751	15 205 299	15 357 352	15 357 352
	Total Cost of Losses (Rand '000)	12 219	13 111	17 146	13 507	13 507	13 507	13 642	13 779	13 779
	% Volume (units purchased and generated less units sold)/units purchased and generated	0.06	0.06	7.35	0.06	0.06	0.06	0.06	0.06	0.06
Water Distribution Losses (2)	Total Volume Losses (kℓ)	1 701	1 836	2 077	1 892	1 892	1 892	1 910	1 930	1 930
	Total Cost of Losses (Rand '000)	2 308 814	2 428 709	2 616 008	2 502 056	2 502 056	2 502 056	2 527 077	2 552 347	2 552 347
	% Volume (units purchased and generated less units sold)/units purchased and generated	0.24	0.26	28.25	0.25	0.25	0.25	0.25	0.25	0.25
Employee costs	Employee costs/(Total Revenue - capital revenue)	31.8%	29.7%	34.0%	32.7%	33.2%	33.2%	33.0%	32.9%	33.1%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	32.7%	30.6%	34.9%	33.6%	34.1%	34.1%	33.8%	33.7%	33.9%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	18.6%	14.6%	16.4%	17.9%	17.9%	17.9%	17.4%	17.7%	17.9%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	15.2%	14.1%	14.7%	13.9%	13.7%	13.7%	12.7%	12.2%	11.7%
IDP regulation financial viability indicators										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	11.3	14.3	14.0	15.6	15.6	15.6	16.2	18.1	18.8
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	15.2%	15.4%	14.0%	11.4%	12.2%	12.2%	14.2%	15.9%	17.3%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	7.3	8.4	7.1	4.6	5.7	5.7	4.2	3.7	3.4

WC032 Overstrand - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2018/19	2019/20	2020/21	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework		
						Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Budget Year	Budget Year +1 2023/24	Budget Year +2 2024/25
Demographics												
Population		0	55 012	74 546	80 432	102	106	108	111	114	117	120
Females aged 5 - 14		0	2 770	5 837	5 228	8	8	7	7	7	7	8
Males aged 5 - 14		0	2 816	5 892	5 278	8	8	7	7	7	8	8
Females aged 15 - 34		0	5 561	11 567	13 139	17	17	17	18	18	19	19
Males aged 15 - 34		0	6 029	11 235	13 648	17	17	18	19	19	19	20
Unemployment		0	5 165	8 099	4 237	11	11	6	6	6	6	6
households)	1, 12											
No income		0	2 226	770	4 585	6	6	6	6	6	6	7
R1 - R1 600		0	6 149	5 307	5 326	7	7	7	7	7	7	8
R1 601 - R3 200		0	3 742	3 177	4 878	6	6	6	6	7	7	7
R3 201 - R6 400		0	3 344	3 789	4 362	5	6	6	6	6	6	6
R6 401 - R12 800		0	2 303	2 750	3 830	5	5	5	5	5	5	5
R12 801 - R25 600		0	920	1 947	2 896	4	4	4	4	4	4	4
R25 601 - R51 200		0	227	1 066	1 456	2	2	2	2	2	2	2
R52 201 - R102 400		0	77	184	486	1	1	1	1	1	1	1
R102 401 - R204 800		0	44	176	109	0	0	0	0	0	0	0
R204 801 - R409 600		0			81	0	0	0	0	0	0	0
R409 601 - R819 200		0										
> R819 200		0	–	–	–	–	–	–	–	–	–	–
Poverty profiles (no. of households)												
< R2 060 per household per month	13	0	7 053	9 542	10 295	13 059	13 555	13 799	14 189	14 567	14 948	15 333
	2	0										
Household/demographics (000)												
Number of people in municipal area		0	55 012	74 546	80 432	102	106	108	111	114	117	120
Number of poor people in municipal area		0	8 904	3 080	18 340	23	24	24	24	25	26	26
Number of households in municipal area		0				31	32	36	37	39	40	41
Number of poor households in municipal area		0	2 226	770	4 585	7	8	8	8	8	8	9
Definition of poor household (R per month)		0										
Housing statistics	3											
Formal		0	–	–	–	31 162	31 710	31 776	32 204	34 136	36 184	38 355
Informal		0	–	–	–	3 620	3 675	3 779	3 779	4 650	4 900	5 000
Total number of households			-	-	-	34 782	35 385	35 555	35 983	38 786	41 084	43 355
Dwellings provided by municipality	4	0				171	63	314	300	350	345	300
Dwellings provided by province/s		0										
Dwellings provided by private sector	5	0										
Total new housing dwellings			-	-	-	171	63	314	300	350	345	300
Economic	6											
Inflation/inflation outlook (CPIX)						4.7%	4.1%	4.5%	4.5%	4.5%	4.5%	4.5%
Interest rate - borrowing						10.1%	9.8%	10.0%	9.8%	9.5%	10.4%	10.5%
Interest rate - investment						7.8%	6.8%	4.5%	4.6%	5.0%	5.0%	5.0%
Remuneration increases						7.0%	6.5%	6.4%	3.5%	4.9%	4.5%	4.5%
Consumption growth (electricity)						1.0%	2.0%	3.0%	1.0%	1.0%	1.0%	1.0%
Consumption growth (water)						2.4%	3.0%	3.0%	2.0%	2.0%	2.0%	2.0%
Collection rates	7											
Property tax/service charges						98.2%	97.1%	100.4%	99.4%	100.0%	100.0%	100.0%
Rental of facilities & equipment						96.8%	96.1%	97.1%	97.1%	97.1%	97.1%	91.7%
Interest - external investments						100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Interest - debtors						98.2%	98.5%	97.1%	97.1%	97.1%	97.1%	97.1%
Revenue from agency services						100.0%	100.0%	97.1%	97.1%	97.1%	97.1%	97.1%

WC032 Overstrand Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	533 188	653 813	612 723	450 836	566 312	566 312	–	446 034	413 894	408 814
Cash + investments at the yr end less applications - R'000	18(1)b	2	511 683	626 204	516 008	334 290	435 936	435 936	(0)	408 741	448 266	476 497
Cash year end/monthly employee/supplier payments	18(1)b	3	7.3	8.4	7.1	4.6	5.7	5.7	–	4.2	3.7	3.4
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	106 526	138 868	30 848	(17 571)	(29 706)	(29 706)	74 311	6 255	(37 515)	(44 533)
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	0.6%	(0.1%)	1.5%	(6.0%)	(6.0%)	(35.8%)	2.6%	1.2%	1.3%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	99.5%	99.0%	102.1%	99.2%	98.4%	98.4%	0.0%	97.3%	96.7%	96.7%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	2.0%	2.5%	1.2%	2.0%	1.3%	1.3%	1.2%	1.2%	1.1%	1.0%
Capital payments % of capital expenditure	18(1)c;19	8	99.5%	100.0%	100.0%	100.0%	100.0%	100.0%	0.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	65.8%	57.7%	31.5%	30.6%	39.4%	39.4%	0.0%	56.7%	100.0%	100.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								68.1%	75.4%	87.4%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	7.7%	(3.7%)	(12.7%)	6.5%	0.0%	(100.0%)	27.1%	19.5%	17.2%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	(100.0%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	6.3%	5.4%	5.9%	6.7%	6.9%	6.9%	0.0%	7.0%	7.5%	8.1%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	1.7%	6.1%	12.4%	13.1%	13.1%	0.0%	9.7%	18.2%	29.8%

WC032 Overstrand - Supporting Table SA11 Property rates summary

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Valuation:	1									
Date of valuation:		02/07/2015	02/07/2015	02/07/2015	02/07/2015					
Financial year valuation used		**2016/2017**	**2016/2017**	**2016/2017**	**2016/2017**			**2016/2017**		
Municipal by-laws s6 in place? (Y/N)	2	Yes	Yes	Yes	Yes			Yes		
Municipal/assistant valuer appointed? (Y/N)		Yes	Yes	Yes	Yes			Yes		
Municipal partnership s38 used? (Y/N)		No	No	No	No			No		
No. of assistant valuers (FTE)	3	**2**	**2**	**2**	2			2		
No. of data collectors (FTE)	3	6	6	6	6			6		
No. of internal valuers (FTE)	3	-	-	-	-			-		
No. of external valuers (FTE)	3	3	3	3	3			3		
No. of additional valuers (FTE)	4	-	-	-	-			-		
Valuation appeal board established? (Y/N)		Yes	Yes	Yes	Yes			Yes		
Implementation time of new valuation roll (mths)		48	36	24	12			60		
No. of properties	5	42 823	42 895	43 170	43 655			43 655		
No. of sectional title values	5	2 560	2 210	2 577	2 752			2 752		
No. of unreasonably difficult properties s7(2)		-	-	-	-			-		
No. of supplementary valuations		1	2	2	1			1		
No. of valuation roll amendments		27	10	10	-			-		
No. of objections by rate payers		11	14	14	-			-		
No. of appeals by rate payers		2	12	12	–			-		
No. of successful objections	8	11	14	14	5			-		
No. of successful objections > 10%	8	1	1	1	-			-		
Supplementary valuation		2 566	3 099	1 987	2 552			2 552		
Public service infrastructure value (Rm)	5	84	92	77	289			306		
Municipality owned property value (Rm)		924	894	902	876			928		
Valuation reductions:										
Valuation reductions-public infrastructure (Rm)		84	92	770	289	289	289	306	324	344
Valuation reductions-nature reserves/park (Rm)		358	339	359	411	411	411	436	462	490
Valuation reductions-mineral rights (Rm)		-	-	-	-	-	-	-	-	-
Valuation reductions-R15,000 threshold (Rm)		476	475	476	477	477	477	505	536	568
Valuation reductions-public worship (Rm)		175	183	192	183	183	183	194	206	218
Valuation reductions-other (Rm)		2 860	1 107	1 103	1 103	1 103	1 103	1 169	1 239	1 314
Total valuation reductions:		**3 953**	**2 196**	**2 900**	**2 462**	**2 462**	**2 462**	**2 610**	**2 767**	**2 933**
Total value used for rating (Rm)	5	46 907	48 668	50 432	50 077	50 077	50 077	53 082	56 267	59 643
Total land value (Rm)	5	22 595	23 042	23 241	23 037	23 037	23 037	24 419	25 884	27 437
Total value of improvements (Rm)	5	27 770	28 743	28 930	29 338	29 338	29 338	31 099	32 965	34 942
Total market value (Rm)	5	50 364	51 785	52 171	52 375	52 375	52 375	53 458	56 666	60 066
Rating:										
Residential rate used to determine rate for other categories? (Y/N)		Yes	Yes	Yes	Yes			Yes		
Differential rates used? (Y/N)	5	Yes	Yes	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)		Yes	Yes	Yes	Yes			Yes		
Phasing-in properties s21 (number)		No	No	No	No	No	No	No	No	No
Rates policy accompanying budget? (Y/N)		Yes	Yes	Yes	Yes			Yes		
Fixed amount minimum value (R'000)										
Non-residential prescribed ratio s19? (%)										
Rate revenue:										
Rate revenue budget (R '000)	6	233 034	243 999	261 559	263 562	263 562	263 562	275 384	287 776	300 726
Rate revenue expected to collect (R'000)	6	233 034	243 999	261 559	263 562	263 562	263 562	275 384	287 776	300 726
Expected cash collection rate (%)		98.2%	97.1%	100.5%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Special rating areas (R'000)	7	8 047		8 309	12 074	12 074	12 074	12 590	13 157	13 750
Rebates, exemptions - indigent (R'000)		–	–	–	–	–	–	–	–	–
Rebates, exemptions - pensioners (R'000)		–	–	–	–	–	–	–	–	–
Rebates, exemptions - bona fide farm. (R'000)		–	–	–	–	–	–	–	–	–
Rebates, exemptions - other (R'000)		–	–	–	–	–	–	–	–	–
Phase-in reductions/discounts (R'000)		–	–	–	–	–	–	–	–	–
Total rebates,exemptns,reductns,discs (R'000)		–	–	–	–	–	–	–	–	–

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

WC032 Overstrand - Supporting Table SA12a Property rates by category (current year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.	Small Holdings	Special Rating Areas	Agricultural	Multiple Purposes	Other Categories	Sum
Current Year 2021/22																							
Valuation:																							
No. of properties		37 394	-	1 139	120	352	2 043	786	-	-	-	-	-	175	-	105	-	–	–	–	–	–	42
No. of sectional title property values		2 616	-	135	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	3
No. of unreasonably difficult properties s7(2)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	–
No. of supplementary valuations		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	–	–	–	–	–	0
Supplementary valuation (Rm)		TOTAL 2549																–	–	–	–	–	–
No. of valuation roll amendments		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	–	–	–	–	–	0
No. of objections by rate-payers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	–
No. of appeals by rate-payers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	–
No. of appeals by rate-payers finalised		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	–
No. of successful objections	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	–
No. of successful objections > 10%	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	–
Estimated no. of properties not valued		100TOTAL																–	–	–	–	–	–
Years since last valuation **(select)**		6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6						
Frequency of valuation **(select)**		7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7						
Method of valuation used **(select)**		Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market						
Base of valuation **(select)**		Land & impr	Land & impr	Land & impr	Land & impr	Land & impr	Land & impr	Land & impr	Land & impr	Land & impr	Land & impr	Land & impr	Land & impr	Land & impr	Land & impr	Land & impr	Land & impr						
Phasing-in properties s21 (number)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Combination of rating types used? (Y/N)		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes						
Flat rate used? (Y/N)		No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No						
Is balance rated by uniform rate/variable rate?		Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable						
Valuation reductions:																							
Valuation reductions-public infrastructure (Rm)		-	-	-	-	-	-	289	-	-	-	-	-	-	-	-	-	–	–	–	–	–	288 537
Valuation reductions-nature reserves/park (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	411	-	-	-	–	–	–	–	–	411 028
Valuation reductions-mineral rights (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)		477	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	476 682
Valuation reductions-public worship (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	183	-	–	–	–	–	–	182 979
Valuation reductions-other (Rm)	2	1 103	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	1 103 120
Total valuation reductions:																							
Total value used for rating (Rm)	6	44 837	-	3 884	345	476	876	81	-	-	-	-	-	411	-	183	-	–	–	–	–	–	51 092 611
Total land value (Rm)	6	19 636	-	1 454	262	239	623	73	-	-	-	-	-	307	-	73	-	–	–	–	–	–	22 665 110
Total value of improvements (Rm)	6	25 201	-	2 431	83	237	253	8	-	-	-	-	-	104	-	110	-	–	–	–	–	–	28 427 501
Total market value (Rm)	6	44 837	-	3 884	345	476	623	81	-	-	-	-	-	411	-	183	-	–	–	–	–	–	50 839 951
Rating:																							
Average rate	3	0.006200		0.009390	0.001550	0.009390				0.006200								–	–	–	–	–	
Rate revenue budget (R '000)		217 360		42 328	723	3 151												–		–	–	–	263 562
Rate revenue expected to collect (R'000)		217 360		42 328	723	3 151												–	–	–	–	–	263 562
Expected cash collection rate (%)	4	100.0%		100.0%	100.0%	100.0%												0.0%	0.0%	0.0%	0.0%	0.0%	0
Special rating areas (R'000)		10 050		1 854	32	138													–				12 074
Rebates, exemptions - indigent (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - pensioners (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - bona fide farm. (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - other (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Phase-in reductions/discounts (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total rebates,exemptns,reductns,discs (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

WC032 Overstrand - Supporting Table SA12b Property rates by category (budget year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.	Small Holdings	Special Rating Areas	Agricultural	Multiple Purposes	Other Categories	Sum
Budget Year 2022/23																							
Valuation:																							
No. of properties		38 327	-	1 138	120	352	2 043	786	-	-	-	-	-	175	-	105	-	–	–	–	–	–	43
No. of sectional title property values		2 321	-	430	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	3
No. of unreasonably difficult properties s7(2)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	–
No. of supplementary valuations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	–
Supplementary valuation (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	–
No. of valuation roll amendments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	–
No. of objections by rate-payers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	–
No. of appeals by rate-payers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	–
No. of appeals by rate-payers finalised		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	–
No. of successful objections	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	–
No. of successful objections > 10%	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	–
Estimated no. of properties not valued		100 TOTAL																–	–	–	–	–	–
Years since last valuation **(select)**		6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6						
Frequency of valuation **(select)**		7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7						
Method of valuation used **(select)**		Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market						
Base of valuation **(select)**		Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.						
Phasing-in properties s21 (number)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	–
Combination of rating types used? (Y/N)		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes						
Flat rate used? (Y/N)		No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No						
Is balance rated by uniform rate/variable rate?		Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable						
Valuation reductions:																							
Valuation reductions-public infrastructure (Rm)		-	-	-	-	-	306	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	305 838
Valuation reductions-nature reserves/park (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	436	-	-	-	–	–	–	–	–	435 690
Valuation reductions-mineral rights (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)		505	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	505 283
Valuation reductions-public worship (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	194	-	–	–	–	–	–	193 957
Valuation reductions-other (Rm)	2	1 169	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–	–	–	1 169 307
Total valuation reductions:																							
Total value used for rating (Rm)	6	47 527	-	4 117	365	505	928	86	-	-	-	-	-	436	-	194	-	–	–	–	–	–	54 158 168
Total land value (Rm)	6	20 814	-	1 541	277	253	661	77	-	-	-	-	-	325	-	77	-	–	–	–	–	–	24 025 017
Total value of improvements (Rm)	6	26 713	-	2 576	88	252	268	9	-	-	-	-	-	110	-	117	-	–	–	–	–	–	30 133 151
Total market value (Rm)	6	47 527	-	4 117	365	505	661	86	-	-	-	-	-	436	-	194	-	–	–	–	–	–	53 890 348
Rating:																							
Average rate	3	0.006570		0.009940	0.001640	0.009940				0.006570		–	–	–	–	–	–	–	–	–	–	–	
Rate revenue budget (R '000)		226 054		44 021	752	3 277						–	–	–	–	–	–	–	–	–	–	–	274 105
Rate revenue expected to collect (R'000)		226 054		44 021	752	3 277						–	–	–	–	–	–	–	–	–	–	–	274 105
Expected cash collection rate (%)	4	100.0%	0.0%	100.0%	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0
Special rating areas (R'000)																			–				–
Rebates, exemptions - indigent (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - pensioners (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - bona fide farm. (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - other (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Phase-in reductions/discounts (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total rebates,exemptns,reductns,discs (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

WC032 Overstrand - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2018/19	2019/20	2020/21	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework		
							Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Property rates *(rate in the Rand)*	1								
Residential properties			0.0054	0.0057	0.0060	0.0062	0.0066	0.0070	0.0074
Residential properties - vacant land			0.0074	0.0078	0.0082	0.0085	0.0090	0.0095	0.0101
Formal/informal settlements									
Small holdings									
Farm properties - used			0.0013	0.0014	0.0015	0.0016	0.0016	0.0017	0.0018
Farm properties - not used									
Industrial properties									
Business and commercial properties			0.0082	0.0086	0.0090	0.0094	0.0099	0.0105	0.0112
Communal land - residential									
Communal land - small holdings									
Communal land - farm property									
Communal land - business and commercial									
Communal land - other									
State-owned properties			0.0082	0.0086	0.0090	0.0094	0.0099	0.0105	0.0111
Municipal properties									
Public service infrastructure									
Privately owned towns serviced by the owner									
State trust land			-	-	-	-	-	-	-
Restitution and redistribution properties			-	-	-	-	-	-	-
Protected areas			-	-	-	-	-	-	-
National monuments properties			-	-	-	-	-	-	-
Exemptions, reductions and rebates *(Rands)*									
Residential properties									
R15 000 threshhold 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			220 000	220 000	220 000	220 000	220 000	220 000	220 000
Pensioners/social grants rebate or exemption			220 000	220 000	220 000	220 000	220 000	220 000	220 000
Temporary relief rebate or exemption			40-100%	40-100%	40-100%	40-100%	40-100%	40-100%	40-100%
Bona fide farmers rebate or exemption									
Other rebates or exemptions	2		75%	75%	75%	75%	75%	75%	75%
Water tariffs									
Domestic									
Basic charge/fixed fee *(Rands/month)*			129	137	143	148	156	165	175
Service point - vacant land *(Rands/month)*			129	137	143	148	156	165	175
Water usage - flat rate tariff *(c/kl)*		0 - 6 kl	502	560	585	608	638	676	717
Water usage - life line tariff		7 - 18 kl	1 085	1 147	1 199	1 247	1 308	1 386	1 470
Water usage - Block 1 (c/kl)		19 - 30 kl	1 761	1 861	1 945	2 023	2 122	2 249	2 384
Water usage - Block 2 (c/kl)		31 - 45 kl	2 711	2 866	2 995	3 115	3 268	3 464	3 672
Water usage - Block 3 (c/kl)		46 - 60 kl	3 521	3 722	3 889	4 045	4 243	4 498	4 767
Water usage - Block 4 (c/kl)		> 60 kl	4 696	4 964	5 187	5 394	5 658	5 997	6 357
Other	2		-	-	-	-	-	-	-

Description	Ref	Provide description of tariff structure where appropriate	2018/19	2019/20	2020/21	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework		
							Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Waste water tariffs									
Domestic									
Basic charge/fixed fee *(Rands/month)*			115	122	127	132	138	146	155
Service point - vacant land *(Rands/month)*			115	122	127	132	138	146	155
Waste water - flat rate tariff *(c/kl)*			1 296	1 370	1 432	1 489	1 556	1 649	1 748
Volumetric charge - Block 1 (c/kl)		Basic charge pumps	78	82	86	89	93	99	105
Volumetric charge - Block 2 (c/kl)		Service per pump	529	560	585	608	636	674	714
Volumetric charge - Block 3 (c/kl)									
Volumetric charge - Block 4 (c/kl)			-	-	-	-	-	-	-
Other	2		-	-	-	-	-	-	-
Electricity tariffs									
Domestic									
Basic charge/fixed fee *(Rands/month)*			292	335	356	408	450	477	506
Service point - vacant land *(Rands/month)*			292	335	356	408	450	477	506
FBE		(how is this targeted?)							
Life-line tariff - meter		(describe structure)							
Life-line tariff - prepaid		(describe structure)	107	120	128	146	161	171	181
Flat rate tariff - meter *(c/kwh)*									
Flat rate tariff - prepaid *(c/kwh)*									
Meter - IBT Block 1 (c/kwh)		Credit Meter							
Meter - IBT Block 2 (c/kwh)		0 - 350 kWh	115	129	137	157	173	183	194
Meter - IBT Block 3 (c/kwh)		351 - 600 kWh	168	189	201	230	254	269	285
Meter - IBT Block 4 (c/kwh)		> 600 kWh	206	232	247	283	312	330	350
Meter - IBT Block 5 (c/kwh)		Prepaid Meter							
Prepaid - IBT Block 1 (c/kwh)		0 - 350 kWh	106	119	126	145	160	169	179
Prepaid - IBT Block 2 (c/kwh)		351 - 600 kWh	158	178	189	217	239	253	269
Prepaid - IBT Block 3 (c/kwh)		> 600 kWh	198	223	237	272	300	318	337
Prepaid - IBT Block 4 (c/kwh)			-	-	-	-	-	-	-
Prepaid - IBT Block 5 (c/kwh)			-	-	-	-	-	-	-
Other	2		-	-	-	-	-	-	-
Waste management tariffs									
Domestic									
Street cleaning charge									
Basic charge/fixed fee			164	185	194	202	213	226	240
80l bin - once a week									
250l bin - once a week			164	185	194	202	213	226	240

WC032 Overstrand - Supporting Table SA13b Service Tariffs by category - explanatory

Description	Ref	Provide description of tariff structure where appropriate	2018/19	2019/20	2020/21	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework		
							Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Exemptions, reductions and rebates *(Rands)*									
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
Water tariffs									
			129	137	143	148	156	165	175
			129	137	143	148	156	165	175
		0 - 6 kl	502	560	585	608	638	676	717
		7 - 18 kl	1 085	1 147	1 199	1 247	1 308	1 386	1 470
		19 - 30 kl	1 761	1 861	1 945	2 023	2 122	2 249	2 384
		31 - 45 kl	2 711	2 866	2 995	3 115	3 268	3 464	3 672
		46 - 60 kl	3 521	3 722	3 889	4 045	4 243	4 498	4 767
		> 60 kl	4 696	4 964	5 187	5 394	5 658	5 997	6 357
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
Waste water tariffs									
			115	122	127	132	138	146	155
			115	122	127	132	138	146	155
			1 296	1 370	1 432	1 489	1 556	1 649	1 748
		Basic charge pumps	78	82	86	89	93	99	105
		Service per pump	529	560	585	608	636	674	714
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
Electricity tariffs									
		Basic charge/fixed fee	292	335	356	408	450	477	506
		Service point - vacant land	292	335	356	408	450	477	506
		Life-line tariff - prepaid flat rate	107	120	128	146	161	171	181
		Credit Meter							
		0 - 350 kWh	115	129	137	157	173	183	194
		351 - 600 kWh	168	189	201	230	254	269	285
		> 600 kWh	206	232	247	283	312	330	350
		Prepaid Meter							
		0 - 350 kWh	106	119	126	145	160	169	179
		351 - 600 kWh	158	178	189	217	239	253	269
		> 600 kWh	198	223	237	272	300	318	337
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-

WC032 Overstrand - Supporting Table SA14 Household bills

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework			
Rand/cent		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23 % incr.	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		233.78	247.14	258.27	268.67	268.67	268.67	6.0%	284.70	301.78	319.89
Electricity: Basic levy		291.60	335.34	356.20	408.17	408.17	408.17	10.3%	450.33	477.35	505.99
Electricity: Consumption		1 558.89	1 753.87	1 862.96	2 134.79	2 134.79	2 134.79	10.3%	2 355.29	2 496.61	2 646.40
Water: Basic levy		129.14	136.50	142.64	148.35	148.35	148.35	4.9%	155.62	164.96	174.85
Water: Consumption		377.69	400.93	419.04	435.81	435.81	435.81	4.9%	457.15	484.58	513.65
Sanitation		387.25	409.35	427.84	444.89	444.89	444.89	4.5%	464.91	492.80	522.37
Refuse removal		164.35	185.49	193.84	201.59	201.59	201.59	5.9%	213.48	226.29	239.87
Other		53.54	56.97	56.97	56.97	56.97	56.97	–	56.97	56.97	56.97
sub-total		**3 196.24**	**3 525.59**	**3 717.76**	**4 099.24**	**4 099.24**	**4 099.24**	**8.3%**	**4 438.45**	**4 701.34**	**4 980.00**
VAT on Services		422.15	491.77	518.92	574.59	574.59	574.59		623.06	659.93	699.02
Total large household bill:		**3 618.39**	**4 017.36**	**4 236.68**	**4 673.83**	**4 673.83**	**4 673.83**	**8.3%**	**5 061.51**	**5 361.27**	**5 679.02**
% increase/-decrease			**11.0%**	**5.5%**	**10.3%**	**–**	**–**		**8.3%**	**5.9%**	**5.9%**
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		161.85	171.10	178.80	186.00	186.00	186.00	6.0%	197.10	208.93	221.46
Electricity: Basic levy		291.60	335.34	356.20	408.17	408.17	408.17	10.3%	450.33	477.35	505.99
Electricity: Consumption		608.63	683.08	725.57	831.44	831.44	831.44	10.3%	917.31	972.35	1 030.69
Water: Basic levy		129.14	136.50	142.64	148.35	148.35	148.35	4.9%	155.62	164.96	174.85
Water: Consumption		285.74	303.75	317.47	330.17	330.17	330.17	4.9%	346.34	367.12	389.15
Sanitation		341.89	361.40	377.72	392.78	392.78	392.78	4.5%	410.45	435.08	461.18
Refuse removal		164.35	185.49	193.84	201.59	201.59	201.59	5.9%	213.48	226.29	239.87
Other		53.54	56.97	56.97	56.97	56.97	56.97	–	56.97	56.97	56.97
sub-total		**2 036.74**	**2 233.63**	**2 349.21**	**2 555.47**	**2 555.47**	**2 555.47**	**7.5%**	**2 747.60**	**2 909.04**	**3 080.16**
VAT on Services		267.17	309.38	325.56	355.42	355.42	355.42		382.58	405.02	428.81
Total small household bill:		**2 303.91**	**2 543.01**	**2 674.77**	**2 910.89**	**2 910.89**	**2 910.89**	**7.5%**	**3 130.18**	**3 314.06**	**3 508.97**
% increase/-decrease			**10.4%**	**5.2%**	**8.8%**	**–**	**–**		**7.5%**	**5.9%**	**5.9%**
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		89.92	95.06	99.33	103.34	103.34	103.34	6.0%	109.50	116.07	123.03
Electricity: Basic levy		291.60	335.34	356.20	408.17	408.17	408.17	10.3%	450.33	477.35	505.99
Electricity: Consumption		371.42	415.98	441.84	506.31	506.31	506.31	10.3%	558.60	592.12	627.64
Water: Basic levy		129.14	136.50	142.64	148.35	148.35	148.35	4.9%	155.62	164.96	174.85
Water: Consumption		197.69	210.70	220.22	229.02	229.02	229.02	4.9%	240.24	254.65	269.93
Sanitation		296.53	313.45	327.60	340.66	340.66	340.66	4.5%	355.99	377.35	399.99
Refuse removal		164.35	185.49	193.84	201.59	201.59	201.59	5.9%	213.48	226.29	239.87
Other		(796.06)	(884.44)	(935.13)	(1 016.56)	(1 016.56)	(1 016.56)		(1 164.48)	(1 242.71)	(1 326.37)
sub-total		**744.59**	**808.08**	**846.54**	**920.88**	**920.88**	**920.88**	**(0.2%)**	**919.28**	**966.08**	**1 014.94**
VAT on Services		93.29	106.95	112.08	122.63	122.63	122.63		121.47	127.50	133.79
Total small household bill:		**837.88**	**915.03**	**958.62**	**1 043.51**	**1 043.51**	**1 043.51**	**(0.3%)**	**1 040.75**	**1 093.58**	**1 148.73**
% increase/-decrease			**9.2%**	**4.8%**	**8.9%**	**–**	**–**		**(0.3%)**	**5.1%**	**5.0%**

WC032 Overstrand - Supporting Table SA15 Investment particulars by type

Investment type R thousand	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		409 200	510 243	410 241	400 000	400 000	400 000	400 000	400 000	400 000
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)		50 524	46 515	54 278	62 165	62 165	62 165	70 005	77 989	86 123
Repurchase Agreements - Banks										
Municipal Bonds		–	–	–	–	–	–	–	–	–
Consolidated total:		**459 723**	**556 758**	**464 519**	**462 165**	**462 165**	**462 165**	**470 005**	**477 989**	**486 123**

WC032 Overstrand - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	Ref 1	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate [3]	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Parent municipality														
LIBERTY 15934476		15 Years	Policy	Yes	Variable	Fair Value Adjustment		#N/A	01/09/2025	19 134 924.52	1 238 342.79		1 500 000.00	**21 873 267.31**
LIBERTY 21196964		14 Years	Policy	Yes	Variable	Fair Value Adjustment		#N/A	01/09/2025	31 647 280.06	1 444 542.54		3 120 000.00	**36 211 822.60**
MOMENTUM 3853776		15 Years	Policy	Yes	Variable	Fair Value Adjustment		#N/A	01/07/2026	3 677 805.55	41 662.33		360 000.00	**4 079 467.88**
Deposits - Bank		2 to 6 Months	Bank investments	Yes	Fixed			#N/A	30/06/2022	410 240 607.00	23 986 458.00	-934 227 065.00	900 000 000.00	**400 000 000.00**
-														
-														
-														
-														
-														
-														
-														
-														
-														
-														
Municipality sub-total										**464 700 617.13**		**-934 227 065.00**	**904 980 000.00**	**462 164 557.79**

WC032 Overstrand - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Parent municipality										
Annuity and Bullet Loans		322 933	331 475	330 400	330 795	330 795	330 795	321 184	319 946	224 935
Long-Term Loans (non-annuity)		100 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000
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	**422 933**	**431 475**	**430 400**	**430 795**	**430 795**	**430 795**	**421 184**	**419 946**	**324 935**
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	**422 933**	**431 475**	**430 400**	**430 795**	**430 795**	**430 795**	**421 184**	**419 946**	**324 935**

Borrowing - Categorised by type	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Unspent Borrowing - Categorised by type										
Parent municipality										
Long-Term Loans (annuity/reducing balance)		38 199	–	44 066	44 066	22 761	22 761	22 033	–	–
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	**38 199**	**–**	**44 066**	**44 066**	**22 761**	**22 761**	**22 033**	**–**	**–**
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	**38 199**	**–**	**44 066**	**44 066**	**22 761**	**22 761**	**22 033**	**–**	**–**

WC032 Overstrand - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		**99 544**	**110 994**	**138 372**	**127 977**	**127 977**	**127 977**	**152 039**	**162 497**	**179 530**
Operational Revenue:General Revenue:Equitable Share		96 068	106 697	134 322	123 897	123 897	123 897	141 896	155 547	170 708
Operational:Revenue:General Revenue:Fuel Levy		–	–		–	–	–	–	–	–
2014 African Nations Championship Host City Operating Grant [Schedule 5B]		–	–		–	–	–	–	–	–
Agriculture Research and Technology		–	–		–	–	–	–	–	–
Agriculture, Conservation and Environmental		–	–		–	–	–	–	–	–
Arts and Culture Sustainable Resource Management		–	–		–	–	–	–	–	–
Community Library		–	–		–	–	–	–	–	–
Department of Environmental Affairs		–	–		–	–	–	–	–	–
Department of Tourism		–	–		–	–	–	–	–	–
Department of Water Affairs and Sanitation Masibambane		–	–		–	–	–	–	–	–
Emergency Medical Service		–	–		–	–	–	–	–	–
Energy Efficiency and Demand-side [Schedule 5B]		–	–		–	–	–	5 000	4 200	6 000
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		1 926	2 635	2 500	2 530	2 530	2 530	2 593	–	–
HIV and Aids		–	–		–	–	–	–	–	–
Housing Accreditation		–	–		–	–	–	–	–	–
Housing Top structure		–	–		–	–	–	–	–	–
Infrastructure Skills Development Grant [Schedule 5B]		–	–		–	–	–	–	–	–
Integrated City Development Grant		–	–		–	–	–	–	–	–
Khayelitsha Urban Renewal		–	–		–	–	–	–	–	–
Local Government Financial Management Grant [Schedule 5B]		1 550	1 550	1 550	1 550	1 550	1 550	1 550	1 550	1 550
Mitchell's Plain Urban Renewal					–	–	–	–	–	–
Municipal Demarcation and Transition Grant [Schedule 5B]					–	–	–	–	–	–
Municipal Disaster Grant [Schedule 5B]			112		–	–	–	–	–	–
Municipal Human Settlement Capacity Grant [Schedule 5B]					–	–	–	–	–	–
Municipal Systems Improvement Grant					–	–	–	–	–	–
Natural Resource Management Project					–	–	–	–	–	–
Neighbourhood Development Partnership Grant					–	–	–	–	–	–
Operation Clean Audit					–	–	–	–	–	–
Municipal Disaster Recovery Grant					–	–	–	–	–	–
Public Service Improvement Facility					–	–	–	–	–	–
Public Transport Network Operations Grant [Schedule 5B]					–	–	–	–	–	–
Restructuring - Seed Funding					–	–	–	–	–	–
Revenue Enhancement Grant Debtors Book					–	–	–	–	–	–
Rural Road Asset Management Systems Grant					–	–	–	–	–	–
Sport and Recreation					–	–	–	–	–	–

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Terrestrial Invasive Alien Plants					–	–	–	–	–	–
Water Services Operating Subsidy Grant [Schedule 5B]					–	–	–	–	–	–
Health Hygiene in Informal Settlements					–	–	–	–	–	–
Municipal Infrastructure Grant [Schedule 5B]					–	–	–	1 000	1 200	1 272
Water Services Infrastructure Grant					–	–	–	–	–	–
Public Transport Network Grant [Schedule 5B]					–	–	–	–	–	–
Smart Connect Grant					–	–	–	–	–	–
Urban Settlement Development Grant					–	–	–	–	–	–
WiFi Grant [Department of Telecommunications and Postal Services					–	–	–	–	–	–
Street Lighting					–	–	–	–	–	–
Traditional Leaders - Imbizion					–	–	–	–	–	–
Department of Water and Sanitation Smart Living Handbook					–	–	–	–	–	–
Integrated National Electrification Programme Grant					–	–	–	–	–	–
Municipal Restructuring Grant					–	–	–	–	–	–
Regional Bulk Infrastructure Grant					–	–	–	–	–	–
Municipal Emergency Housing Grant					–	–	–	–	–	–
Metro Informal Settlements Partnership Grant		–	–	–	–	–	–	–	–	–
Metro Informal Settlements Partnership Grant		–	–	–	–	–	–	–	–	–
Provincial Government:		**23 028**	**10 691**	**10 371**	**65 956**	**77 188**	**77 188**	**85 956**	**58 692**	**39 216**
Capacity Building			148		–	–	–	–	–	–
Capacity Building and Other		22 891	380		9 570	11 670	11 670	10 903	9 397	9 953
Disaster and Emergency Services		–	–		–	–	–	–	–	–
Health		–	–		–	–	–	–	–	–
Housing		–	–		55 241	57 360	57 360	71 955	46 190	26 000
Infrastructure		–	–		1 145	8 158	8 158	3 098	3 105	3 263
Libraries, Archives and Museums			7 287	7 651	–	–	–	–	–	–
Other			2 750	2 575	–	–	–	–	–	–
Public Transport		–	–		–	–	–	–	–	–
Road Infrastructure - Maintenance		137	126	145	–	–	–	–	–	–
Sports and Recreation					–	–	–	–	–	–
Waste Water Infrastructure - Maintenance					–	–	–	–	–	–
Water Supply Infrastructure - Maintenance		–	–	–	–	–	–	–	–	–
District Municipality:		**–**	**–**	**–**	**–**	**90**	**90**	**–**	**–**	**–**
All Grants		–	–	–	–	90	90	–	–	–
Other Grant Providers:		**–**	**–**	**66 268**	**–**	**–**	**–**	**–**	**–**	**–**
Departmental Agencies and Accounts		–	–	–	–	–	–	–	–	–
Foreign Government and International Organisations		–	–	–	–	–	–	–	–	–
Households				66 268	–	–	–	–	–	–
Non-profit Institutions		–	–	–	–	–	–	–	–	–

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Private Enterprises		–	–	–	–	–	–	–	–	–
Public Corporations		–	–	–	–	–	–	–	–	–
Higher Educational Institutions		–	–	–	–	–	–	–	–	–
Parent Municipality / Entity		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	**122 572**	**121 685**	**215 011**	**193 933**	**205 255**	**205 255**	**237 995**	**221 189**	**218 746**
Capital Transfers and Grants										
National Government:		**25 901**	**39 077**	**27 618**	**46 754**	**46 754**	**46 754**	**72 398**	**31 368**	**32 611**
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		4 262	7 000	6 000	18 519	18 519	18 519	21 331	7 000	7 314
Municipal Infrastructure Grant [Schedule 5B]		21 639	32 010	21 618	23 053	23 053	23 053	23 628	24 368	25 297
Municipal Water Infrastructure Grant [Schedule 5B]		–	–		–	–	–	–	–	–
Neighbourhood Development Partnership Grant [Schedule 5B]		–	–		–	–	–	–	–	–
Public Transport Infrastructure Grant [Schedule 5B]		–	–		–	–	–	–	–	–
Rural Household Infrastructure Grant [Schedule 5B]		–	–		–	–	–	–	–	–
Rural Road Asset Management Systems Grant [Schedule 5B]		–	–		–	–	–	–	–	–
Urban Settlement Development Grant [Schedule 4B]		–	–		–	–	–	–	–	–
Municipal Human Settlement		–	–		–	–	–	–	–	–
Community Library		–	–		–	–	–	–	–	–
Integrated City Development Grant [Schedule 4B]		–	–		–	–	–	–	–	–
Municipal Disaster Recovery Grant [Schedule 4B]		–	–		–	–	–	–	–	–
Energy Efficiency and Demand Side Management Grant		–	–		–	–	–	–	–	–
Khayelitsha Urban Renewal		–	–		–	–	–	–	–	–
Local Government Financial Management Grant [Schedule 5B]		–	–		–	–	–	–	–	–
Municipal Systems Improvement Grant [Schedule 5B]		–	–		–	–	–	–	–	–
Public Transport Network Grant [Schedule 5B]		–	–		–	–	–	–	–	–
Public Transport Network Operations Grant [Schedule 5B]		–	–		–	–	–	–	–	–
Regional Bulk Infrastructure Grant (Schedule 5B)		–	–		–	–	–	–	–	–
Water Services Infrastructure Grant [Schedule 5B]		–	–		5 182	5 182	5 182	27 439	–	–
WIFI Connectivity		–	–		–	–	–	–	–	–
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		–	–		–	–	–	–	–	–
Aquaponic Project		–	–		–	–	–	–	–	–
Restition Settlement		–	–		–	–	–	–	–	–
Infrastructure Skills Development Grant [Schedule 5B]		–	–		–	–	–	–	–	–
Restructuring Seed Funding		–	–		–	–	–	–	–	–
Municipal Disaster Relief Grant		–	67		–	–	–	–	–	–
Municipal Emergency Housing Grant					–	–	–	–	–	–
Metro Informal Settlements Partnership Grant		–	–	–	–	–	–	–	–	–
Integrated Urban Development Grant		–	–	–	–	–	–	–	–	–
Provincial Government:		**25 463**	**1 500**	**732**	**52 859**	**63 881**	**63 881**	**39 785**	**21 230**	**6 400**
Capacity Building		–		–						

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Capacity Building and Other		–		732						
Disaster and Emergency Services										
Health										
Housing		25 463			52 259	61 765	61 765	39 785	21 230	6 400
Infrastructure					600	2 116	2 116	–	–	–
Libraries, Archives and Museums										
Other		–								
Public Transport		–								
Road Infrastructure			1 500							
Sports and Recreation		–	–	–	–	–	–	–	–	–
Waste Water Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
All Grants		–	–	–	–	–	–	–	–	–
Other Grant Providers:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Departmental Agencies and Accounts		–	–	–	–	–	–	–	–	–
Foreign Government and International Organisations		–	–	–	–	–	–	–	–	–
Households					–	–	–	–	–	–
Non-Profit Institutions		–	–	–	–	–	–	–	–	–
Private Enterprises		–	–	–	–	–	–	–	–	–
Public Corporations		–	–	–					–	–
Higher Educational Institutions		–	–	–	–	–	–	–	–	–
Parent Municipality / Entity		–	–	–	–	–	–	–	–	–
Transfer from Operational Revenue		–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	**51 364**	**40 577**	**28 350**	**99 613**	**110 635**	**110 635**	**112 183**	**52 598**	**39 011**
TOTAL RECEIPTS OF TRANSFERS & GRANTS		**173 936**	**162 262**	**243 361**	**293 546**	**315 891**	**315 891**	**350 178**	**273 787**	**257 757**

WC032 Overstrand - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		**3 476**	**4 297**	**14 184**	**4 080**	**10 950**	**10 950**	**10 143**	**6 950**	**8 822**
Operational Revenue:General Revenue:Equitable Share		–	–	10 134	–	6 870	6 870	–	–	–
Operational:Revenue:General Revenue:Fuel Levy		–	–	–	–	–	–	–	–	–
2014 African Nations Championship Host City Operating Grant [Schedule 5B]		–	–	–	–	–	–	–	–	–
Agriculture Research and Technology		–	–		–	–	–	–	–	–
Agriculture, Conservation and Environmental		–	–	–	–	–	–	–	–	–
Arts and Culture Sustainable Resource Management		–	–		–	–	–	–	–	–
Community Library		–	–	–	–	–	–	–	–	–
Department of Environmental Affairs		–	–	–	–	–	–	–	–	–
Department of Tourism		–	–	–	–	–	–	–	–	–
Department of Water Affairs and Sanitation Masibambane		–	–	–	–	–	–	–	–	–
Emergency Medical Service		–	–	–	–	–	–	–	–	–
Energy Efficiency and Demand-side [Schedule 5B]		–	–	–	–	–	–	5 000	4 200	6 000
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		1 926	2 635	2 500	2 530	2 530	2 530	2 593	–	–
HIV and Aids		–	–	–	–	–	–	–	–	–
Housing Accreditation		–	–	–	–	–	–	–	–	–
Housing Top structure		–	–	–	–	–	–	–	–	–
Infrastructure Skills Development Grant [Schedule 5B]		–	–	–	–	–	–	–	–	–
Integrated City Development Grant		–	–	–	–	–	–	–	–	–
Khayelitsha Urban Renewal		–	–	–	–	–	–	–	–	–
Local Government Financial Management Grant [Schedule 5B]		1 550	1 550	1 550	1 550	1 550	1 550	1 550	1 550	1 550
Mitchell's Plain Urban Renewal		–	–	–	–	–	–	–	–	–
Municipal Demarcation and Transition Grant [Schedule 5B]		–	–	–	–	–	–	–	–	–
Municipal Disaster Grant [Schedule 5B]		–	112		–	–	–	–	–	–
Municipal Human Settlement Capacity Grant [Schedule 5B]		–	–	–	–	–	–	–	–	–
Municipal Systems Improvement Grant		–	–	–	–	–	–	–	–	–
Natural Resource Management Project		–	–	–	–	–	–	–	–	–
Neighbourhood Development Partnership Grant		–	–	–	–	–	–	–	–	–
Operation Clean Audit		–	–	–	–	–	–	–	–	–
Municipal Disaster Recovery Grant		–	–	–	–	–	–	–	–	–
Public Service Improvement Facility		–	–	–	–	–	–	–	–	–
Public Transport Network Operations Grant [Schedule 5B]		–	–	–	–	–	–	–	–	–
Restructuring - Seed Funding		–	–	–	–	–	–	–	–	–
Revenue Enhancement Grant Debtors Book		–	–	–	–	–	–	–	–	–
Rural Road Asset Management Systems Grant		–	–	–	–	–	–	–	–	–
Sport and Recreation		–	–	–	–	–	–	–	–	–

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Terrestrial Invasive Alien Plants		–	–	–	–	–	–	–	–	–
Water Services Operating Subsidy Grant [Schedule 5B]		–	–	–	–	–	–	–	–	–
Health Hygiene in Informal Settlements		–	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant [Schedule 5B]		–	–	–	–	–	–	1 000	1 200	1 272
Water Services Infrastructure Grant		–	–	–	–	–	–	–	–	–
Public Transport Network Grant [Schedule 5B]		–	–	–	–	–	–	–	–	–
Smart Connect Grant		–	–	–	–	–	–	–	–	–
Urban Settlement Development Grant		–	–	–	–	–	–	–	–	–
WiFi Grant [Department of Telecommunications and Postal Services		–	–	–	–	–	–	–	–	–
Street Lighting		–	–	–	–	–	–	–	–	–
Traditional Leaders - Imbizion		–	–	–	–	–	–	–	–	–
Department of Water and Sanitation Smart Living Handbook		–	–	–	–	–	–	–	–	–
Integrated National Electrification Programme Grant		–	–	–	–	–	–	–	–	–
Municipal Restructuring Grant		–	–	–	–	–	–	–	–	–
Regional Bulk Infrastructure Grant		–	–	–	–	–	–	–	–	–
Municipal Emergency Housing Grant		–	–	–	–	–	–	–	–	–
Metro Informal Settlements Partnership Grant		–	–	–	–	–	–	–	–	–
Provincial Government:		**19 580**	**12 147**	**33 402**	**65 956**	**78 704**	**78 704**	**85 956**	**58 692**	**39 216**
Capacity Building		148	18		–	–	–	–	–	–
Capacity Building and Other		448	4 716	1 597	9 570	13 186	13 186	10 903	9 397	9 953
Disaster and Emergency Services					–	–	–	–	–	–
Health					–	–	–	–	–	–
Housing		12 688		24 009	55 241	57 360	57 360	71 955	46 190	26 000
Infrastructure		137	126	145	1 145	8 158	8 158	3 098	3 105	3 263
Libraries, Archives and Museums		6 160	7 287	7 651	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Public Transport		–	–	–	–	–	–	–	–	–
Road Infrastructure - Maintenance		–	–	–	–	–	–	–	–	–
Sports and Recreation		–	–	–	–	–	–	–	–	–
Waste Water Infrastructure - Maintenance		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure - Maintenance		–	–	–	–	–	–	–	–	–
District Municipality:		**–**	**–**	**–**	**–**	**90**	**90**	**–**	**–**	**–**
All Grants		–	–	–	–	90	90	–	–	–
Other Grant Providers:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Departmental Agencies and Accounts		–	–	–	–	–	–	–	–	–
Foreign Government and International Organisations		–	–	–	–	–	–	–	–	–
Households		–	–	–	–	–	–	–	–	–
Non-profit Institutions		–	–	–	–	–	–	–	–	–
Private Enterprises		–	–	–	–	–	–	–	–	–

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Public Corporations		–	–	–	–	–	–	–	–	–
Higher Educational Institutions										
Parent Municipality / Entity		–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:		**23 056**	**16 443**	**47 586**	**70 036**	**89 744**	**89 744**	**96 099**	**65 642**	**48 038**
Capital expenditure of Transfers and Grants										
National Government:		**30 445**	**31 595**	**35 100**	**46 754**	**46 754**	**46 754**	**72 398**	**31 368**	**32 611**
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		4 262	7 000	6 000	18 519	18 519	18 519	21 331	7 000	7 314
Municipal Infrastructure Grant [Schedule 5B]		26 183	24 528	29 100	23 053	23 053	23 053	23 628	24 368	25 297
Municipal Water Infrastructure Grant [Schedule 5B]		–	–	–	–	–	–	–	–	–
Neighbourhood Development Partnership Grant [Schedule 5B]		–	–	–	–	–	–	–	–	–
Public Transport Infrastructure Grant [Schedule 5B]		–	–	–	–	–	–	–	–	–
Rural Household Infrastructure Grant [Schedule 5B]		–	–	–	–	–	–	–	–	–
Rural Road Asset Management Systems Grant [Schedule 5B]		–	–	–	–	–	–	–	–	–
Urban Settlement Development Grant [Schedule 4B]		–	–	–	–	–	–	–	–	–
Municipal Human Settlement		–	–	–	–	–	–	–	–	–
Community Library		–	–	–	–	–	–	–	–	–
Integrated City Development Grant [Schedule 4B]		–	–	–	–	–	–	–	–	–
Municipal Disaster Recovery Grant [Schedule 4B]		–	–	–	–	–	–	–	–	–
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–	–	–
Khayelitsha Urban Renewal		–	–	–	–	–	–	–	–	–
Local Government Financial Management Grant [Schedule 5B]		–	–	–	–	–	–	–	–	–
Municipal Systems Improvement Grant [Schedule 5B]		–	–	–	–	–	–	–	–	–
Public Transport Network Grant [Schedule 5B]		–	–	–	–	–	–	–	–	–
Public Transport Network Operations Grant [Schedule 5B]		–	–	–	–	–	–	–	–	–
Regional Bulk Infrastructure Grant (Schedule 5B)		–	–	–	–	–	–	–	–	–
Water Services Infrastructure Grant [Schedule 5B]		–	–	–	5 182	5 182	5 182	27 439	–	–
WIFI Connectivity		–	–	–	–	–	–	–	–	–
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		–	–	–	–	–	–	–	–	–
Aquaponic Project		–	–	–	–	–	–	–	–	–
Restition Settlement		–	–	–	–	–	–	–	–	–
Infrastructure Skills Development Grant [Schedule 5B]		–	–	–	–	–	–	–	–	–
Restructuring Seed Funding		–	–	–	–	–	–	–	–	–
Municipal Disaster Relief Grant		–	67		–	–	–	–	–	–
Municipal Emergency Housing Grant		–	–	–	–	–	–	–	–	–
Metro Informal Settlements Partnership Grant		–	–	–	–	–	–	–	–	–
Integrated Urban Development Grant		–	–	–	–	–	–	–	–	–
Provincial Government:		**35 615**	**5 797**	**48 390**	**52 859**	**65 073**	**65 073**	**39 785**	**21 230**	**6 400**
Capacity Building		–			–	–	–	–	–	–
Capacity Building and Other		390	1 843		–	1 192	1 192	–	–	–

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Disaster and Emergency Services		–			–	–	–	–	–	–
Health		–			–	–	–	–	–	–
Housing		34 108		46 271	52 259	61 765	61 765	39 785	21 230	6 400
Infrastructure		–		2 119	600	2 116	2 116	–	–	–
Libraries, Archives and Museums		1 117			–	–	–	–	–	–
Other			3 204		–	–	–	–	–	–
Public Transport					–	–	–	–	–	–
Road Infrastructure		–	750		–	–	–	–	–	–
Sports and Recreation		–	–	–	–	–	–	–	–	–
Waste Water Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
All Grants		–	–	–	–	–	–	–	–	–
Other Grant Providers:		**–**	**–**	**–**	**12 942**	**2 296**	**2 296**	**12 442**	**–**	**–**
Departmental Agencies and Accounts		–	–	–	–	–	–	–	–	–
Foreign Government and International Organisations		–	–	–	–	–	–	–	–	–
Households			–	–	–	–	–	–	–	–
Non-Profit Institutions		–	–	–	–	–	–	–	–	–
Private Enterprises		–	–	–	–	–	–	–	–	–
Public Corporations		–	–	–	12 942	2 296	2 296	12 442	–	–
Higher Educational Institutions		–	–	–	–	–	–	–	–	–
Parent Municipality / Entity		–	–	–	–	–	–	–	–	–
Transfer from Operational Revenue		–	–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants		**66 060**	**37 392**	**83 490**	**112 555**	**114 123**	**114 123**	**124 625**	**52 598**	**39 011**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		**89 116**	**53 835**	**131 076**	**182 591**	**203 867**	**203 867**	**220 724**	**118 240**	**87 049**

WC032 Overstrand - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		–	–	–	–	(6 870)	–	–	–	–
Current year receipts		(3 476)	(4 185)	(10 920)	(4 080)	(4 080)	(4 080)	152 039	162 497	179 530
Conditions met - transferred to revenue		**(3 476)**	**(4 185)**	**(10 920)**	**(4 080)**	**(10 950)**	**(4 080)**	**152 039**	**162 497**	**179 530**
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Provincial Government:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		(16 281)	(9 865)	(11 103)	(11 315)	(17 472)	(17 472)	14 001	12 502	13 216
Conditions met - transferred to revenue		**(26 348)**	**(27 758)**	**(22 785)**	**(11 315)**	**(17 472)**	**(17 472)**	**14 001**	**12 502**	**13 216**
Conditions still to be met - transferred to liabilities		10 067	17 893	11 682	–	–	–	–	–	–
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		(250)	–	–	(12 942)	–	–	71 955	46 190	26 000
Conditions met - transferred to revenue		**(250)**	**–**	**–**	**(12 942)**	**–**	**–**	**71 955**	**46 190**	**26 000**
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Total operating transfers and grants revenue		**(30 074)**	**(31 943)**	**(33 704)**	**(28 337)**	**(28 422)**	**(21 552)**	**237 995**	**221 189**	**218 746**
Total operating transfers and grants - CTBM	2	**10 067**	**17 893**	**11 682**	**–**	**–**	**–**	**–**	**–**	**–**
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		(25 901)	(39 010)	(27 618)	(46 754)	(46 754)	(46 754)	72 398	31 368	32 611
Conditions met - transferred to revenue		**(25 901)**	**(39 010)**	**(27 618)**	**(46 754)**	**(46 754)**	**(46 754)**	**72 398**	**31 368**	**32 611**
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Provincial Government:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		(44 192)	62	–	–	(7 180)	(7 180)			
Conditions met - transferred to revenue		**(44 192)**	**(688)**	**(750)**	**–**	**(7 180)**	**(7 180)**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities		–	750	750	–	–	–	–	–	–
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		–	–	–	–	(14 738)	–	–	–	–
Current year receipts		–	(19 900)	–	–	–	–	39 785	21 230	6 400
Conditions met - transferred to revenue		**–**	**(19 900)**	**–**	**–**	**(14 738)**	**–**	**39 785**	**21 230**	**6 400**
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Total capital transfers and grants revenue		**(70 093)**	**(59 598)**	**(28 368)**	**(46 754)**	**(68 672)**	**(53 934)**	**112 183**	**52 598**	**39 011**
Total capital transfers and grants - CTBM	2	**–**	**750**	**750**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL TRANSFERS AND GRANTS REVENUE		**(100 167)**	**(91 541)**	**(62 072)**	**(75 091)**	**(97 094)**	**(75 486)**	**350 178**	**273 787**	**257 757**
TOTAL TRANSFERS AND GRANTS - CTBM		**10 067**	**18 643**	**12 432**	**–**	**–**	**–**	**–**	**–**	**–**

WC032 Overstrand - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Cash Transfers to other municipalities										
Operational	1	–	–	–	–	–	–	–	–	–
Capital		–	–	–	–	–	–	–	–	–
Total Cash Transfers To Municipalities:		–	–	–	–	–	–	–	–	–
Cash Transfers to Entities/Other External Mechanisms										
Operational	2	–	–	–	–	–	–	–	–	–
Capital		–	–	–	–	–	–	–	–	–
Total Cash Transfers To Entities/Ems'		–	–	–	–	–	–	–	–	–
Cash Transfers to other Organs of State										
Operational	3	–	–	–	–	–	–	–	–	–
Capital		–	–	–	–	–	–	–	–	–
Total Cash Transfers To Other Organs Of State:		–	–	–	–	–	–	–	–	–
Cash Transfers to Organisations										
Operational		486	560	–	–	–	–	–	–	–
Capital		–	–	–	–	–	–	–	–	–
Total Cash Transfers To Organisations		486	560	–	–	–	–	–	–	–
Cash Transfers to Groups of Individuals										
Operational		–	–	8 710	12 324	12 774	12 774	12 557	13 060	13 582
Capital		–	–	–	–	–	–	–	–	–
Total Cash Transfers To Groups Of Individuals:		–	–	8 710	12 324	12 774	12 774	12 557	13 060	13 582
TOTAL CASH TRANSFERS AND GRANTS	6	486	560	8 710	12 324	12 774	12 774	12 557	13 060	13 582
Non-Cash Transfers to other municipalities										
Operational	1	–	–	–	–	–	–	–	–	–
Capital		–	–	–	–	–	–	–	–	–
Total Non-Cash Transfers To Municipalities:		–	–	–	–	–	–	–	–	–
Non-Cash Transfers to Entities/Other External Mechanisms										
Operational	2	–	–	–	–	–	–	–	–	–
Capital		–	–	–	–	–	–	–	–	–
Total Non-Cash Transfers To Entities/Ems'		–	–	–	–	–	–	–	–	–
Non-Cash Transfers to other Organs of State										
Operational	3	–	–	–	–	–	–	–	–	–
Capital		–	–	–	–	–	–	–	–	–
Total Non-Cash Transfers To Other Organs Of State:		–	–	–	–	–	–	–	–	–
Non-Cash Grants to Organisations										
Operational	4	–	–	–	–	–	–	–	–	–
Capital		–	–	–	–	–	–	–	–	–
Total Non-Cash Grants To Organisations		–	–	–	–	–	–	–	–	–
Non-Cash Transfers to Groups of Individuals										
Operational	5	–	–	–	–	–	–	–	–	–
Capital		–	–	–	–	–	–	–	–	–
Total Non-Cash Grants To Groups Of Individuals:		–	–	–	–	–	–	–	–	–
TOTAL NON-CASH TRANSFERS AND GRANTS		–	–	–	–	–	–	–	–	–
TOTAL TRANSFERS AND GRANTS	6	486	560	8 710	12 324	12 774	12 774	12 557	13 060	13 582

WC032 Overstrand - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		9 467	10 174	10 116	11 247	11 247	11 247	11 202	11 706	12 233
Pension and UIF Contributions		–	–	–	–	–	–	–	–	–
Medical Aid Contributions		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		–	–	–	–	–	–	–	–	–
Cellphone Allowance		1 106	1 108	1 102	1 154	1 154	1 154	1 199	1 199	1 199
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		–	–	–	–	–	–	–	–	–
Sub Total - Councillors		**10 573**	**11 282**	**11 219**	**12 401**	**12 401**	**12 401**	**12 401**	**12 905**	**13 432**
% increase	4		**6.7%**	**(0.6%)**	**10.5%**	**–**	**–**	**0.0%**	**4.1%**	**4.1%**
Senior Managers of the Municipality	2									
Basic Salaries and Wages		11 036	11 569	12 036	12 600	12 600	12 600	12 871	13 450	14 056
Pension and UIF Contributions		–	–	–	–	–	–	–	–	–
Medical Aid Contributions		–	–	–	–	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		187	136	139	143	143	143	149	159	169
Motor Vehicle Allowance	3	–	–	–	–	–	–	–	–	–
Cellphone Allowance	3	187	187	183	187	187	187	181	181	181
Housing Allowances	3	–	–	–	–	–	–	–	–	–
Other benefits and allowances	3	7	–	–	–	–	–	–	–	–
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		**11 416**	**11 891**	**12 358**	**12 930**	**12 930**	**12 930**	**13 201**	**13 790**	**14 405**
% increase	4		**4.2%**	**3.9%**	**4.6%**	**–**	**–**	**2.1%**	**4.5%**	**4.5%**
Other Municipal Staff										
Basic Salaries and Wages		215 820	235 625	256 280	276 642	284 359	284 359	304 678	320 102	339 282
Pension and UIF Contributions		36 580	39 697	42 603	48 870	49 249	49 249	52 853	56 007	59 363
Medical Aid Contributions		12 035	13 141	13 951	17 876	17 905	17 905	17 116	18 143	19 271
Overtime		34 501	39 287	42 338	40 311	40 826	40 826	42 848	45 547	48 417
Performance Bonus		675	1 752	402	500	500	500	520	541	563
Motor Vehicle Allowance	3	7 897	7 923	8 115	8 255	8 515	8 515	8 321	8 324	8 327
Cellphone Allowance	3	1 887	1 942	1 967	2 279	2 311	2 311	2 184	2 184	2 184
Housing Allowances	3	2 350	2 507	2 741	2 674	2 701	2 701	1 829	1 829	1 910
Other benefits and allowances	3	25 429	28 529	31 623	39 028	38 952	38 952	41 698	43 889	46 511
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	19 410	277	25 495	14 438	19 930	19 930	21 891	12 267	11 502
Sub Total - Other Municipal Staff		**356 584**	**370 681**	**425 516**	**450 874**	**465 249**	**465 249**	**493 938**	**508 832**	**537 329**
% increase	4		**4.0%**	**14.8%**	**6.0%**	**3.2%**	**–**	**6.2%**	**3.0%**	**5.6%**
Total Parent Municipality		**378 573**	**393 854**	**449 093**	**476 205**	**490 580**	**490 580**	**519 540**	**535 527**	**565 165**
			4.0%	**14.0%**	**6.0%**	**3.0%**	**–**	**5.9%**	**3.1%**	**5.5%**
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	–	–	–	–	–	–	–	–	–
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	–	–	–	–	–	–	–	–	–

Summary of Employee and Councillor remuneration	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Other benefits and allowances	3	–	–	–	–	–	–	–	–	–
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
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	–	–	–	–	–	–	–	–	–
Sub Total - Other Staff of Entities		–	–	–	–	–	–	–	–	–
% increase	4		–	–	–	–	–	–	–	–
Total Municipal Entities		–	–	–	–	–	–	–	–	–
TOTAL SALARY, ALLOWANCES & BENEFITS		378 573	393 854	449 093	476 205	490 580	490 580	519 540	535 527	565 165
% increase	4		4.0%	14.0%	6.0%	3.0%	–	5.9%	3.1%	5.5%
TOTAL MANAGERS AND STAFF	5,7	368 000	382 572	437 874	463 804	478 179	478 179	507 139	522 622	551 734

WC032 Overstrand - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1. Rand per annum	Ref	No.	Salary	Contributions 1.	Allowances	Performance Bonuses	In-kind benefits	Total Package 2.
Councillors	3							
Speaker	4	1	719 676		44 400	–	–	764 076
Chief Whip			–		–	–	–	–
Executive Mayor		1	899 592		44 400	–	–	943 992
Deputy Executive Mayor		1	719 676		44 400	–	–	764 076
Executive Committee		4	3 373 500		222 000	–	–	3 595 500
Total for all other councillors		20	5 489 748		843 600	–	–	6 333 348
Total Councillors	8	**27**	**11 202 192**	**–**	**1 198 800**			**12 400 992**
Senior Managers of the Municipality	5							
Municipal Manager (MM)		1	1 672 368		27 540	149 308	–	1 849 216
Chief Finance Officer		1	1 939 548		24 480	–	–	1 964 028
Management Services		1	1 847 268		24 480	–	–	1 871 748
Infrastructure and Planning		1	1 949 412		27 540	–	–	1 976 952
Protection Service		1	1 780 092		27 540	–	–	1 807 632
LED		1	1 823 280		24 480	–	–	1 847 760
List of each offical with packages >= senior manager								
Community Services		1	1 859 268	–	24 480	–	–	1 883 748
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
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		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
Total Senior Managers of the Municipality	8,10	**7**	**12 871 236**	**–**	**180 540**	**149 308**		**13 201 084**
A Heading for Each Entity	6,7							
List each member of board by designation								
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
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		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
Total for municipal entities	8,10	**–**	**–**	**–**	**–**	**–**		**–**
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	**34**	**24 073 428**	**–**	**1 379 340**	**149 308**		**25 602 076**

WC032 Overstrand - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2020/21			Current Year 2021/22			Budget Year 2022/23		
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)		25	7		25	7		27	7	
Board Members of municipal entities	4									
Municipal employees	5									
Municipal Manager and Senior Managers	3	7	7		7	7		7	7	
Other Managers	7	53	48		51	51		52	49	
Professionals		*26*	*24*	–	*29*	*23*	–	*30*	*22*	–
Finance		21	19		24	18		24	17	
Spatial/town planning		2	2		2	2		2	2	
Information Technology		1	1		1	1		1	1	
Roads										
Electricity										
Water										
Sanitation										
Refuse										
Other		2	2		2	2		3	2	
Technicians		*199*	*172*	–	*200*	*170*	–	*198*	*176*	–
Finance										
Spatial/town planning		12	12		11	10		11	11	
Information Technology		5	4		5	4		6	5	
Roads		9	8		10	7		10	10	
Electricity		31	27		31	27		30	26	
Water		21	18		21	19		21	18	
Sanitation		2	2		2	2		2	2	
Refuse		5	5		6	5		5	5	
Other		114	96		114	96		113	99	
Clerks (Clerical and administrative)		277	246		273	244		279	243	
Service and sales workers		124	108		140	108		143	125	
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators		60	57		60	56		60	60	
Elementary Occupations		426	412		426	416		428	406	
TOTAL PERSONNEL NUMBERS	9	**1 197**	**1 081**	**–**	**1 211**	**1 082**	**–**	**1 224**	**1 095**	**–**
% increase					1.2%	0.1%	–	1.1%	1.2%	–
Total municipal employees headcount	6, 10	**1 172**	**1 074**		**1 186**	**1 082**		**1 199**	**1 095**	
Finance personnel headcount	8, 10	**113**	**106**		**114**	**104**		**114**	**101**	
Human Resources personnel headcount	8, 10	**18**	**17**		**18**	**17**		**22**	**17**	

WC032 Overstrand - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue By Source																
Property rates		23 995	23 995	23 995	23 995	23 995	23 995	23 995	23 995	23 995	23 995	23 995	23 995	287 941	300 836	314 308
Service charges - electricity revenue		46 733	46 733	46 733	46 733	46 733	46 733	46 733	46 733	46 733	46 733	46 733	46 733	560 796	616 798	678 418
Service charges - water revenue		11 512	11 512	11 512	11 512	11 512	11 512	11 512	11 512	11 512	11 512	11 512	11 511	138 138	144 354	150 851
Service charges - sanitation revenue		7 983	7 983	7 983	7 983	7 983	7 983	7 983	7 983	7 983	7 983	7 983	7 983	95 791	99 911	104 207
Service charges - refuse revenue		6 571	6 571	6 571	6 571	6 571	6 571	6 571	6 571	6 571	6 571	6 571	6 571	78 850	83 502	88 427
Rental of facilities and equipment		381	381	381	381	381	381	381	381	381	381	381	381	4 573	4 778	4 989
Interest earned - external investments		2 073	2 073	2 073	2 073	2 073	2 073	2 073	2 073	2 073	2 073	2 073	2 073	24 871	25 991	27 161
Interest earned - outstanding debtors		332	332	332	332	332	332	332	332	332	332	332	332	3 982	4 161	4 348
Dividends received		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		1 695	1 695	1 695	1 695	1 695	1 695	1 695	1 695	1 695	1 695	1 695	1 695	20 344	22 188	23 174
Licences and permits		220	220	220	220	220	220	220	220	220	220	220	220	2 636	2 750	2 869
Agency services		655	655	655	655	655	655	655	655	655	655	655	655	7 858	8 211	8 580
Transfers and subsidies		13 837	13 837	13 837	13 837	13 837	13 837	13 837	13 837	13 837	13 837	13 837	13 837	166 040	174 999	192 746
Other revenue		12 114	12 114	12 114	12 114	12 114	12 114	12 114	12 114	12 114	12 114	12 114	3 889	137 139	93 814	57 920
Gains		–	–	–	–	–	–	–	–	–	–	–	8 225	8 225	8 225	8 225
Total Revenue (excluding capital transfers and contributions)		**128 099**	**128 099**	**128 099**	**128 099**	**128 099**	**128 099**	**128 099**	**128 099**	**128 099**	**128 099**	**128 099**	**128 098**	**1 537 183**	**1 590 516**	**1 666 223**
Expenditure By Type																
Employee related costs		42 254	42 254	42 254	42 254	42 344	42 254	42 254	42 254	42 254	42 254	42 254	42 257	507 139	522 622	551 734
Remuneration of councillors		1 033	1 033	1 033	1 033	1 033	1 033	1 033	1 033	1 033	1 033	1 033	1 033	12 401	12 905	13 432
Debt impairment		1 130	1 130	1 130	1 130	1 130	1 130	1 130	1 130	1 130	1 130	1 130	1 130	13 564	13 699	13 836
Depreciation & asset impairment		12 216	12 216	12 216	12 216	12 216	12 216	12 216	12 216	12 216	12 216	12 216	12 216	146 596	145 685	148 275
Finance charges		4 005	4 005	4 005	4 005	4 005	4 005	4 005	4 005	4 005	4 005	4 005	4 005	48 056	47 734	47 159
Bulk purchases		32 821	32 821	32 821	32 821	32 821	32 821	32 821	32 821	32 821	32 821	32 821	32 821	393 853	438 555	488 331
Other materials		3 834	3 777	5 053	3 834	3 777	5 053	3 777	3 834	5 053	3 777	3 777	5 111	50 655	51 837	55 539
Contracted services		20 651	20 448	25 597	20 651	20 448	25 597	20 448	20 651	25 597	20 448	20 448	25 802	266 785	276 065	290 073
Transfers and subsidies		1 046	1 046	1 046	1 046	1 046	1 046	1 046	1 046	1 046	1 046	1 046	1 046	12 557	13 060	13 582
Other expenditure		14 209	12 556	14 276	14 209	12 556	14 276	12 556	14 209	14 276	12 556	12 556	15 930	164 163	137 237	121 406
Losses		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		**133 200**	**131 286**	**139 431**	**133 200**	**131 376**	**139 431**	**131 286**	**133 200**	**139 431**	**131 286**	**131 286**	**141 352**	**1 615 768**	**1 659 399**	**1 743 367**
Surplus/(Deficit)		**(5 102)**	**(3 188)**	**(11 333)**	**(5 102)**	**(3 278)**	**(11 333)**	**(3 188)**	**(5 102)**	**(11 333)**	**(3 188)**	**(3 188)**	**(13 255)**	**(78 586)**	**(68 883)**	**(77 144)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		6 033	6 033	6 033	6 033	6 033	6 033	6 033	6 033	6 033	6 033	6 033	6 033	72 398	31 368	32 611
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		1 037	1 037	1 037	1 037	1 037	1 037	1 037	1 037	1 037	1 037	1 037	1 037	12 442	–	–
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**1 968**	**3 882**	**(4 263)**	**1 968**	**3 792**	**(4 263)**	**3 882**	**1 968**	**(4 263)**	**3 882**	**3 882**	**(6 185)**	**6 255**	**(37 515)**	**(44 533)**
Taxation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Attributable to minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of surplus/ (deficit) of associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	**1 968**	**3 882**	**(4 263)**	**1 968**	**3 792**	**(4 263)**	**3 882**	**1 968**	**(4 263)**	**3 882**	**3 882**	**(6 185)**	**6 255**	**(37 515)**	**(44 533)**

WC032 Overstrand - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue by Vote																
Vote 1 - Council & Mayor's Office		3 751	3 751	3 751	3 751	3 751	3 751	3 751	3 751	3 751	3 751	3 751	3 751	45 007	44 425	34 813
Vote 2 - Municipal Manager & Internal Audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 3 - Management Services		72	72	72	72	72	72	72	72	72	72	72	72	869	907	946
Vote 4 - Finance		27 286	27 286	27 286	27 286	27 286	27 286	27 286	27 286	27 286	27 286	27 286	27 286	327 436	341 845	356 898
Vote 5 - Infrastructure & Planning		64 010	64 010	64 010	64 010	64 010	64 010	64 010	64 010	64 010	64 010	64 010	64 010	768 118	758 813	796 482
Vote 6 - Protection Services		3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	35 995	38 413	40 148
Vote 7 - Economic and Social Development & Tourism		234	234	234	234	234	234	234	234	234	234	234	234	2 811	71	224
Vote 8 - Community Services		36 816	36 816	36 816	36 816	36 816	36 816	36 816	36 816	36 816	36 816	36 816	36 815	441 787	437 410	469 323
Vote 9 - Costing Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Main Ledger Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue by Vote		**135 169**	**135 169**	**135 169**	**135 169**	**135 169**	**135 169**	**135 169**	**135 169**	**135 169**	**135 169**	**135 169**	**135 168**	**1 622 023**	**1 621 884**	**1 698 834**
Expenditure by Vote to be appropriated																
Vote 1 - Council & Mayor's Office		3 634	3 634	3 896	3 634	3 634	3 896	3 634	3 634	3 896	3 634	3 634	3 896	44 658	34 502	34 661
Vote 2 - Municipal Manager & Internal Audit		610	610	790	610	610	790	610	610	790	610	610	790	8 042	8 437	8 857
Vote 3 - Management Services		4 698	4 698	7 076	4 698	4 698	7 076	4 698	4 698	7 076	4 698	4 698	7 076	65 889	68 244	71 390
Vote 4 - Finance		10 135	8 221	8 221	10 135	8 221	8 221	8 221	10 135	8 221	8 221	8 221	10 136	106 313	106 744	112 252
Vote 5 - Infrastructure & Planning		62 968	62 968	62 968	62 968	62 968	62 968	62 968	62 968	62 968	62 968	62 968	62 968	755 611	782 435	828 925
Vote 6 - Protection Services		9 866	9 866	9 866	9 866	9 956	9 866	9 866	9 866	9 866	9 866	9 866	9 867	118 480	123 434	128 971
Vote 7 - Economic and Social Development & Tourism		1 474	1 474	1 474	1 474	1 474	1 474	1 474	1 474	1 474	1 474	1 474	1 474	17 686	15 510	16 237
Vote 8 - Community Services		39 815	39 815	45 141	39 815	39 815	45 141	39 815	39 815	45 141	39 815	39 815	45 146	499 089	520 094	542 073
Vote 9 - Costing Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Main Ledger Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure by Vote		**133 200**	**131 286**	**139 431**	**133 200**	**131 376**	**139 431**	**131 286**	**133 200**	**139 431**	**131 286**	**131 286**	**141 352**	**1 615 768**	**1 659 399**	**1 743 367**
Surplus/(Deficit) before assoc.		**1 968**	**3 882**	**(4 263)**	**1 968**	**3 792**	**(4 263)**	**3 882**	**1 968**	**(4 263)**	**3 882**	**3 882**	**(6 185)**	**6 255**	**(37 515)**	**(44 533)**
Taxation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Attributable to minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of surplus/ (deficit) of associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	**1 968**	**3 882**	**(4 263)**	**1 968**	**3 792**	**(4 263)**	**3 882**	**1 968**	**(4 263)**	**3 882**	**3 882**	**(6 185)**	**6 255**	**(37 515)**	**(44 533)**

WC032 Overstrand - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue - Functional																
Governance and administration		31 641	31 641	31 641	31 641	31 641	31 641	31 641	31 641	31 641	31 641	31 641	31 640	379 688	393 584	399 096
Executive and council		3 764	3 764	3 764	3 764	3 764	3 764	3 764	3 764	3 764	3 764	3 764	3 764	45 165	44 584	34 973
Finance and administration		27 877	27 877	27 877	27 877	27 877	27 877	27 877	27 877	27 877	27 877	27 877	27 877	334 524	349 000	364 123
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		13 968	13 968	13 968	13 968	13 968	13 968	13 968	13 968	13 968	13 968	13 968	13 968	167 619	135 469	105 603
Community and social services		731	731	731	731	731	731	731	731	731	731	731	731	8 776	7 189	7 660
Sport and recreation		898	898	898	898	898	898	898	898	898	898	898	897	10 772	22 097	25 031
Public safety		3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	35 995	38 413	40 148
Housing		9 340	9 340	9 340	9 340	9 340	9 340	9 340	9 340	9 340	9 340	9 340	9 340	112 075	67 770	32 763
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		2 050	2 050	2 050	2 050	2 050	2 050	2 050	2 050	2 050	2 050	2 050	2 050	24 599	16 637	16 231
Planning and development		1 104	1 104	1 104	1 104	1 104	1 104	1 104	1 104	1 104	1 104	1 104	1 104	13 252	11 293	9 880
Road transport		943	943	943	943	943	943	943	943	943	943	943	943	11 310	5 304	6 310
Environmental protection		3	3	3	3	3	3	3	3	3	3	3	3	37	39	41
Trading services		87 510	87 510	87 510	87 510	87 510	87 510	87 510	87 510	87 510	87 510	87 510	87 510	1 050 116	1 076 195	1 177 904
Energy sources		53 193	53 193	53 193	53 193	53 193	53 193	53 193	53 193	53 193	53 193	53 193	53 193	638 320	674 436	748 530
Water management		13 824	13 824	13 824	13 824	13 824	13 824	13 824	13 824	13 824	13 824	13 824	13 824	165 889	161 617	171 831
Waste water management		12 171	12 171	12 171	12 171	12 171	12 171	12 171	12 171	12 171	12 171	12 171	12 171	146 050	134 538	142 087
Waste management		8 321	8 321	8 321	8 321	8 321	8 321	8 321	8 321	8 321	8 321	8 321	8 321	99 858	105 603	115 457
Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue - Functional		135 169	135 169	135 169	135 169	135 169	135 169	135 169	135 169	135 169	135 169	135 169	135 168	1 622 023	1 621 884	1 698 834
Expenditure - Functional																
Governance and administration		25 944	24 030	28 900	25 944	24 030	28 900	24 030	25 944	28 900	24 030	24 030	30 815	315 492	312 936	324 798
Executive and council		5 389	5 389	7 756	5 389	5 389	7 756	5 389	5 389	7 756	5 389	5 389	7 756	74 135	65 674	67 611
Finance and administration		20 230	18 316	20 751	20 230	18 316	20 751	18 316	20 230	20 751	18 316	18 316	22 666	237 192	242 867	252 547
Internal audit		324	324	393	324	324	393	324	324	393	324	324	393	4 165	4 394	4 640
Community and public safety		23 091	23 091	23 957	23 091	23 181	23 957	23 091	23 091	23 957	23 091	23 091	23 958	280 648	261 330	251 642
Community and social services		1 711	1 711	1 898	1 711	1 711	1 898	1 711	1 711	1 898	1 711	1 711	1 899	21 285	22 212	23 647
Sport and recreation		5 134	5 134	5 534	5 134	5 134	5 534	5 134	5 134	5 534	5 134	5 134	5 535	63 214	63 089	65 995
Public safety		9 801	9 801	9 877	9 801	9 891	9 877	9 801	9 801	9 877	9 801	9 801	9 878	118 010	123 383	129 268
Housing		6 444	6 444	6 646	6 444	6 444	6 646	6 444	6 444	6 646	6 444	6 444	6 646	78 138	52 646	32 731
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		16 340	16 340	16 949	16 340	16 340	16 949	16 340	16 340	16 949	16 340	16 340	16 950	198 519	207 252	213 885
Planning and development		4 415	4 415	4 507	4 415	4 415	4 507	4 415	4 415	4 507	4 415	4 415	4 507	53 344	53 031	55 707
Road transport		10 002	10 002	10 519	10 002	10 002	10 519	10 002	10 002	10 519	10 002	10 002	10 519	122 093	129 975	132 972
Environmental protection		1 924	1 924	1 924	1 924	1 924	1 924	1 924	1 924	1 924	1 924	1 924	1 924	23 082	24 246	25 206
Trading services		67 529	67 529	69 329	67 529	67 529	69 329	67 529	67 529	69 329	67 529	67 529	69 333	817 550	874 215	949 260
Energy sources		40 834	40 834	40 834	40 834	40 834	40 834	40 834	40 834	40 834	40 834	40 834	40 834	490 011	535 087	590 344
Water management		10 796	10 796	11 105	10 796	10 796	11 105	10 796	10 796	11 105	10 796	10 796	11 106	130 791	136 847	148 880
Waste water management		8 299	8 299	9 428	8 299	8 299	9 428	8 299	8 299	9 428	8 299	8 299	9 432	104 107	109 313	113 142
Waste management		7 600	7 600	7 961	7 600	7 600	7 961	7 600	7 600	7 961	7 600	7 600	7 961	92 641	92 967	96 894
Other		297	297	297	297	297	297	297	297	297	297	297	297	3 558	3 667	3 783
Total Expenditure - Functional		133 200	131 286	139 431	133 200	131 376	139 431	131 286	133 200	139 431	131 286	131 286	141 352	1 615 768	1 659 399	1 743 367
Surplus/(Deficit) before assoc.		1 968	3 882	(4 263)	1 968	3 792	(4 263)	3 882	1 968	(4 263)	3 882	3 882	(6 185)	6 255	(37 515)	(44 533)
Share of surplus/ (deficit) of associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	1 968	3 882	(4 263)	1 968	3 792	(4 263)	3 882	1 968	(4 263)	3 882	3 882	(6 185)	6 255	(37 515)	(44 533)

WC032 Overstrand - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Multi-year expenditure ***to be appropriated***	1															
Vote 1 - Council & Mayor's Office		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager & Internal Audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 3 - Management Services		–	150	225	50	50	383	50	50	375	50	200	233	1 815	–	–
Vote 4 - Finance		–	–	–	15	–	15	–	–	15	–	15	–	60	–	–
Vote 5 - Infrastructure & Planning		25	20	7 983	10 952	14 714	16 414	12 972	22 272	24 052	22 122	28 128	31 477	191 130	102 598	99 011
Vote 6 - Protection Services		–	–	–	–	–	150	–	–	–	–	–	150	300	–	–
Vote 7 - Economic and Social Development & Tourism		–	–	–	–	–	23	–	–	–	–	–	23	45	–	–
Vote 8 - Community Services		–	–	200	–	–	100	61	200	–	–	–	174	735	–	–
Vote 9 - Costing Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Main Ledger Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	2	**25**	**170**	**8 408**	**11 017**	**14 764**	**17 084**	**13 083**	**22 522**	**24 442**	**22 172**	**28 343**	**32 056**	**194 085**	**102 598**	**99 011**
Single-year expenditure ***to be appropriated***																
Vote 1 - Council & Mayor's Office		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager & Internal Audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 3 - Management Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 4 - Finance		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 5 - Infrastructure & Planning		–	–	2 000	–	–	2 050	1 050	2 050	1 550	100	1 308	2 908	13 015	–	–
Vote 6 - Protection Services		–	–	250	–	250	–	–	250	–	–	250	–	1 000	–	–
Vote 7 - Economic and Social Development & Tourism		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 8 - Community Services		–	–	–	–	100	–	–	234	100	200	–	4 074	4 708	–	–
Vote 9 - Costing Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Main Ledger Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total	2	**–**	**–**	**2 250**	**–**	**350**	**2 050**	**1 050**	**2 534**	**1 650**	**300**	**1 558**	**6 981**	**18 723**	**–**	**–**
Total Capital Expenditure	2	**25**	**170**	**10 658**	**11 017**	**15 114**	**19 134**	**14 133**	**25 056**	**26 092**	**22 472**	**29 900**	**39 037**	**212 808**	**102 598**	**99 011**

WC032 Overstrand - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Capital Expenditure - Functional	1															
Governance and administration		**–**	**150**	**225**	**65**	**50**	**398**	**50**	**50**	**390**	**50**	**215**	**233**	**1 875**	**–**	**–**
Executive and council		–	–	–	–	–	3	–	–	–	–	–	3	5	–	–
Finance and administration		–	150	225	65	50	395	50	50	390	50	215	230	1 870	–	–
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		**–**	**–**	**450**	**4 092**	**5 534**	**3 392**	**3 203**	**3 692**	**3 142**	**3 292**	**6 925**	**12 873**	**46 594**	**32 098**	**19 697**
Community and social services		–	–	200	–	100	100	61	300	–	100	–	4 247	5 109	–	–
Sport and recreation		–	–	–	–	–	50	50	50	50	100	–	100	400	10 868	13 297
Public safety		–	–	250	–	250	150	–	250	–	–	250	150	1 300	–	–
Housing		–	–	–	4 092	5 184	3 092	3 092	3 092	3 092	3 092	6 675	8 375	39 785	21 230	6 400
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**25**	**20**	**1 430**	**480**	**480**	**1 153**	**530**	**1 464**	**1 430**	**1 480**	**1 380**	**1 866**	**11 737**	**5 000**	**6 000**
Planning and development		25	20	30	30	30	53	30	30	30	30	30	53	390	–	–
Road transport		–	–	1 400	450	450	1 100	500	1 434	1 400	1 450	1 350	1 813	11 347	5 000	6 000
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		**–**	**–**	**8 553**	**6 380**	**9 050**	**14 192**	**10 350**	**19 850**	**21 130**	**17 650**	**21 380**	**24 066**	**152 602**	**65 500**	**73 314**
Energy sources		–	–	6 553	3 100	4 000	6 742	4 500	7 300	8 200	7 700	8 250	9 043	65 389	22 000	24 314
Water management		–	–	2 000	1 080	1 250	3 450	2 650	5 650	5 850	4 450	6 108	6 803	39 290	19 000	23 400
Waste water management		–	–	–	2 200	3 800	4 000	3 200	6 900	7 000	4 500	6 200	8 139	45 939	24 500	19 100
Waste management		–	–	–	–	–	–	–	–	80	1 000	822	81	1 984	–	6 500
Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	2	**25**	**170**	**10 658**	**11 017**	**15 114**	**19 134**	**14 133**	**25 056**	**26 092**	**22 472**	**29 900**	**39 037**	**212 808**	**102 598**	**99 011**
Funded by:																
National Government		–	–	5 600	3 650	6 750	8 600	5 900	10 300	8 800	6 250	7 558	**8 991**	**72 398**	**31 368**	**32 611**
Provincial Government		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
District Municipality		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other transfers and grants		–	–	2 273	4 192	5 184	5 334	3 092	3 292	5 534	4 592	7 768	10 968	52 227	21 230	6 400
Transfers recognised - capital		**–**	**–**	**7 873**	**7 842**	**11 934**	**13 934**	**8 992**	**13 592**	**14 334**	**10 842**	**15 325**	**19 958**	**124 625**	**52 598**	**39 011**
Public contributions & donations		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing		–	–	1 580	1 580	2 250	3 950	4 450	9 150	10 608	10 750	14 000	13 715	72 033	50 000	60 000
Internally generated funds		25	170	1 205	1 595	930	1 250	691	2 314	1 150	880	575	5 364	16 149	–	–
Total Capital Funding		**25**	**170**	**10 658**	**11 017**	**15 114**	**19 134**	**14 133**	**25 056**	**26 092**	**22 472**	29 900	39 037	212 808	102 598	99 011

WC032 Overstrand - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Cash Receipts By Source													1		
Property rates	23 511	23 511	23 511	23 511	23 511	23 511	23 511	23 511	23 511	23 511	23 511	23 511	282 135	295 703	308 946
Service charges - electricity revenue	45 918	45 918	45 918	45 918	45 918	45 918	45 918	45 918	45 918	45 918	45 918	45 918	551 011	607 769	668 305
Service charges - water revenue	11 247	11 247	11 247	11 247	11 247	11 247	11 247	11 247	11 247	11 247	11 247	11 247	134 969	141 487	147 855
Service charges - sanitation revenue	7 798	7 798	7 798	7 798	7 798	7 798	7 798	7 798	7 798	7 798	7 798	7 798	93 579	97 913	102 124
Service charges - refuse revenue	6 419	6 419	6 419	6 419	6 419	6 419	6 419	6 419	6 419	6 419	6 419	6 419	77 028	81 832	86 659
Service charges - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	381	381	381	381	381	381	381	381	381	381	381	381	4 573	4 778	4 989
Interest earned - external investments	2 073	2 073	2 073	2 073	2 073	2 073	2 073	2 073	2 073	2 073	2 073	2 073	24 871	25 991	27 161
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	908	908	908	908	908	908	908	908	908	908	908	908	10 897	12 647	13 537
Licences and permits	220	220	220	220	220	220	220	220	220	220	220	220	2 636	2 750	2 869
Agency services	655	655	655	655	655	655	655	655	655	655	655	655	7 858	8 211	8 580
Transfers and Subsidies - Operational	13 837	13 837	13 837	13 837	13 837	13 837	13 837	13 837	13 837	13 837	13 837	13 837	166 040	174 999	192 746
Other revenue	12 088	12 088	12 088	12 088	12 088	12 088	12 088	12 088	12 088	12 088	12 088	3 864	136 834	82 177	46 373
Cash Receipts by Source	**125 055**	**125 055**	**125 055**	**125 055**	**125 055**	**125 055**	**125 055**	**125 055**	**125 055**	**125 055**	**125 055**	**116 830**	**1 492 432**	**1 536 257**	**1 610 144**
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	6 033	6 033	6 033	6 033	6 033	6 033	6 033	6 033	6 033	6 033	6 033	6 033	72 398	31 368	32 611
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on Disposal of Fixed and Intangible Assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Short term loans	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–	50 000	–	–	–	–	–	–	50 000	50 000	60 000
Increase (decrease) in consumer deposits	167	167	167	167	167	167	167	167	167	167	167	167	2 000	2 000	2 000
Decrease (increase) in non-current receivables	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	(415)	(415)	(415)	(415)	(415)	(415)	(415)	(415)	(415)	(415)	(415)	(415)	(4 980)	(4 980)	(4 980)
Total Cash Receipts by Source	**130 840**	**130 840**	**130 840**	**130 840**	**130 840**	**180 840**	**130 840**	**130 840**	**130 840**	**130 840**	**130 840**	**122 614**	**1 611 850**	**1 614 645**	**1 699 775**
Cash Payments by Type															
Employee related costs	41 272	41 272	41 272	41 272	41 362	41 272	41 272	41 272	41 272	41 272	41 272	41 275	495 353	520 035	550 870
Remuneration of councillors	1 033	1 033	1 033	1 033	1 033	1 033	1 033	1 033	1 033	1 033	1 033	1 033	12 401	12 905	13 432
Finance charges	4 005	4 005	4 005	4 005	4 005	4 005	4 005	4 005	4 005	4 005	4 005	4 005	48 056	47 734	47 159
Bulk purchases - Electricity	32 821	32 821	32 821	32 821	32 821	32 821	32 821	32 821	32 821	32 821	32 821	32 821	393 853	438 555	488 331
Bulk purchases - Water & Sewer												–	–		
Other materials	3 834	3 777	5 053	3 834	3 777	5 053	3 777	3 834	5 053	3 777	3 777	5 111	50 655	51 837	55 539
Contracted services	20 651	20 448	25 597	20 651	20 448	25 597	20 448	20 651	25 597	20 448	20 448	25 802	266 785	276 065	290 073
Transfers and grants - other municipalities												–	–		
Transfers and grants - other	1 046	1 046	1 046	1 046	1 046	1 046	1 046	1 046	1 046	1 046	1 046	1 046	12 557	13 060	13 582
Other expenditure	16 281	14 628	16 348	16 281	14 628	16 348	14 628	16 281	16 348	14 628	14 628	18 002	189 026	125 404	95 620
Cash Payments by Type	**120 943**	**119 029**	**127 175**	**120 943**	**119 119**	**127 175**	**119 029**	**120 943**	**127 174**	**119 029**	**119 029**	**129 096**	**1 468 686**	**1 485 595**	**1 554 605**
Other Cash Flows/Payments by Type															
Capital assets	25	170	10 658	11 017	15 114	19 134	14 133	25 056	26 092	22 472	29 900	39 037	212 808	102 598	99 011
Repayment of borrowing	2 181	1 031	2 788	5 911	1 142	11 634	2 287	1 101	2 943	6 231	1 207	12 169	50 623	58 592	51 239
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type	**123 149**	**120 230**	**140 620**	**137 871**	**135 375**	**157 942**	**135 450**	**147 101**	**156 209**	**147 732**	**150 136**	**180 302**	**1 732 118**	**1 646 785**	**1 704 855**
NET INCREASE/(DECREASE) IN CASH HELD	**7 691**	**10 610**	**(9 781)**	**(7 032)**	**(4 535)**	**22 897**	**(4 610)**	**(16 262)**	**(25 370)**	**(16 892)**	**(19 297)**	**(57 687)**	**(120 268)**	**(32 140)**	**(5 080)**
Cash/cash equivalents at the month/year begin:	566 302	573 993	584 602	574 821	567 790	563 254	586 152	581 542	565 280	539 910	523 018	503 721	566 302	446 034	413 894
Cash/cash equivalents at the month/year end:	573 993	584 602	574 821	567 790	563 254	586 152	581 542	565 280	539 910	523 018	503 721	446 034	446 034	413 894	408 814

WC032 Overstrand - NOT REQUIRED - municipality does not have entities

Description R million	Ref	2018/19 Audited Outcome	2019/20 Audited Outcome	2020/21 Audited Outcome	Current Year 2021/22 Original Budget	 Adjusted Budget	 Full Year Forecast	2022/23 Medium Term Revenue & Expenditure Framework Budget Year 2022/23	 Budget Year +1 2023/24	 Budget Year +2 2024/25
Financial Performance										
Property rates		–	–	–	–	–	–	–	–	–
Service charges		–	–	–	–	–	–	–	–	–
Investment revenue		–	–	–	–	–	–	–	–	–
Transfers recognised - operational		–	–	–	–	–	–	–	–	–
Other own revenue		–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		–	–	–	–	–	–	–	–	–
Employee costs		–	–	–	–	–	–	–	–	–
Remuneration of Board Members		–	–	–	–	–	–	–	–	–
Depreciation & asset impairment		–	–	–	–	–	–	–	–	–
Finance charges		–	–	–	–	–	–	–	–	–
Materials and bulk purchases		–	–	–	–	–	–	–	–	–
Transfers and grants		–	–	–	–	–	–	–	–	–
Other expenditure		–	–	–	–	–	–	–	–	–
Total Expenditure		–	–	–	–	–	–	–	–	–
Surplus/(Deficit)		–	–	–	–	–	–	–	–	–
Capital expenditure & funds sources										
Capital expenditure										
Transfers recognised - capital		–	–	–	–	–	–	–	–	–
Public contributions & donations		–	–	–	–	–	–	–	–	–
Borrowing		–	–	–	–	–	–	–	–	–
Internally generated funds		–	–	–	–	–	–	–	–	–
Total sources		–	–	–	–	–	–	–	–	–
Financial position										
Total current assets		–	–	–	–	–	–	–	–	–
Total non current assets		–	–	–	–	–	–	–	–	–
Total current liabilities		–	–	–	–	–	–	–	–	–
Total non current liabilities		–	–	–	–	–	–	–	–	–
Equity		–	–	–	–	–	–	–	–	–
Cash flows										
Net cash from (used) operating		–	–	–	–	–	–	–	–	–
Net cash from (used) investing		–	–	–	–	–	–	–	–	–
Net cash from (used) financing		–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end		–	–	–	–	–	–	–	–	–

WC032 Overstrand - Supporting Table SA32 List of external mechanisms

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1. Number	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2. R thousand
Outsourcing of sub function water and waste water treatm	Yrs	15	Outsourcing of sub function water and waste water treatm	07 December 2033	1 271 426
Outsourcing of sub function operation of landfil site	Yrs	13	Outsourcing of sub function operation of landfil site	30 November 2032	100 366
Note: Overstrand make use of contractual agreements to support the implementation of core function, but the definition of outsourcing do not apply to the other contracts entered into, due to ownership that is kept within the organisation					

WC032 Overstrand - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework			Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Total Contract Value
R thousand	1,3	Total	Original Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality:														
Revenue Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3														–
Contract 4														–
Contract 5														–
Contract 6														–
Contract 7														–
Contract 8														–
Contract 9														–
Contract 10														–
Contract 11														–
Contract 12														–
Contract 13														–
Contract 14														–
Contract 15														–
Contract 16														–
Contract 17														–
Contract 18														–
Contract 19														–
Contract 20														–
Total Operating Revenue Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Expenditure Obligation By Contract	2													
Contract 1: SC1890/2018: WATER & WASTE WATER TREATMENT OPERATIONS MANAGEMENT CONTRACT.		90 960	55 958	59 819	65 622	69 499	73 614	77 972	82 586	87 485	92 671	98 163	103 992	958 342
Contract 2: SC1892/2018: THE OPERATION OF THE GANSBAAI LANDFILL SITE, THE STANFORD PUBLIC WASTE DROP-OFF FACILITY, AND THE PEARLY BEACH PUBLIC WASTE DROP-OFF FACILITY		10 254	5 600	5 943	6 324	6 703	7 127	7 588	8 066	8 576	9 035	9 454	9 930	94 599
Contract 3 SC1933/2018: PROVISION FOR BANKING SERVICES		2 780	1 494	1 582	1 675	–	–	–	–	–	–			7 530
Contract 4														–
Contract 5														–
Contract 6														–
Contract 7														–
Contract 8														–

Description	Ref	Preceding Years	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework			Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Total Contract Value
R thousand	1,3	Total	Original Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Contract 9														–
Contract 10														–
Contract 11														–
Contract 12														–
Contract 13														–
Contract 14														–
Contract 15														–
Contract 16														–
Contract 17														–
Contract 18														–
Contract 19														–
Contract 20														–
Total Operating Expenditure Implication		103 994	63 052	67 344	73 621	76 202	80 741	85 560	90 652	96 061	101 706	107 617	113 922	1 060 471
Capital Expenditure Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3														–
Contract 4														–
Contract 5														–
Contract 6														–
Contract 7														–
Contract 8														–
Contract 9														–
Contract 10														–
Contract 11														–
Contract 12														–
Contract 13														–
Contract 14														–
Contract 15														–
Contract 16														–
Contract 17														–
Contract 18														–
Contract 19														–
Contract 20														–
Total Capital Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Total Parent Expenditure Implication		**103 994**	**63 052**	**67 344**	**73 621**	**76 202**	**80 741**	**85 560**	**90 652**	**96 061**	**101 706**	**107 617**	**113 922**	1 060 471
Entities:														
Revenue Obligation By Contract	2													
Contract 1														–
Contract 2														–

Description	Ref	Preceding Years	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework			Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Total Contract Value
R thousand	1,3	Total	Original Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Contract 3														–
Contract 4														–
Contract 5														–
Contract 6														–
Contract 7														–
Contract 8														–
Contract 9														–
Contract 10														–
Contract 11														–
Contract 12														–
Contract 13														–
Contract 14														–
Contract 15														–
Contract 16														–
Contract 17														–
Contract 18														–
Contract 19														–
Contract 20														–
Total Operating Revenue Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Expenditure Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3														–
Contract 4														–
Contract 5														–
Contract 6														–
Contract 7														–
Contract 8														–
Contract 9														–
Contract 10														–
Contract 11														–
Contract 12														–
Contract 13														–
Contract 14														–
Contract 15														–
Contract 16														–
Contract 17														–
Contract 18														–

Description	Ref	Preceding Years	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework			Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Total Contract Value
R thousand	1,3	Total	Original Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Contract 19														–
Contract 20														–
Total Operating Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Capital Expenditure Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3														–
Contract 4														–
Contract 5														–
Contract 6														–
Contract 7														–
Contract 8														–
Contract 9														–
Contract 10														–
Contract 11														–
Contract 12														–
Contract 13														–
Contract 14														–
Contract 15														–
Contract 16														–
Contract 17														–
Contract 18														–
Contract 19														–
Contract 20														–
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

WC032 Overstrand - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		**96 933**	**76 763**	**91 712**	**98 618**	**60 072**	**60 072**	**76 316**	**27 500**	**18 414**
Roads Infrastructure		12 061	5 638	20 553	10 218	9 493	9 493	11 013	5 000	6 000
Roads		12 061	5 638	20 553	10 218	9 493	9 493	11 013	5 000	6 000
Road Structures		–	–	–	–	–	–	–	–	–
Road Furniture		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		7 247	7 918	14 169	6 590	6 590	6 590	–	8 500	–
Drainage Collection				557	1 110	1 110	1 110	–	–	–
Storm water Conveyance		7 247	7 918	13 612	5 480	5 480	5 480	–	8 500	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		28 893	13 557	9 392	57 808	24 908	24 908	53 500	12 000	9 314
Power Plants				–	–	–	–	–	–	–
HV Substations				–	–	–	–	–	–	–
HV Switching Station				–	–	–	–	–	–	–
HV Transmission Conductors				–	–	–	–	–	–	–
MV Substations			4 869	693	50 430	15 030	15 030	37 500	5 000	–
MV Switching Stations			–	–	–	–	–	–	–	–
MV Networks		28 893	8 688	8 699	7 378	9 878	9 878	16 000	7 000	9 314
LV Networks				–	–	–	–	–	–	–
Capital Spares				–	–	–	–	–	–	–
Water Supply Infrastructure		12 270	29 001	22 404	11 372	4 469	4 469	11 803	2 000	3 100
Dams and Weirs			–	–	–	–	–	–	–	–
Boreholes			4 356	3 808	6 692	3 789	3 789	4 803	2 000	3 100
Reservoirs		12 270	14 717	15 728	–	–	–	–	–	–
Pump Stations			–	–	4 000	–	–	7 000	–	–
Water Treatment Works				–	–	–	–	–	–	–
Bulk Mains			–	–	–	–	–	–	–	–
Distribution			9 928	2 868	680	680	680	–	–	–
Distribution Points				–	–	–	–	–	–	–
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		34 963	13 339	12 940	9 368	10 097	10 097	–	–	–
Pump Station			169	–	–	–	–	–	–	–
Reticulation		34 963	9 864	12 940	9 368	10 097	10 097	–	–	–
Waste Water Treatment Works			3 306	–	–	–	–	–	–	–
Outfall Sewers				–	–	–	–	–	–	–
Toilet Facilities				–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		1 499	7 311	12 254	3 262	4 516	4 516	–	–	–
Landfill Sites			7 311	–	–	–	–	–	–	–
Waste Transfer Stations				–	2 020	2 020	2 020	–	–	–
Waste Processing Facilities				12 254	1 242	2 496	2 496	–	–	–
Waste Drop-off Points		1 499		–	–	–	–	–	–	–
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		–	–	–	–	–	–	–	–	–

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Community Assets		**30 804**	**4 531**	**25 999**	**22 833**	**13 485**	**13 485**	**4 774**	**–**	**–**
Community Facilities		30 804	2 084	10 999	15 352	6 403	6 403	4 374	–	–
Halls			–	4 759	110	5	5	–	–	–
Centres			–	–	–	–	–	–	–	–
Crèches		559	578	–	475	–	–	–	–	–
Clinics/Care Centres			–	–	–	–	–	–	–	–
Fire/Ambulance Stations			–	–	–	–	–	–	–	–
Testing Stations		4 809	44	–	1 052	1 052	1 052	–	–	–
Museums			–	–	–	–	–	–	–	–
Galleries			–	–	–	–	–	–	–	–
Theatres			–	–	–	–	–	–	–	–
Libraries		1 132	–	295	4 374	–	–	4 374	–	–
Cemeteries/Crematoria		381	207	1 232	–	–	–	–	–	–
Police			–	–	–	–	–	–	–	–
Parks			139	49	100	205	205	–	–	–
Public Open Space		23 923	1 073	3 902	3 517	3 517	3 517	–	–	–
Nature Reserves			–	–	4 100	–	–	–	–	–
Public Ablution Facilities			44	140	1 244	1 244	1 244	–	–	–
Markets				–	–	–	–	–	–	–
Stalls				278	–	–	–	–	–	–
Abattoirs				–	–	–	–	–	–	–
Airports				–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals				345	380	380	380	–	–	–
Capital Spares				–	–	–	–	–	–	–
Sport and Recreation Facilities		–	2 447	15 000	7 481	7 081	7 081	400	–	–
Indoor Facilities				–	–	–	–	–	–	–
Outdoor Facilities			2 447	15 000	7 481	7 081	7 081	400	–	–
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		**37 368**	**87 502**	**54 179**	**58 895**	**67 222**	**67 222**	**40 785**	**21 230**	**6 400**
Operational Buildings		3 092	1 749	4 581	6 636	5 457	5 457	1 000	–	–
Municipal Offices		3 092	1 749	4 581	6 636	5 457	5 457	1 000	–	–
Pay/Enquiry Points				–	–	–	–	–	–	–
Building Plan Offices				–	–	–	–	–	–	–
Workshops				–	–	–	–	–	–	–
Yards				–	–	–	–	–	–	–
Stores		–	–	–	–	–	–	–	–	–
Laboratories		–	–	–	–	–	–	–	–	–
Training Centres		–	–	–	–	–	–	–	–	–
Manufacturing Plant		–	–	–	–	–	–	–	–	–
Depots		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Housing		34 276	85 753	49 598	52 259	61 765	61 765	39 785	21 230	6 400
Staff Housing		–	–	–	–	–	–	–	–	–
Social Housing		34 276	85 753	49 598	52 259	61 765	61 765	39 785	21 230	6 400
Capital Spares		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	226	226	–	–	–
Biological or Cultivated Assets		–	–	–	–	226	226	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Water Rights		–	–	–	–	–	–	–	–	–
Effluent Licenses		–	–	–	–	–	–	–	–	–
Solid Waste Licenses		–	–	–	–	–	–	–	–	–

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Computer Software and Applications		–	–	–	–	–	–	–	–	–
Load Settlement Software Applications		–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	–	–	–	–	–
Computer Equipment		1 346	3 345	5 152	3 933	3 933	3 933	1 800	–	–
Computer Equipment		1 346	3 345	5 152	3 933	3 933	3 933	1 800	–	–
Furniture and Office Equipment		295	246	802	875	1 225	1 225	765	–	–
Furniture and Office Equipment		295	246	802	875	1 225	1 225	765	–	–
Machinery and Equipment		–	533	486	1 641	1 791	1 791	735	–	–
Machinery and Equipment			533	486	1 641	1 791	1 791	735	–	–
Transport Assets		6 936	15 884	21 189	5 000	7 161	7 161	–	–	–
Transport Assets		6 936	15 884	21 189	5 000	7 161	7 161	–	–	–
Land		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Capital Expenditure on new assets	1	**173 682**	**188 804**	**199 520**	**191 795**	**155 115**	**155 115**	**125 175**	**48 730**	**24 814**

WC032 Overstrand - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		–	3 606	15 499	33 945	31 515	31 515	20 730	18 650	29 500
Roads Infrastructure		–	8	–	–	–	–	–	–	–
Roads		–	8	–	–	–	–	–	–	–
Road Structures		–	–	–	–	–	–	–	–	–
Road Furniture		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	915	1 000	1 000	1 000	1 058	1 500	2 000
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations		–	–	–	–	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
MV Switching Stations		–	–	915	1 000	1 000	1 000	1 058	1 500	2 000
MV Networks		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	887	11 297	32 295	29 865	29 865	19 172	16 450	20 300
Dams and Weirs				–	–	–	–	–	–	–
Boreholes				–	–	–	–	–	–	–
Reservoirs				–	–	–	–	–	–	–
Pump Stations				1 327	400	1 812	1 812	500	500	500
Water Treatment Works				–	–	–	–	–	–	–
Bulk Mains				–	–	–	–	–	–	–
Distribution			887	9 970	31 895	28 053	28 053	18 672	15 950	19 800
Distribution Points				–	–	–	–	–	–	–
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	2 711	3 287	650	650	650	500	700	700
Pump Station			2 711	–	650	650	650	500	700	700
Reticulation				–	–	–	–	–	–	–
Waste Water Treatment Works				–	–	–	–	–	–	–
Outfall Sewers				3 287	–	–	–	–	–	–
Toilet Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	6 500
Landfill Sites		–	–	–	–	–	–	–	–	6 500
Waste Transfer Stations		–	–	–	–	–	–	–	–	–
Waste Processing Facilities		–	–	–	–	–	–	–	–	–
Waste Drop-off Points		–	–	–	–	–	–	–	–	–
Waste Separation Facilities		–	–	–	–	–	–	–	–	–
Electricity Generation Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines		–	–	–	–	–	–	–	–	–
Rail Structures		–	–	–	–	–	–	–	–	–
Rail Furniture		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps		–	–	–	–	–	–	–	–	–
Piers		–	–	–	–	–	–	–	–	–
Revetments		–	–	–	–	–	–	–	–	–
Promenades		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Data Centres		–	–	–	–	–	–	–	–	–
Core Layers		–	–	–	–	–	–	–	–	–
Distribution Layers		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Community Assets		–	–	–	–	–	–	–	–	–
Community Facilities		–	–	–	–	–	–	–	–	–
Halls		–	–	–	–	–	–	–	–	–
Centres		–	–	–	–	–	–	–	–	–
Crèches		–	–	–	–	–	–	–	–	–
Clinics/Care Centres		–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations		–	–	–	–	–	–	–	–	–
Testing Stations		–	–	–	–	–	–	–	–	–
Museums		–	–	–	–	–	–	–	–	–
Galleries		–	–	–	–	–	–	–	–	–
Theatres		–	–	–	–	–	–	–	–	–
Libraries		–	–	–	–	–	–	–	–	–
Cemeteries/Crematoria		–	–	–	–	–	–	–	–	–
Police		–	–	–	–	–	–	–	–	–
Parks		–	–	–	–	–	–	–	–	–
Public Open Space		–	–	–	–	–	–	–	–	–

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
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		–	–	–	–	–	–	–	–	–
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		–	–	–	–	–	–	–	–	–
Total Capital Expenditure on renewal of existing assets	1	**–**	**3 606**	**15 499**	**33 945**	**31 515**	**31 515**	**20 730**	**18 650**	**29 500**
Renewal of Existing Assets as % of total capex		*0.0%*	*1.7%*	*6.1%*	*12.4%*	*13.1%*	*13.1%*	*9.7%*	*18.2%*	*29.8%*
Renewal of Existing Assets as % of deprecn"		*0.0%*	*2.7%*	*11.1%*	*23.3%*	*21.6%*	*21.6%*	*14.1%*	*12.8%*	*19.9%*

WC032 Overstrand - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		**145 959**	**134 766**	**140 742**	**149 272**	**148 682**	**148 682**	**161 272**	**171 935**	**182 936**
Roads Infrastructure		61 860	65 691	67 439	67 503	67 115	67 115	72 281	79 183	83 626
Roads		61 860	61 812	64 190	67 503	67 115	67 115	72 281	79 183	83 626
Road Structures			3 879	3 249	–	–	–	–	–	–
Road Furniture		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		5 765	4 749	5 584	7 712	7 712	7 712	7 292	7 686	8 103
Drainage Collection		5 765	2 558	2 515	–	–	–	–	–	–
Storm water Conveyance			2 192	3 069	7 712	7 712	7 712	7 292	7 686	8 103
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		23 082	36 812	31 045	33 421	33 479	33 479	39 233	40 356	43 933
Power Plants			383	436	–	–	–	–	–	–
HV Substations			–	–	–	–	–	–	–	–
HV Switching Station			–	–	–	–	–	–	–	–
HV Transmission Conductors			–	25	–	–	–	–	–	–
MV Substations			–	–	–	–	–	–	–	–
MV Switching Stations			–	–	–	–	–	–	–	–
MV Networks		23 082	33 018	28 149	–	–	–	–	–	–
LV Networks			3 411	2 435	33 421	33 479	33 479	39 233	40 356	43 933
Capital Spares		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		17 367	16 161	21 046	21 537	21 537	21 537	22 144	23 489	24 843
Dams and Weirs			–	–	–	–	–	–	–	–
Boreholes			–	–	–	–	–	–	–	–
Reservoirs			–	–	–	–	–	–	–	–
Pump Stations			–	–	–	–	–	–	–	–
Water Treatment Works			–	–	577	577	577	297	316	336
Bulk Mains			–	–	–	–	–	–	–	–
Distribution		17 367	16 161	21 046	18 350	18 428	18 428	19 085	20 257	21 427
Distribution Points				–	2 610	2 531	2 531	2 761	2 916	3 080
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		14 967	10 072	12 980	12 162	12 331	12 331	13 002	13 535	14 307
Pump Station			–	–	–	–	–	–	–	–
Reticulation			800	–	6 946	6 946	6 946	7 344	7 797	8 284
Waste Water Treatment Works		14 967	9 134	12 980	5 216	5 386	5 386	5 658	5 737	6 023
Outfall Sewers			138	–	–	–	–	–	–	–
Toilet Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		22 918	1 168	2 535	6 936	6 506	6 506	7 320	7 686	8 123
Landfill Sites			36	61	–	–	–	–	–	–
Waste Transfer Stations		22 918	11	1 186	–	–	–	–	–	–
Waste Processing Facilities			152	272	2 332	2 048	2 048	2 397	2 465	2 588
Waste Drop-off Points			929	1 009	4 604	4 458	4 458	4 924	5 221	5 535
Waste Separation Facilities			39	7	–	–	–	–	–	–
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		–	113	110	–	–	–	–	–	–
Sand Pumps		–	–	–	–	–	–	–	–	–
Piers		–	–	–	–	–	–	–	–	–
Revetments		–	–	–	–	–	–	–	–	–
Promenades			113	110	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	1	–	–	–	–	–	–
Data Centres		–	–	1	–	–	–	–	–	–
Core Layers		–	–	–	–	–	–	–	–	–
Distribution Layers		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Community Assets		**39 801**	**33 597**	**44 371**	**61 656**	**57 933**	**57 933**	**58 100**	**57 982**	**60 947**
Community Facilities		27 117	29 422	37 364	46 573	42 120	42 120	43 340	43 186	45 648
Halls		4 287	3 502	5 332	5 069	5 011	5 011	6 008	6 415	6 807
Centres			–	67	–	–	–	–	–	–
Crèches			–	–	–	–	–	–	–	–
Clinics/Care Centres			–	–	–	–	–	–	–	–
Fire/Ambulance Stations			344	440	–	–	–	–	–	–
Testing Stations			–	54	–	–	–	–	–	–
Museums			–	–	–	–	–	–	–	–
Galleries			–	–	–	–	–	–	–	–
Theatres			–	–	–	–	–	–	–	–
Libraries		28	93	121	–	–	–	–	–	–
Cemeteries/Crematoria		1 059	693	967	1 074	516	516	1 112	1 149	1 189
Police			209	358	–	–	–	–	–	–
Parks			20 368	25 542	31 644	32 020	32 020	31 581	30 681	32 429
Public Open Space		21 743	4 213	4 304	8 193	4 224	4 224	3 652	3 890	4 114

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Nature Reserves		–	–	–	–	–	–	–	–	–
Public Ablution Facilities		–	–	178	594	348	348	988	1 050	1 108
Markets		–	–	–	–	–	–	–	–	–
Stalls		–	–	–	–	–	–	–	–	–
Abattoirs		–	–	–	–	–	–	–	–	–
Airports		–	–	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		12 685	4 176	7 007	15 083	15 813	15 813	14 759	14 797	15 299
Indoor Facilities		–	–	–	–	–	–	–	–	–
Outdoor Facilities		12 685	4 176	7 007	15 083	15 813	15 813	14 759	14 797	15 299
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		**8 009**	**1 582**	**2 137**	**11 914**	**15 973**	**15 973**	**15 246**	**16 876**	**17 880**
Operational Buildings		8 009	1 582	2 136	11 914	15 973	15 973	15 246	16 876	17 880
Municipal Offices		8 009	1 539	2 086	11 876	15 935	15 935	15 208	16 838	17 842
Pay/Enquiry Points			–	–	–	–	–	–	–	–
Building Plan Offices			28	35	–	–	–	–	–	–
Workshops			–	–	–	–	–	–	–	–
Yards			–	–	–	–	–	–	–	–
Stores			15	–	–	–	–	–	–	–
Laboratories			–	–	–	–	–	–	–	–
Training Centres			–	–	–	–	–	–	–	–
Manufacturing Plant			–	–	–	–	–	–	–	–
Depots				16	38	38	38	38	38	38
Capital Spares		–	–	–	–	–	–	–	–	–
Housing		–	–	1	–	–	–	–	–	–
Staff Housing		–	–	–	–	–	–	–	–	–
Social Housing		–	–	1	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		–	6 009	5 672	6 528	6 471	6 471	6 994	7 381	7 794
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	6 009	5 672	6 528	6 471	6 471	6 994	7 381	7 794
Water Rights		–	–	–	–	–	–	–	–	–
Effluent Licenses		–	–	–	–	–	–	–	–	–
Solid Waste Licenses		–	–	–	–	–	–	–	–	–
Computer Software and Applications			6 009	5 672	6 528	6 471	6 471	6 994	7 381	7 794
Load Settlement Software Applications		–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	–	–	–	–	–
Computer Equipment		4 890	766	1 947	2 280	2 799	2 799	2 280	2 391	2 508
Computer Equipment		4 890	766	1 947	2 280	2 799	2 799	2 280	2 391	2 508
Furniture and Office Equipment		16 364	242	1 128	6 095	6 418	6 418	6 330	6 644	6 951
Furniture and Office Equipment		16 364	242	1 128	6 095	6 418	6 418	6 330	6 644	6 951
Machinery and Equipment		–	–	–	5 548	5 363	5 363	5 601	6 518	6 561
Machinery and Equipment		–	–	–	5 548	5 363	5 363	5 601	6 518	6 561
Transport Assets		–	11 555	14 904	10 940	13 990	13 990	11 779	12 444	13 149
Transport Assets			11 555	14 904	10 940	13 990	13 990	11 779	12 444	13 149
Land		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Repairs and Maintenance Expenditure	1	**215 024**	**188 517**	**210 901**	**254 233**	**257 628**	**257 628**	**267 602**	**282 171**	**298 725**
R&M as a % of PPE		*6.3%*	*5.4%*	*5.9%*	*6.7%*	*6.9%*	*6.9%*	*0.0%*	*7.4%*	*8.0%*
R&M as % Operating Expenditure		*19.4%*	*15.8%*	*16.0%*	*17.0%*	*16.9%*	*16.9%*	*28.4%*	*17.5%*	*18.0%*

WC032 Overstrand - Supporting Table SA34d Depreciation by asset class

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Depreciation by Asset Class/Sub-class										
Infrastructure		**112 502**	**106 974**	**102 449**	**115 534**	**115 534**	**115 534**	**119 152**	**119 095**	**123 308**
Roads Infrastructure		33 523	33 574	34 090	37 546	37 546	37 546	37 723	38 311	36 395
Roads		32 825	33 574	34 090	37 546	37 546	37 546	37 723	38 311	36 395
Road Structures		–	–	–	–	–	–	–	–	–
Road Furniture		–	–	–	–	–	–	–	–	–
Capital Spares		698	–	–	–	–	–	–	–	–
Storm water Infrastructure		5 827	6 342	6 781	7 720	7 720	7 720	7 993	8 008	7 207
Drainage Collection		–	6 342	6 781	7 720	7 720	7 720	7 993	8 008	7 207
Storm water Conveyance		5 827	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		24 965	26 300	12 375	26 902	26 902	26 902	29 061	28 884	30 421
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations		–	–	–	–	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		–	–	–	–	–	–	–	–	–
LV Networks		24 965	25 917	11 939	26 902	26 902	26 902	29 061	28 884	30 421
Capital Spares		–	383	436	–	–	–	–	–	–
Water Supply Infrastructure		27 676	27 731	28 367	29 397	29 397	29 397	23 565	23 080	28 850
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		–	–	–	–	–	–	–	–	–
Reservoirs		–	–	–	–	–	–	–	–	–
Pump Stations		–	–	–	–	–	–	–	–	–
Water Treatment Works		–	–	–	–	–	–	–	–	–
Bulk Mains		–	–	–	–	–	–	–	–	–
Distribution		27 444	27 731	28 367	29 397	29 397	29 397	23 565	23 080	28 850
Distribution Points		–	–	–	–	–	–	–	–	–
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		232	–	–	–	–	–	–	–	–
Sanitation Infrastructure		16 668	9 843	17 989	10 737	10 737	10 737	17 550	17 550	17 335
Pump Station		–	–	–	–	–	–	–	–	–
Reticulation		16 390	–	–	–	–	–	–	–	–
Waste Water Treatment Works		–	9 784	17 989	10 737	10 737	10 737	17 550	17 550	17 335
Outfall Sewers		–	–	–	–	–	–	–	–	–
Toilet Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		278	59	–	–	–	–	–	–	–
Solid Waste Infrastructure		3 843	3 184	2 846	3 231	3 231	3 231	3 260	3 262	3 099
Landfill Sites		481	3 184	2 846	3 231	3 231	3 231	3 260	3 262	3 099
Waste Transfer Stations		–	–	–	–	–	–	–	–	–
Waste Processing Facilities		3 361	–	–	–	–	–	–	–	–
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		**–**	**–**	**10 055**	**–**	**–**	**–**	**–**	**–**	**–**
Community Facilities		–	–	10 055	–	–	–	–	–	–
Halls		–	–	–	–	–	–	–	–	–
Centres		–	–	10 055	–	–	–	–	–	–
Crèches		–	–	–	–	–	–	–	–	–
Clinics/Care Centres		–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations		–	–	–	–	–	–	–	–	–
Testing Stations		–	–	–	–	–	–	–	–	–
Museums		–	–	–	–	–	–	–	–	–
Galleries		–	–	–	–	–	–	–	–	–
Theatres		–	–	–	–	–	–	–	–	–
Libraries		–	–	–	–	–	–	–	–	–
Cemeteries/Crematoria		–	–	–	–	–	–	–	–	–
Police		–	–	–	–	–	–	–	–	–
Parks		–	–	–	–	–	–	–	–	–
Public Open Space		–	–	–	–	–	–	–	–	–

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
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		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property		–	–	–	–	–	–	–	–	–
Unimproved Property		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property		–	–	–	–	–	–	–	–	–
Unimproved Property		–	–	–	–	–	–	–	–	–
Other assets		**11 982**	**11 636**	**1 993**	**14 720**	**14 720**	**14 720**	**14 913**	**14 928**	**15 077**
Operational Buildings		11 982	11 636	1 993	14 720	14 720	14 720	14 913	14 928	15 077
Municipal Offices		11 982	11 636	1 993	14 720	14 720	14 720	14 913	14 928	15 077
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		–	–	–	–	–	–	68	68	68
Biological or Cultivated Assets		–	–	–	–	–	–	68	68	68
Intangible Assets		525	447	431	390	390	390	400	420	451
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		525	447	431	390	390	390	400	420	451
Water Rights		–	–	–	–	–	–	–	–	–
Effluent Licenses		–	–	–	–	–	–	–	–	–
Solid Waste Licenses		–	–	–	–	–	–	–	–	–
Computer Software and Applications		525	447	431	390	390	390	400	420	451
Load Settlement Software Applications		–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		1 826	8 921	2 060	10 233	10 233	10 233	3 535	3 229	3 102
Furniture and Office Equipment		1 826	8 921	2 060	10 233	10 233	10 233	3 535	3 229	3 102
Machinery and Equipment		764	2 678	19 074	1 077	1 077	1 077	1 617	1 486	1 454
Machinery and Equipment		764	2 678	19 074	1 077	1 077	1 077	1 617	1 486	1 454
Transport Assets		3 516	3 918	4 049	3 709	3 709	3 709	6 911	6 460	4 815
Transport Assets		3 516	3 918	4 049	3 709	3 709	3 709	6 911	6 460	4 815
Land		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Depreciation	1	**131 114**	**134 574**	**140 110**	**145 663**	**145 663**	**145 663**	**146 596**	**145 685**	**148 275**

WC032 Overstrand - Supporting Table SA34e Capital expenditure on the upgrading of existing assets by asset class

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		**–**	**11 051**	**31 980**	**46 913**	**48 906**	**48 906**	**66 569**	**24 350**	**31 400**
Roads Infrastructure		–	–	181	–	–	–	–	–	–
Roads		–	–	181	–	–	–	–	–	–
Road Structures		–	–	–	–	–	–	–	–	–
Road Furniture		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	1 285	12 258	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	1 285	12 258	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	7 871	120	7 173	7 173	7 173	10 831	8 500	13 000
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations		–	–	–	–	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		–	7 871	120	7 173	7 173	7 173	10 831	8 500	13 000
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	1 863	1 873	8 315	3 000	3 000	8 315	550	–
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		–	–	–	–	–	–	–	–	–
Reservoirs		–	–	–	–	–	–	–	–	–
Pump Stations		–	–	–	–	–	–	1 000	–	–
Water Treatment Works		–	–	–	–	–	–	–	–	–
Bulk Mains		–	–	–	–	–	–	–	–	–
Distribution		–	1 863	1 873	8 315	3 000	3 000	7 315	550	–
Distribution Points		–	–	–	–	–	–	–	–	–
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	32	14 286	30 873	38 643	38 643	45 439	15 300	18 400
Pump Station		–	–	5 074	16 059	16 059	16 059	23 639	4 400	10 000
Reticulation		–	32	8 802	7 283	15 054	15 054	500	800	600
Waste Water Treatment Works		–	–	410	7 530	7 530	7 530	21 300	10 100	7 800
Outfall Sewers		–	–	–	–	–	–	–	–	–
Toilet Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	3 262	553	90	90	1 984	–	–
Landfill Sites		–	–	1 851	463	–	–	–	–	–
Waste Transfer Stations		–	–	1 412	–	–	–	–	–	–
Waste Processing Facilities		–	–	–	–	–	–	–	–	–
Waste Drop-off Points		–	–	–	90	90	90	1 984	–	–
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		**–**	**7 534**	**7 801**	**2 121**	**4 443**	**4 443**	**334**	**10 868**	**13 297**
Community Facilities		–	–	830	100	100	100	334	–	–
Halls		–	–	–	–	–	–	–	–	–
Centres		–	–	–	–	–	–	–	–	–
Crèches		–	–	–	–	–	–	–	–	–
Clinics/Care Centres		–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations		–	–	–	–	–	–	–	–	–
Testing Stations		–	–	–	–	–	–	–	–	–
Museums		–	–	–	–	–	–	–	–	–
Galleries		–	–	–	–	–	–	–	–	–
Theatres		–	–	–	–	–	–	–	–	–
Libraries		–	–	–	–	–	–	–	–	–
Cemeteries/Crematoria		–	–	–	–	–	–	–	–	–
Police		–	–	–	–	–	–	–	–	–
Parks		–	–	322	–	–	–	–	–	–
Public Open Space		–	–	482	–	–	–	–	–	–

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Nature Reserves		–	–	–	–	–	–	–	–	–
Public Ablution Facilities		–	–	–	100	100	100	–	–	–
Markets		–	–	–	–	–	–	–	–	–
Stalls		–	–	–	–	–	–	–	–	–
Abattoirs		–	–	–	–	–	–	–	–	–
Airports		–	–	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals		–	–	26	–	–	–	334	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	7 534	6 971	2 021	4 343	4 343	–	10 868	13 297
Indoor Facilities		–	–	–	–	–	–	–	–	–
Outdoor Facilities		–	7 534	6 971	2 021	4 343	4 343	–	10 868	13 297
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		–	61	–	–	–	–	–	–	–
Operational Buildings		–	61	–	–	–	–	–	–	–
Municipal Offices		–	–	–	–	–	–	–	–	–
Pay/Enquiry Points		–	–	–	–	–	–	–	–	–
Building Plan Offices		–	–	–	–	–	–	–	–	–
Workshops		–	–	–	–	–	–	–	–	–
Yards		–	61	–	–	–	–	–	–	–
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		–	–	–	–	–	–	–	–	–
Total Capital Expenditure on upgrading of existing assets	1	**–**	**18 646**	**39 781**	**49 034**	**53 349**	**53 349**	**66 903**	**35 218**	**44 697**
Upgrading of Existing Assets as % of total capex		*0.0%*	*8.8%*	*15.6%*	*17.8%*	*22.2%*	*22.2%*	*31.4%*	*34.3%*	*45.1%*
Upgrading of Existing Assets as % of deprecn"		*0.0%*	*13.9%*	*28.4%*	*33.7%*	*36.6%*	*36.6%*	*45.6%*	*24.2%*	*30.1%*

WC032 Overstrand - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2022/23 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand		Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Present value
Capital expenditure	1							
Vote 1 - Council & Mayor's Office		–	–	–				
Vote 2 - Municipal Manager & Internal Audit		–	–	–				
Vote 3 - Management Services		1 815	–	–				
Vote 4 - Finance		60	–	–				
Vote 5 - Infrastructure & Planning		204 145	102 598	99 011	78 600	62 700		
Vote 6 - Protection Services		1 300	–	–				
Vote 7 - Economic and Social Development & Tourism		45	–	–				
Vote 8 - Community Services		5 443	–	–				
Vote 9 - Costing Services		–	–	–				
Vote 10 - Main Ledger Services		–	–	–				
Vote 11 - [NAME OF VOTE 11]		–	–	–				
Vote 12 - [NAME OF VOTE 12]		–	–	–				
Vote 13 - [NAME OF VOTE 13]		–	–	–				
Vote 14 - [NAME OF VOTE 14]		–	–	–				
Vote 15 - [NAME OF VOTE 15]		–	–	–				
List entity summary if applicable								
Total Capital Expenditure		**212 808**	**102 598**	**99 011**	**78 600**	**62 700**	**–**	**–**
Future operational costs by vote	2							
Vote 1 - Council & Mayor's Office		32 122	21 454	21 077				
Vote 2 - Municipal Manager & Internal Audit		898	896	893				
Vote 3 - Management Services		30 401	32 623	33 674				
Vote 4 - Finance		51 933	49 202	51 204				
Vote 5 - Infrastructure & Planning		473 727	597 758	643 287				
Vote 6 - Protection Services		33 327	34 869	35 362				
Vote 7 - Economic and Social Development & Tourism		3 704	3 588	3 690				
Vote 8 - Community Services		279 318	293 058	301 408				
Vote 9 - Costing Services		–	–	–				
Vote 10 - Main Ledger Services		–	–	–				
Vote 11 - [NAME OF VOTE 11]		–	–	–				
Vote 12 - [NAME OF VOTE 12]		–	–	–				
Vote 13 - [NAME OF VOTE 13]		–	–	–				
Vote 14 - [NAME OF VOTE 14]		–	–	–				
Vote 15 - [NAME OF VOTE 15]		–	–	–				
List entity summary if applicable								
Total future operational costs		905 429	1 033 446	1 090 594	–	–	–	–
Future revenue by source	3							
Property rates		287 941	300 836	314 308				
Service charges - electricity revenue		560 796	616 798	678 418				
Service charges - water revenue		138 138	144 354	150 851				
Service charges - sanitation revenue		95 791	99 911	104 207				
Service charges - refuse revenue		78 850	83 502	88 427				
Service charges - other		–	–	–				
Rental of facilities and equipment		4 573	4 778	4 989				
Interest earned - external investments		24 871	25 991	27 161				
Interest earned - outstanding debtors		3 982	4 161	4 348				
Dividends received		–	–	–				
Fines, penalties and forfeits		20 344	22 188	23 174				
Licences and permits		2 636	2 750	2 869				
Agency services		7 858	8 211	8 580				
Transfers and subsidies		166 040	174 999	192 746				
Other revenue		137 139	93 814	57 920				
Gains		8 225	8 225	8 225				
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		72 398	31 368	32 611				
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		12 442	1 411	1 427				
Transfers and subsidies - capital (in-kind - all)		–	–	–				
List entity summary if applicable								
Total future revenue		1 622 023	1 623 295	1 700 261	–	–	–	–
Net Financial Implications		**(503 785)**	**(487 251)**	**(510 656)**	**78 600**	**62 700**	**–**	**–**

WC032 Overstrand - Supporting Table SA36 Detailed capital budget

R thousand												2022/23 Medium Term Revenue & Expenditure Framework		
Function	Project Description	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Lattitude	Audited Outcome 2020/21	Current Year 2021/22 Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Parent municipality:															
List all capital projects grouped by Function															
EXECUTIVE & COUNCIL		New	*A capable, ethical and developmental state*	*Governance*	1	*Furniture and Office Equipment*	*Other*	Overstrand	Overstrand	*Overstrand*	355	5			
	MINOR ASSETS COUNCIL												5		
FINANCE AND ADMINISTRATION		New	*A capable, ethical and developmental state*	*Governance*	1	*Computer Equipment*	*Other*	Overstrand	Overstrand	*Overstrand*	6 699	3 770			
	EMERGENCY AND OPERATIONAL DIGITAL RADIO SYSTEMS	New	*A capable, ethical and developmental state*	*Governance*	1	*Computer Equipment*	*Other*	Overstrand	Overstrand	*Overstrand*			700		
	MINOR ASSETS ICT ORGANIZATION WIDE	New	*A capable, ethical and developmental state*	*Governance*	1	*Computer Equipment*	*Other*	Overstrand	Overstrand	*Overstrand*			600		
	UPS REPLACEMENT	New	*A capable, ethical and developmental state*	*Governance*	1	*Furniture and Office Equipment*	*Other*	Overstrand	Overstrand	*Overstrand*			500		
	MINOR ASSETS FINANCE	New	*A capable, ethical and developmental state*	*Governance*	1	*Furniture and Office Equipment*	*Other*	Overstrand	Overstrand	*Overstrand*			60		
	MINOR ASSETS MANAGEMENT SERVICES												10		
PUBLIC SAFETY		New	*Social cohesion and safe communities*	*Governance*	4	*Operational Buildings*	*Municipal Offices*	Ward 03	34°23'52.81"S Degrees	*19°15'56.13"E Degrees*	8 425	9 605			
	GREATER HERMANUS TRAFFIC DEPT REMOVAL OF OBSOLET	New	*Social cohesion and safe communities*	*Governance*	4	*Furniture and Office Equipment*	*Other*	Overstrand	Overstrand	*Overstrand*			1 000		
	MINOR ASSETS PROTECTION SERVICES												300		
PLANNING & DEVELOPMENT		New	*A capable, ethical and developmental state*	*Inclusion and access*	5	*Furniture and Office Equipment*	*Other*	Overstrand	Overstrand	*Overstrand*	8 466	3 412			
	MINOR ASSETS LED	New	*A capable, ethical and developmental state*	*Inclusion and access*	5	*Furniture and Office Equipment*	*Other*	Overstrand	Overstrand	*Overstrand*			45		
	MINOR ASSETS INFRASTRUCTURE &PLANNING												345		
COMMUNITY SERVICES		New	*A capable, ethical and developmental state*	*Inclusion and access*	3	*Furniture and Office Equipment*	*Other*	Overstrand	Overstrand	*Overstrand*	15 778	5 617			
	MINOR ASSETS COMMUNITY SERVICES												735		
LIBRARIES		New	*A capable, ethical and developmental state*	*Inclusion and access*	4	*Community Facilities*	*Libraries*	Ward 12	19.215 Degrees	*34.423 Degrees*	295				
	ZWELIHLE LIBRARY												4 374		
SPORT & RECREATION		Upgrading	*idating the social wage through reliable and quality basic se*	*Inclusion and access*	4	*Sport and Recreation Facilities*	*Outdoor Facilities*	Ward 08	19.126 Degrees	*34.384 Degrees*	22 886	9 674			
	UPGRADE HAWSTON SPORT COMPLEX STADIUM	Upgrading	*idating the social wage through reliable and quality basic se*	*Inclusion and access*	4	*Sport and Recreation Facilities*	*Outdoor Facilities*	Ward 04	19.219 Degrees	*34.419 Degrees*				8 000	4 000
	UPGRADE MOUNT PLEASANT SPORT GROUNDS	New	*idating the social wage through reliable and quality basic se*	*Inclusion and access*	4	*Sport and Recreation Facilities*	*Outdoor Facilities*	Ward 03	34°24' Degrees	*31.973 Degrees*					6 000
	HERMANUS SPORT FACILITY IMPROVEMENT	New	*idating the social wage through reliable and quality basic se*	*Inclusion and access*	4	*Sport and Recreation Facilities*	*Outdoor Facilities*	Ward 10	34°20'07.1"S Degrees	*18°59'47.1"E Degrees*			400		
	FLOODLIGHTS OVERHILLS SOCCERFIELD	Upgrading	*idating the social wage through reliable and quality basic se*	*Inclusion and access*	4	*Sport and Recreation Facilities*	*Outdoor Facilities*	Ward 08	34°23'09.91"S Degrees	*19°07'56.01"E Degrees*				2 868	1 297
	UPGRADE HAWSTON SWIMMING POOL														2 000
HOUSING		New	*Spatial integration, human settlements and local government*	*Spatial integration*	4	*Housing*	*Social Housing*	Overstrand	Overstrand	*Overstrand*	49 598	63 865			
	LCH SERVICES CONSTRUCTION CONTRACTS												39 785	21 230	6 400
ROADS		Upgrading	*idating the social wage through reliable and quality basic se*	*Inclusion and access*	5	*Roads Infrastructure*	*Roads*	Ward 01	Degrees 19.448	*-34.451 Degrees*	20 734	10 799			
	STANFORD TAXI RANK UPGRADE ROOF FOR TRADING	New	*idating the social wage through reliable and quality basic se*	*Inclusion and access*	5	*Roads Infrastructure*	*Roads*	Ward 02	19°21'39"E Degrees	*34°35'30"S Degrees*			334		
	MASAKHANE HOUSING PROJECT BUS ROUTE(PHASE 1)	New	*idating the social wage through reliable and quality basic se*	*Inclusion and access*	5	*Roads Infrastructure*	*Roads*	Ward 02	19°21'39"E Degrees	*34°35'30"S Degrees*			11 013	5 000	
	MASAKHANE HOUSING PROJECT BUS ROUTE(PHASE 2)														6 000
ELECTRICITY		Upgrading	*idating the social wage through reliable and quality basic se*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Substations*	Multi-ward Gb Area	34°37'5.14"S Degrees	*19°20'3.08"E Degrees*	10 436	35 311			
	FKRAAL KBAAI BHEAD NEW 66 11KV SUBSTATION (F1/5)	Upgrading	*idating the social wage through reliable and quality basic se*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Substations*	Multi-ward Gb Area	34°37'5.14"S Degrees	*19°20'3.08"E Degrees*			5 800	5 000	
	FKRAAL KBAAI BHEAD NEW 66 11KV SUBSTATION (F2/5)	Upgrading	*idating the social wage through reliable and quality basic se*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Substations*	Multi-ward Gb Area	34°37'5.14"S Degrees	*19°20'3.08"E Degrees*			9 169		
	FKRAAL KBAAI BHEAD NEW 66 11KV SUBSTATION (F3/5)	Upgrading	*idating the social wage through reliable and quality basic se*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Substations*	Multi-ward Gb Area	34°37'5.14"S Degrees	*19°20'3.08"E Degrees*			1 731		
	FKRAAL KBAAI BHEAD NEW 66 11KV SUBSTATION (F4/5)	Upgrading	*idating the social wage through reliable and quality basic se*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Substations*	Multi-ward Gb Area	34°37'5.14"S Degrees	*19°20'3.08"E Degrees*			6 500		
	FKRAAL KBAAI BHEAD NEW 66 11KV SUBSTATION (F5/5)	New	*idating the social wage through reliable and quality basic se*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	Overstrand	Overstrand	*Overstrand*			14 300		
	ELECTRIFICATION OF LOW COST HOUSING AREAS (F1/2)	New	*idating the social wage through reliable and quality basic se*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	Overstrand	Overstrand	*Overstrand*			7 031	7 000	7 314
	ELECTRIFICATION OF LOW COST HOUSING AREAS (F2/2)	Renewal	*idating the social wage through reliable and quality basic se*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	Ward 03	34°25'16.83"S Degrees	*19°13'00.62"E Degrees*			8 969		
	HERMANUS MV LV UPGRADE REPLACEMENT(F1/2)	Renewal	*idating the social wage through reliable and quality basic se*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	Ward 03	34°25'16.83"S Degrees	*19°13'00.62"E Degrees*			3 000	4 500	8 000
	HERMANUS MV LV UPGRADE REPLACEMENT(F2/2)	Renewal	*idating the social wage through reliable and quality basic se*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	Ward 09	34°20'18.35"S Degrees	*19°01'35.31"E Degrees*			3 000		
	KLEINMOND MV LV NETWORK UPGRADE(F1/2)	Renewal	*idating the social wage through reliable and quality basic se*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	Ward 09	34°20'18.35"S Degrees	*19°01'35.31"E Degrees*			2 416		
	KLEINMOND MV LV NETWORK UPGRADE(F2/2)	Renewal	*idating the social wage through reliable and quality basic se*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	Ward 08	34°23'09.91"S Degrees	*19°07'56.01"E Degrees*				2 000	2 500
	HAWSTON MV LV UPGRADE REPLACEMENT(F1/2)	Renewal	*idating the social wage through reliable and quality basic se*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	Ward 08	34°23'09.91"S Degrees	*19°07'56.01"E Degrees*			2 415		
	HAWSTON MV LV UPGRADE REPLACEMENT(F1/2)	Renewal	*idating the social wage through reliable and quality basic se*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	Multi-ward Gb Area	19.352 Degrees	*34.589 Degrees*				2 000	2 500
	GANSBAAI STANFORD MV LV UPGRADE REPLACEMENT	Renewal	*idating the social wage through reliable and quality basic se*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	Overstrand	Overstrand	*Overstrand*					2 000
	ELECTRICITY TRANSFORMERS CAPITAL REPLACEMENT CONTINGENCY												1 058	1 500	2 000
WATER		Renewal	*idating the social wage through reliable and quality basic se*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Distribution*	Overstrand	Overstrand	*Overstrand*	35 574	37 334			
	REFURBISHMENT OF BULK WATER INFRASTRUCTURE	Renewal	*idating the social wage through reliable and quality basic se*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Reticulation*	Overstrand	Overstrand	*Overstrand*			1 000	800	

Function	Project Description	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Lattitude	Audited Outcome 2020/21	Current Year 2021/22 Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
	FENCING AT WATER INSTALLATIONS	Renewal	idating the social wage through reliable and quality basic se	Inclusion and access	2	Water Supply Infrastructure	Reticulation	Overstrand	Overstrand	Overstrand			700	550	
	REPLACEMENT OF OVERSTRAND WATER PIPES(F1/2)	Renewal	idating the social wage through reliable and quality basic se	Inclusion and access	2	Water Supply Infrastructure	Reticulation	Overstrand	Overstrand	Overstrand			13 642	3 000	10 000
	REPLACEMENT OF OVERSTRAND WATER PIPES(F2/2)	Renewal	idating the social wage through reliable and quality basic se	Inclusion and access	2	Water Supply Infrastructure	Pump Stations	Overstrand	Overstrand	Overstrand			2 830		
	WATER FACILITIES CONTINGENCY	Renewal	idating the social wage through reliable and quality basic se	Inclusion and access	2	Water Supply Infrastructure	ater Treatment Wor	Multi-ward Kleinmond Area	18.848° E Degrees	34.349° S Degrees			500	500	500
	REFURBISHMENT OF KLEINMOND BUFFELS RIVER WTW	Renewal	idating the social wage through reliable and quality basic se	Inclusion and access	2	Water Supply Infrastructure	ater Treatment Wor	Multi-ward Kleinmond Area	19.019° E Degrees	34.329° S Degrees				11 000	9 000
	ACCESS ROADS TO KLEINMOND BUFFELS RIVER WTW UPGR	Renewal	idating the social wage through reliable and quality basic se	Inclusion and access	2	Water Supply Infrastructure	Distribution	Multi-ward Hermanus Area	19.237° E Degrees	34.376° S Degrees			1 000		
	UPGRADE HERMANUS WELL FIELDS PHASE 2(F1/2)	Renewal	idating the social wage through reliable and quality basic se	Inclusion and access	2	Water Supply Infrastructure	Distribution	Multi-ward Hermanus Area	19.237° E Degrees	34.376° S Degrees			2 600	2 000	3 100
	UPGRADE HERMANUS WELL FIELDS PHASE 2(F2/2)	Renewal	idating the social wage through reliable and quality basic se	Inclusion and access	2	Water Supply Infrastructure	Pump Stations	Ward 02	19°21'39"E Degrees	34°35'30"S Degrees			2 203		
	UPGRADE WATER LINES & NEW BOOSTER PUMPSTATION VAL	Renewal	idating the social wage through reliable and quality basic se	Inclusion and access	2	Water Supply Infrastructure	Distribution	Ward 01	34.446248 Degrees	19.448291 Degrees			7 000		
	UPGRADE BULK WATER	Renewal	idating the social wage through reliable and quality basic se	Inclusion and access	2	Water Supply Infrastructure	Pump Stations	Multi-ward Gb Area	34°37'5.14"S Degrees	19°20'3.08"E Degrees			5 615		
	REFURBISH KRAAIBOSCH PUMP STATION PANEL	Renewal	idating the social wage through reliable and quality basic se	Inclusion and access	2	Water Supply Infrastructure	ater Treatment Wor	Ward 02	19.370° E / -34.556° S	19.370° E / -34.556° S			1 000		
	DE KELDERS WTW MEMBRANE REPLACEMENT	Renewal	idating the social wage through reliable and quality basic se	Inclusion and access	2	Water Supply Infrastructure	Distribution	Ward 11	34°18'25,2"S Degrees	34°18'25,2"S Degrees			800		800
	PEARLY BEACH WATER TOWER REFURBISH	Renewal	idating the social wage through reliable and quality basic se	Inclusion and access	2	Water Supply Infrastructure	ater Treatment Wor	Multi-ward Gb Area	19.395° E / -34.592° S	19.395° E / -34.592° S				750	
	FRANSKRAAL WTW FILTERS REFURBISH	Renewal	idating the social wage through reliable and quality basic se	Inclusion and access	2	Water Supply Infrastructure	Reticulation	Multi-ward Hermanus	34°23'52.81"S Degrees	34°23'52.81"S Degrees			400		
	PREEKSTOEL BIO PLANT FILTERS REFURBISH													400	
SEWERAGE		Renewal	idating the social wage through reliable and quality basic se	Inclusion and access	2	Sanitation Infrastructure	Pump Station	Overstrand	Overstrand	Overstrand	30 513	49 390			
	SEWERAGE FACILITIES CONTINGENCY	Upgrading	idating the social wage through reliable and quality basic se	Inclusion and access	2	Sanitation Infrastructure	Water Treatment W	Multi-ward Kleinmond Area	18.986° E Degrees	34.342° S Degrees			500	700	700
	KLEINMOND WWTW REFURBISH UPGRADE (F1/2)	Upgrading	idating the social wage through reliable and quality basic se	Inclusion and access	2	Sanitation Infrastructure	Water Treatment W	Multi-ward Kleinmond Area	18.986° E Degrees	34.342° S Degrees			9 300	8 900	
	KLEINMOND WWTW REFURBISH UPGRADE (F2/2)	Upgrading	idating the social wage through reliable and quality basic se	Inclusion and access	2	Sanitation Infrastructure	Reticulation	Overstrand	Overstrand	Overstrand			10 900		
	FENCING AT SEWERAGE INSTALLATIONS	Replacement	idating the social wage through reliable and quality basic se	Inclusion and access	2	Sanitation Infrastructure	Pump Station	Overstrand	19.210° E Degrees	34.425° S Degrees			500	800	600
	UPGRADING OF PUMPSTATIONS & RISING MAINS (F1/2)	Replacement	idating the social wage through reliable and quality basic se	Inclusion and access	2	Sanitation Infrastructure	Pump Station	Overstrand	19.210° E Degrees	34.425° S Degrees			7 100	4 400	10 000
	UPGRADING OF PUMPSTATIONS & RISING MAINS (F2/2)	Upgrading	idating the social wage through reliable and quality basic se	Inclusion and access	2	Sanitation Infrastructure	Water Treatment W	Multi-ward Hermanus Area	19.209° E Degrees	34.427° S Degrees			16 539		
	HERMANUS WWTW UPGRADE SCREENS RAS SLUDGE DEWAT	Upgrading	idating the social wage through reliable and quality basic se	Inclusion and access	2	Sanitation Infrastructure	Water Treatment W	Ward 08	34°23'09.91"S Degrees	19°07'56.01"E Degrees			1 100	1 200	
	HAWSTON WWTW REFURBISH AND UPGRADE	Upgrading	idating the social wage through reliable and quality basic se	Inclusion and access	2	Sanitation Infrastructure	Water Treatment W	Multi-ward Hermanus Area	34°20'31" S Degrees	19°01'17"EDegrees					6 000
	REROUTE HERMANUS WWTW TREATED EFFLUENT IRRIGATION PIPELINE														1 800
STORMWATER		New	idating the social wage through reliable and quality basic se	Inclusion and access	2	Storm water Infrastructure	rm water Conveyan	Ward 02	19,360 -34,596 degrees	19,360 -34,596 degrees	26 677	6 590			
	MASAKHANE HOUSING PROJECT BULK STORMWATER (PHAS	New	idating the social wage through reliable and quality basic se	Inclusion and access	2	Storm water Infrastructure	rm water Conveyan	Ward 09	34°20'31" S 19°01'17"E	34°20'31" S 19°01'17"E				4 500	
	UPGRADE STORMWATER INFRASTRUCTURE- PROTEADORP, MOUNTAIN VIEW, EXT 6 & OVERHILLS													4 000	
WASTE MANAGEMENT		Upgrading	idating the social wage through reliable and quality basic se	Inclusion and access	2	Solid Waste Infrastructure	Waste Drop-off Point	Ward 01	-34.447276	19.456148	18 365	4 606			
	UPGRADE STANFORD DROP OFF(F1/2)	Upgrading	idating the social wage through reliable and quality basic se	Inclusion and access	2	Solid Waste Infrastructure	Waste Drop-off Point	Ward 01	-34.447276	19.456148			1 742		
	UPGRADE STANFORD DROP OFF(F2/2)	New	idating the social wage through reliable and quality basic se	Inclusion and access	2	Solid Waste Infrastructure	Landfill Sites	Multi-ward Gb Area	19.395° E / -34.592° S	19.395° E / -34.592° S			241		
	TROMMEL SCREEN FOR GANSBAAI LANDFILL														6 500
Total Capital expenditure											######	239 979	212 808	102 598	99 011

WC032 Overstrand - Supporting Table SA37 Projects delayed from previous financial year/s

R thousand											Previous target year to complete	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
Function	Project name	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Lattitude		Original Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Parent municipality:																
List all capital projects grouped by Function																
PUBLIC SAFETY												**1 000**		**1 000**		
	GREATER HERMANUS TRAFFIC DEPT REMOVAL OF															
LIBRARIES												**4 374**		**4 374**		
	ZWELIHLE LIBRARY	New	*Social cohesion and safe communities*	*Governance*	**4**	*Operational Buildings*	*Municipal Offices*	*Ward 03*	*34°23'52.81"S Degrees*	*19°15'56.13"E Degrees*						
SPORT & RECREATION												**1 900**	**1 500**	**400**		
	HERMANUS SPORT FACILITY IMPROVEMENT	New	*A capable, ethical and developmental state*	*Inclusion and access*	**4**	*Community Facilities*	*Libraries*	*Ward 12*	*19.215 Degrees*	*34.423 Degrees*						
ELECTRICITY												**17 000**		**9 169**	**5 000**	
	FKRAAL KBAAI BHEAD NEW 66 11KV SUBSTATION (F1/5)	New	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	**4**	*Sport and Recreation Facilities*	*Outdoor Facilities*	*Ward 03*	*34°24' Degrees*	*31.973 Degrees*		**12 442**		**1 731**		
	FKRAAL KBAAI BHEAD NEW 66 11KV SUBSTATION (F2/5)											**6 500**		**6 500**		
	FKRAAL KBAAI BHEAD NEW 66 11KV SUBSTATION (F3/5)	Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	**2**	*Electrical Infrastructure*	*MV Substations*	*Multi-ward Gb Area*	*34°37'5.14"S Degrees*	*19°20'3.08"E Degrees*				**3 000**		
	HERMANUS MV LV UPGRADE REPLACEMENT(F2/2)	Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	**2**	*Electrical Infrastructure*	*MV Substations*	*Multi-ward Gb Area*	*34°37'5.14"S Degrees*	*19°20'3.08"E Degrees*				**2 416**		
	KLEINMOND MV LV NETWORK UPGRADE(F2/2)	Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	**2**	*Electrical Infrastructure*	*MV Substations*	*Multi-ward Gb Area*	*34°37'5.14"S Degrees*	*19°20'3.08"E Degrees*				**2 415**		
	HAWSTON MV LV UPGRADE REPLACEMENT(F1/2)	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	**2**	*Electrical Infrastructure*	*MV Networks*	*Ward 03*	*34°25'16.83"S Degrees*	*19°13'00.62"E Degrees*				**8 969**		
	ELECTRIFICATION OF LOW COST HOUSING AREAS (F2/2)	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	**2**	*Electrical Infrastructure*	*MV Networks*	*Ward 09*	*34°20'18.35"S Degrees*	*19°01'35.31"E Degrees*						
WATER		Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	**2**	*Electrical Infrastructure*	*MV Networks*	*Ward 08*	*34°23'09.91"S Degrees*	*19°07'56.01"E Degrees*		**10 000**	**2 830**	**7 170**		
	REPLACEMENT OF OVERSTRAND WATER PIPES(F2/2)	New	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	**2**	*Electrical Infrastructure*	*MV Networks*	*Overstrand*	*Overstrand*	*Overstrand*		**6 692**	**3 789**	**2 203**		
	UPGRADE HERMANUS WELL FIELDS PHASE 2(F2/2)															
WASTE MANAGEMENT		Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	**2**	*Water Supply Infrastructure*	*Reticulation*	*Overstrand*	*Overstrand*	*Overstrand*				**1 742**		
	UPGRADE STANFORD DROP OFF(F1/2)	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Distribution*	*Multi-ward Hermanus Area*	*19.237° E Degrees*	*34.376° S Degrees*						
		Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Solid Waste Infrastructure*	*Waste Drop-off Points*	*Ward 01*	*-34.447276 Degrees*	*19.456148 Degrees*						

WC032 Overstrand - Supporting Table SA38 Consolidated detailed operational projects

Municipal Vote/Operational project	Ref	Program/Project description	2022/23 Medium Term Revenue & Expenditure Framework			Project information
R thousand	4		Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	Ward location
Parent municipality:						
List all operational projects grouped by Municipal Vote						
Vote 1 - Council General						
		Municipal Running Cost	43 308	34 502	34 661	
		Typical Workstreams	1 350			
Vote 2 - Municipal Manager						
		Municipal Running Cost	8 042	8 437	8 857	
Vote 3 - Management Services						
		Municipal Running Cost	53 948	55 804	58 437	
		Repairs & Maintenance	9 477	9 915	10 445	
		Typical Workstreams	2 464	2 525	2 508	
Vote 4 - Finance						
		Municipal Running Cost	90 500	90 429	95 409	
		Repairs & Maintenance	1 707	1 705	1 711	
		Typical Workstreams	14 107	14 610	15 132	
Vote 5 - Infrastructure & Planning						
		Municipal Running Cost	652 974	705 051	769 418	
		Repairs & Maintenance	28 329	28 712	31 187	
		Typical Workstreams	74 308	48 672	28 319	
Vote 6 - Protection Services						
		Municipal Running Cost	105 182	110 035	115 239	
		Repairs & Maintenance	1 394	1 546	1 607	
		Typical Workstreams	4 860	4 684	4 693	
Vote 7 - Local Economic and Social Develoment & Tourism						
		Municipal Running Cost	12 148	12 695	13 273	
		Repairs & Maintenance	403	253	403	
		Typical Workstreams	5 135	2 562	2 562	
Vote 8 - Community Services						
		Municipal Running Cost	388 303	404 447	420 844	
		Repairs & Maintenance	100 049	106 124	111 247	
		Typical Workstreams	17 782	16 691	17 414	
Total Operational expenditure			**1 615 768**	**1 659 399**	**1 743 367**	

Municipal manager's quality certificate

I, DGI O'Neill, municipal manager of Overstrand Municipality, hereby certify that the **Draft Budget** for the **2022/2023 MTREF** and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the draft annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name: DGI O'Neill

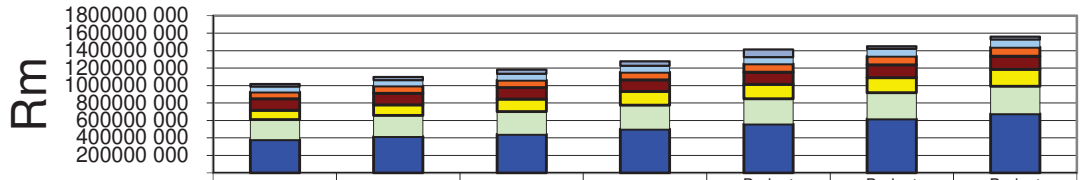
Municipal manager of Overstrand Municipality (WC032)

Signature: 

Date: 29 March 2022

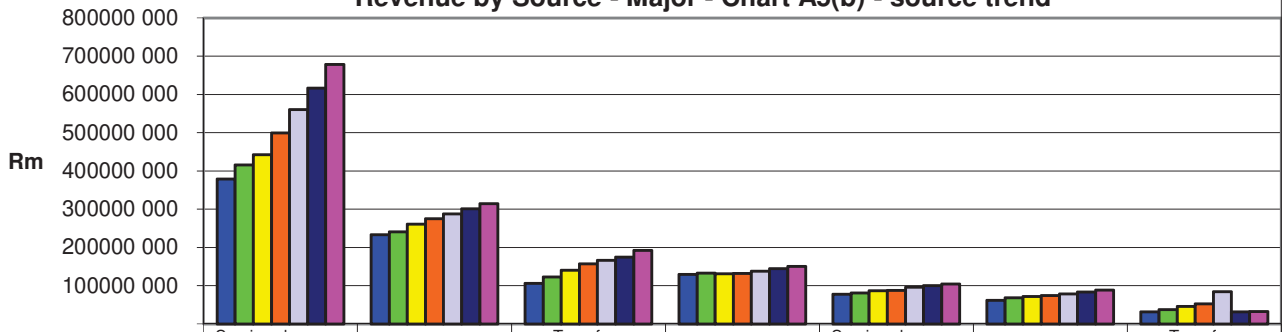
OVERSTRAND MUNICIPALITY - BUDGET REGULATION CHARTS 2020/2021 BUDGET

Revenue by Source - Major - Chart A5(a)



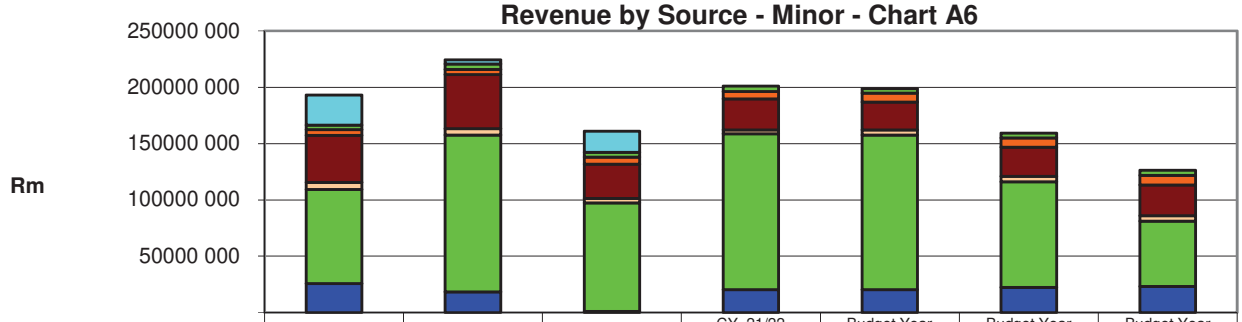
	2018/19 AUD	2019/20 AUD	2020/21 AUD	CY 21/22 ADJ	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Transfers recognised - capital	31951 631	37391 853	45684 215	52658 542	84840 378	31368 000	32611 000
Service charges - refuse	61763 313	68255 928	72198 343	74741 200	78849 600	83501 600	88427 400
Service charges - sanitation revenue	77718 851	80925 441	87093 645	87631 400	95791 200	99911 200	104207 200
Service charges - water revenue	129857 575	133037 237	131112 619	132168 400	138138 000	144354 000	150851 000
Transfers recognised - operating	106306 076	123140 481	140895 452	157281 284	166040 100	174999 099	192746 100
Property rates	233092 551	240909 593	261222 295	275636 575	287940 600	300836 000	314308 000

Revenue by Source - Major - Chart A5(b) - source trend



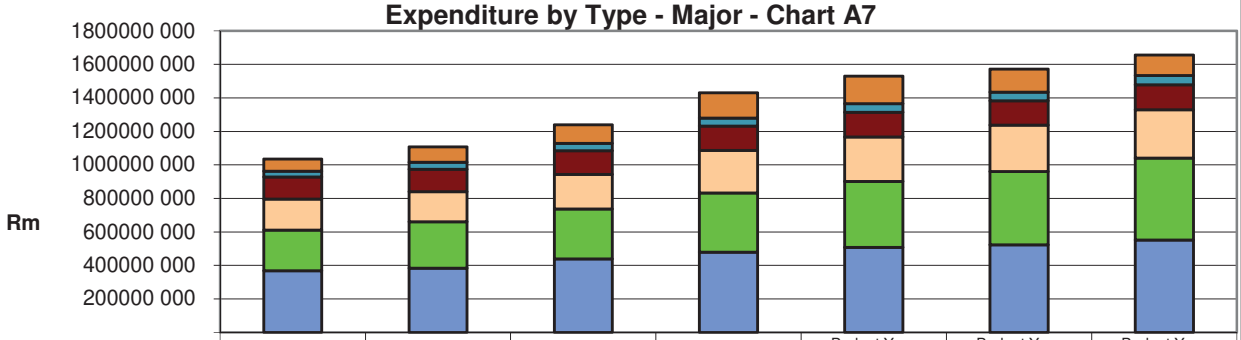
	Service charges - electricity revenue	Property rates	Transfers recognised - operating	Service charges - water revenue	Service charges - sanitation revenue	Service charges - refuse	Transfers recognised - capital
2018/19 AUD	378693 094	233092 551	106306 076	129857 575	77718 851	61763 313	31951 631
2019/20 AUD	415960 047	240909 593	123140 481	133037 237	80925 441	68255 928	37391 853
2020/21 AUD	442791 993	261222 295	140895 452	131112 619	87093 645	72198 343	45684 215
CY 21/22 ADJ	499316 881	275636 575	157281 284	132168 400	87631 400	74741 200	52658 542
Budget Year 2022/23	560796 100	287940 600	166040 100	138138 000	95791 200	78849 600	84840 378
Budget Year +1 2023/24	616798 100	300836 000	174999 099	144354 000	99911 200	83501 600	31368 000
Budget Year +2 2024/25	678418 100	314308 000	192746 100	150851 000	104207 200	88427 400	32611 000

Revenue by Source - Minor - Chart A6



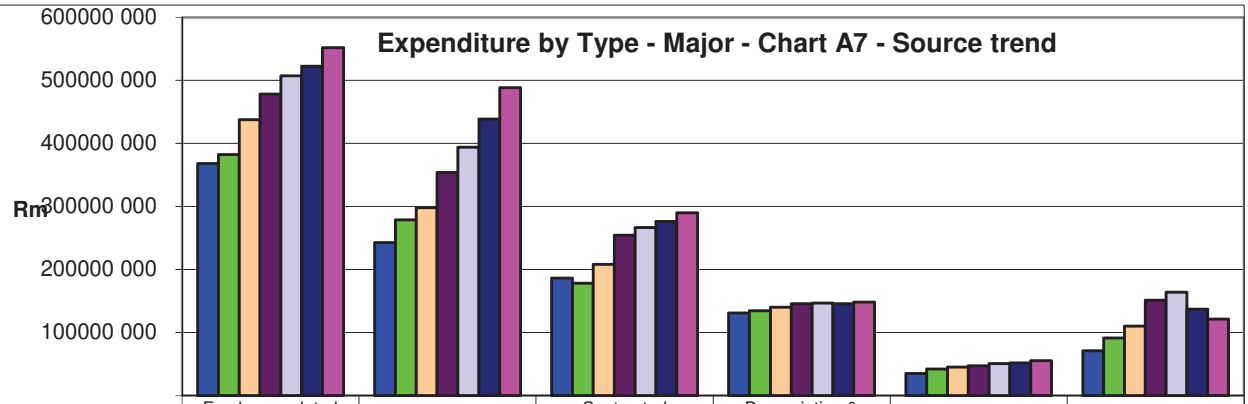
	2018/19 AUD	2019/20 AUD	2020/21 AUD	CY 21/22 ADJ	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Service charges - other							
Contributed assets	26685 272	3729 771	18757 257				
Dividends received							
Contributions							
Interest earned - outstanding debtors	4193 198	5039 652	4243 711	4680 500	3981 500	4160 500	4347 500
Agency services	4884 522	4376 030	6188 587	6680 100	7858 000	8211 000	8580 000
Interest earned - external investments	41766 908	48146 378	30504 485	27456 100	24871 100	25991 100	27161 100
Rental of facilities and equipment	6277 934	5735 481	4067 727	3440 292	4573 000	4778 000	4989 000
Other revenue	83672 946	139226 309	96155 726	138534 830	137139 200	93813 700	57920 400
Fines	25672 161	18210 764	1095 302	20222 601	20344 000	22188 000	23174 000

Expenditure by Type - Major - Chart A7



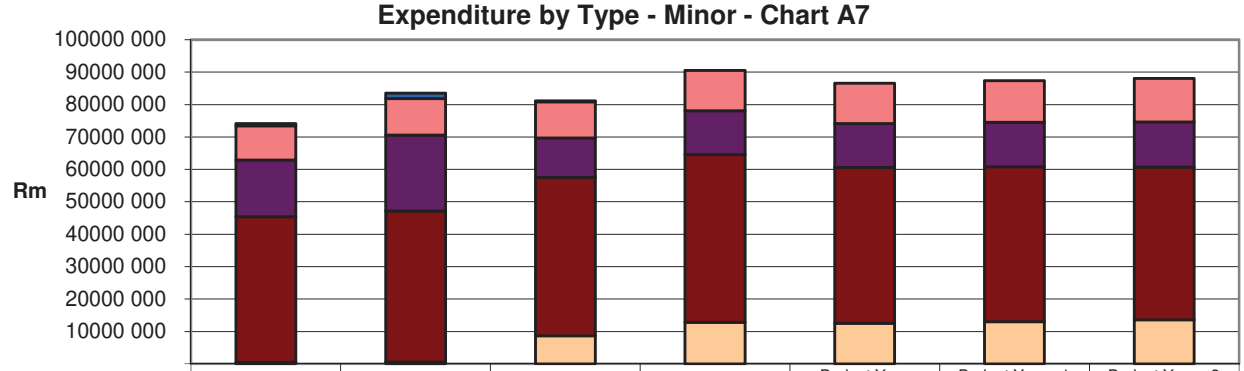
	2018/19 AUD	2019/20 AUD	2020/21 AUD	CY 21/22 ADJ	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Other expenditure	71333 300	91237 640	110366 851	151193 392	164162 796	137237 409	121406 352
Other materials	35049 460	42301 750	45042 130	47147 233	50655 155	51836 566	55538 988
Depreciation & asset impairment	131113 857	134574 433	140110 308	145662 652	146595 506	145684 927	148275 148
Contracted services	186336 164	178363 151	208095 279	254506 481	266785 183	276065 362	290073 064
Bulk purchases	242613 624	278547 666	298272 081	353706 800	393852 523	438554 783	488330 751
Employee related costs	368000 044	382572 151	437874 472	478178 520	507139 129	522621 701	551733 528

Expenditure by Type - Major - Chart A7 - Source trend



	Employee related costs	Bulk purchases	Contracted services	Depreciation & asset impairment	Other materials	Other expenditure
2018/19 AUD	368000 044	242613 624	186336 164	131113 857	35049 460	71333 300
2019/20 AUD	382572 151	278547 666	178363 151	134574 433	42301 750	91237 640
2020/21 AUD	437874 472	298272 081	208095 279	140110 308	45042 130	110366 851
CY 21/22 ADJ	478178 520	353706 800	254506 481	145662 652	47147 233	151193 392
Budget Year 2022/23	507139 129	393852 523	266785 183	146595 506	50655 155	164162 796
Budget Year +1 2023/24	522621 701	438554 783	276065 362	145684 927	51836 566	137237 409
Budget Year +2 2024/25	551733 528	488330 751	290073 064	148275 148	55538 988	121406 352

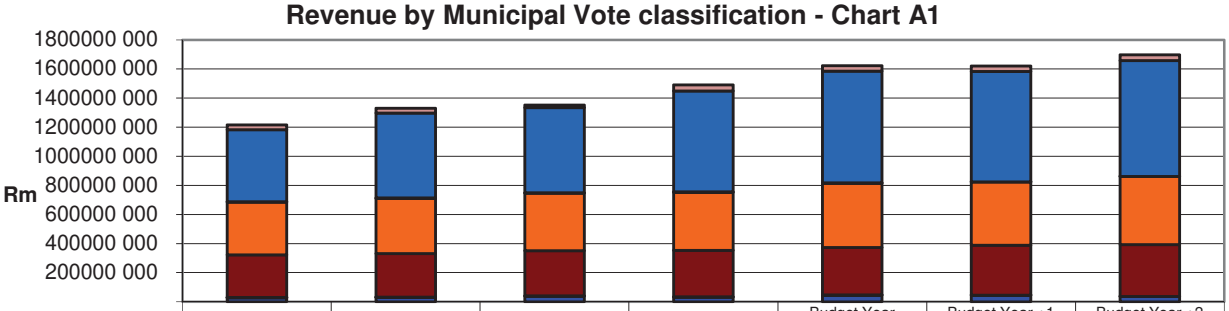
Expenditure by Type - Minor - Chart A7



	2018/19 AUD	2019/20 AUD	2020/21 AUD	CY 21/22 ADJ	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Loss on disposal of PPE	609 917	1639 083	303 114				
Remuneration of councillors	10573 228	11282 325	11218 781	12400 990	12400 992	12905 088	13431 876
Debt impairment	17499 880	23433 836	12137 819	13543 800	13563 768	13699 406	13836 400
Finance charges	44920 621	46570 200	48805 228	51803 648	48056 000	47734 000	47159 000
Grants and subsidies	485 850	559 623	8709 878	12774 374	12557 000	13060 000	13582 000

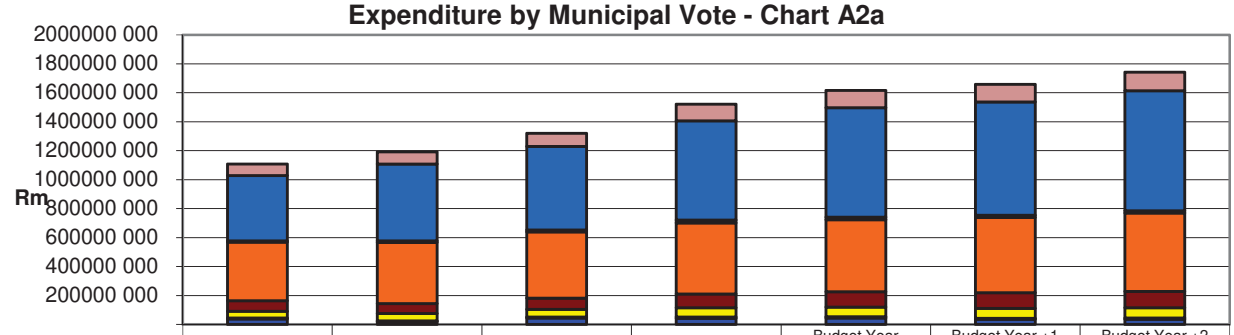
OVERSTRAND MUNICIPALITY - BUDGET REGULATION CHARTS 2020/2021 BUDGET

Revenue by Municipal Vote classification - Chart A1



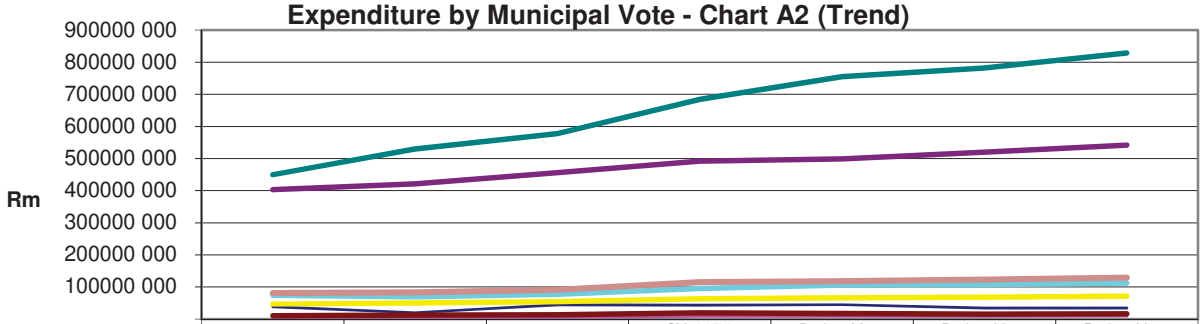
	2018/19 AUD	2019/20 AUD	2020/21 AUD	CY 21/22 ADJ	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Protection Services	32267 467	32797 464	16192 654	42673 101	35995 300	38413 300	40148 300
Infrastructure and Planning	496225 065	584066 675	585823 150	692670 324	768117 967	758813 484	796481 516
Local Economic Development	2030 375	2914 273	3859 559	4773 414	2811 400	71 400	224 400
Community Services	363260 253	378349 951	395739 432	397775 871	441787 267	437409 782	469323 165
Finance	292876 473	300505 525	309284 385	318649 922	327435 847	341845 247	356898 247
Management Services	1070 202	1188 788	2563 523	2934 412	868 500	906 500	945 500
Municipal Manager	86 460	35 742					
Council	27246 103	30091 047	38321 010	31734 707	45006 644	44424 733	34812 819

Expenditure by Municipal Vote - Chart A2a

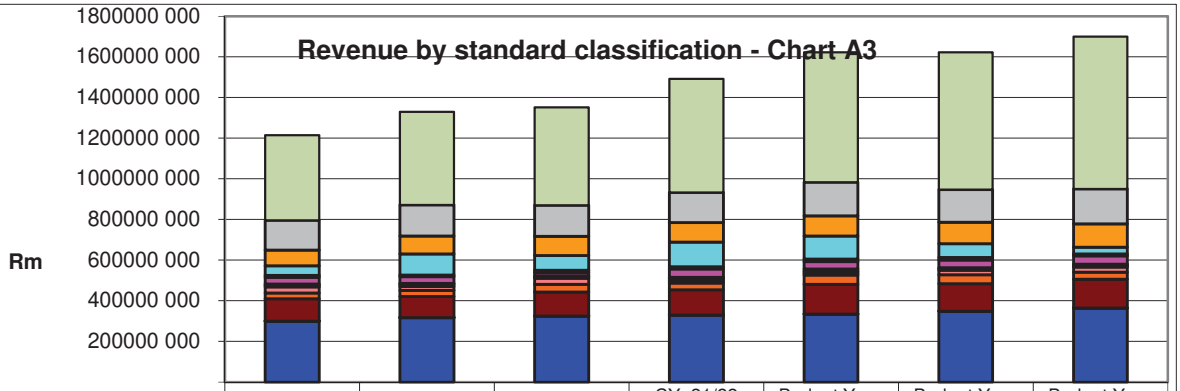


	2018/19 AUD	2019/20 AUD	2020/21 AUD	CY 21/22 ADJ	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Protection Services	81088 550	83724 913	91325 994	115586 170	118480 451	123433 628	128971 300
Infrastructure and Planning	449522 119	529691 598	577727 549	684868 742	755610 974	782435 139	828924 914
Local Economic Development	10302 724	12042 047	13557 713	19247 209	17685 526	15510 264	16237 338
Community Services	402982 966	420781 572	456221 482	491921 920	499088 962	520093 538	542073 103
Finance	74679 944	69424 667	77490 315	95289 370	106313 277	106743 631	112251 899
Management Services	46735 602	50129 460	54639 188	62975 703	65889 116	68243 553	71390 409
Municipal Manager	5049 866	5360 939	5884 690	8040 059	8042 030	8437 026	8857 019
Council	38174 175	19926 662	44089 009	42988 717	44657 716	34502 463	34661 125

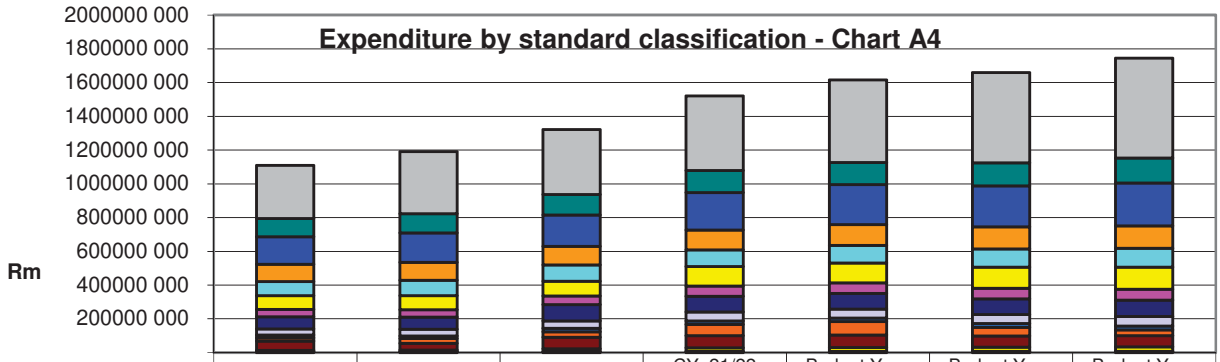
Expenditure by Municipal Vote - Chart A2 (Trend)



	2018/19 AUD	2019/20 AUD	2020/21 AUD	CY 21/22 ADJ	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Council	38174 175	19926 662	44089 009	42988 717	44657 716	34502 463	34661 125
Municipal Manager	5049 866	5360 939	5884 690	8040 059	8042 030	8437 026	8857 019
Management Services	46735 602	50129 460	54639 188	62975 703	65889 116	68243 553	71390 409
Finance	74679 944	69424 667	77490 315	95289 370	106313 277	106743 631	112251 899
Community Services	402982 966	420781 572	456221 482	491921 920	499088 962	520093 538	542073 103
Local Economic Development	10302 724	12042 047	13557 713	19247 209	17685 526	15510 264	16237 338
Infrastructure and Planning	449522 119	529691 598	577727 549	684868 742	755610 974	782435 139	828924 914
Protection Services	81088 550	83724 913	91325 994	115586 170	118480 451	123433 628	128971 300

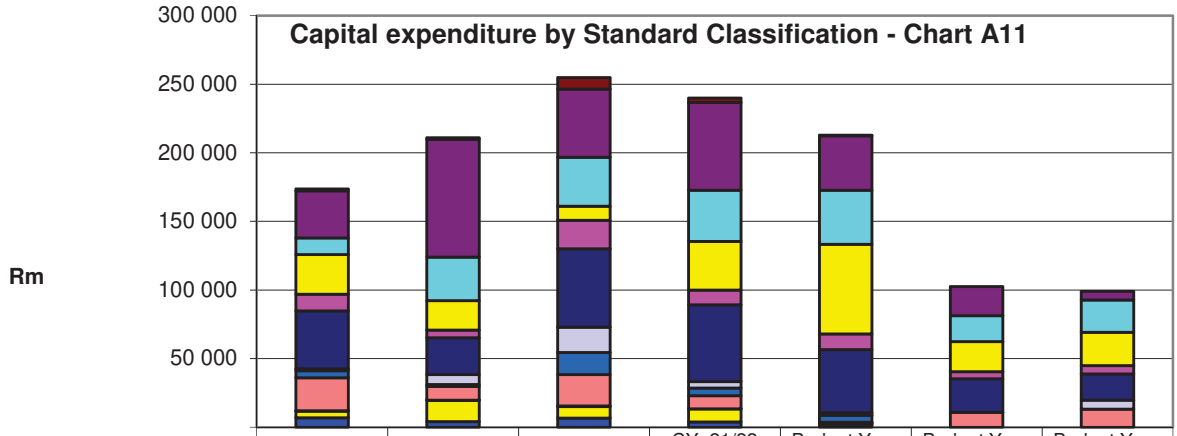


	2018/19 AUD	2019/20 AUD	2020/21 AUD	CY 21/22 ADJ	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Electricity	419560 383	458532 274	481694 831	559012 532	638319 589	674436 084	748529 516
Water	145980 226	153663 169	153115 215	147445 938	165889 053	161617 128	171830 729
Waste Management	76776 548	86662 024	94656 778	96440 628	99857 878	105603 071	115457 472
Housing	47457 067	104370 277	71890 724	120253 256	112075 400	67770 400	32763 400
Planning & Development	10337 467	8315 119	11637 557	11297 534	13251 600	11293 000	9879 600
Public Safety	32371 843	32801 110	16192 654	42023 101	35995 300	38413 300	40148 300
Road Transport	6229 009	7166 286	4365 251	6102 771	11310 200	5304 200	6310 200
Community & Social Services	8471 058	8070 907	8291 004	9366 760	8776 100	7189 100	7660 100
Health		1	2	4	7	8	9
Sport and Recreation	30198 874	18800 829	29089 057	12855 285	10772 400	22096 600	25030 700
Executive & Council	27346 771	30254 349	38680 913	32134 405	45164 544	44583 633	34972 719
Waste Water Management	110345 150	103933 774	117987 054	124990 622	146049 614	134538 283	142086 564
Environmental Protection	294 953	21 236	32 457	486 700	37 300	39 300	41 300
Internal audit	86 460	35 742					
Finance & Administration	299606 591	317322 368	324150 218	328802 219	334523 947	349000 347	364123 347



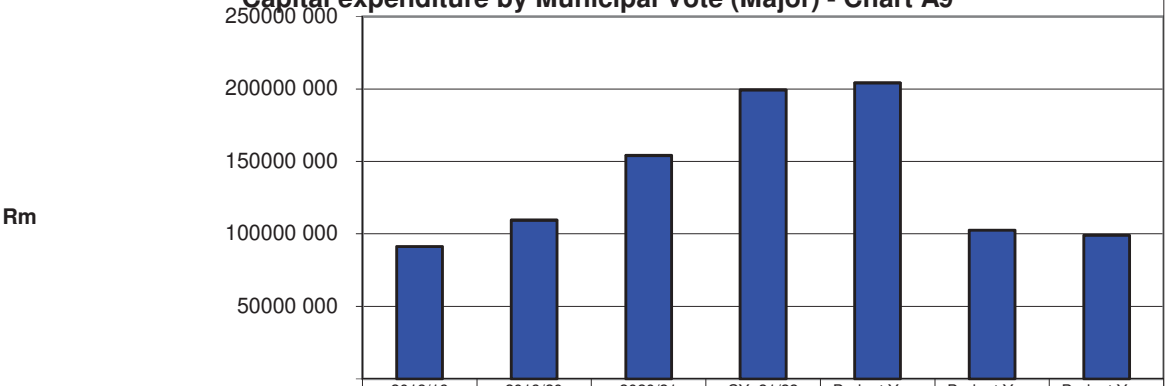
	2018/19 AUD	2019/20 AUD	2020/21 AUD	CY 21/22 ADJ	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Electricity	313606 216	368704 925	384141 361	442479 631	490011 058	535087 444	590343 800
Water	107916 412	112898 825	120612 237	131066 520	130791 307	136846 898	148880 094
Finance & Administration	162899 260	174217 457	186366 782	221573 620	237191 832	242867 237	252547 065
Road Transport	103331 107	107277 203	110465 478	116706 414	122092 803	129975 168	132972 238
Waste Water Management	84119 953	90405 562	95784 692	99684 445	104106 953	109313 386	113142 128
Public Safety	80702 403	82675 412	87168 794	114194 821	118010 395	123383 274	129268 400
Sport and Recreation	43904 713	44288 568	52169 388	60672 593	63214 159	63089 134	65994 751
Waste Management	71008 858	71807 772	96223 208	93225 967	92641 049	92966 805	96893 571
Planning & Development	36688 486	39396 933	43395 809	53193 900	53344 141	53030 720	55707 266
Community & Social Services	16971 724	15215 959	22121 948	21383 915	21285 295	22212 065	23647 046
Health		1	2	4	7	8	9
Housing	18299 479	29347 378	30962 520	66537 030	78137 712	52646 015	32731 377
Executive & Council	56567 340	39624 200	69529 304	71292 092	74135 233	65674 305	67610 751
Environmental Protection	6820 973	9901 742	16340 298	21220 811	23082 254	24245 875	25205 599
Internal audit	2667 844	2322 018	2761 163	4091 269	4165 430	4394 245	4640 082
Other	3031 175	2997 906	2892 959	3594 862	3558 431	3666 671	3782 939

Capital expenditure by Standard Classification - Chart A11



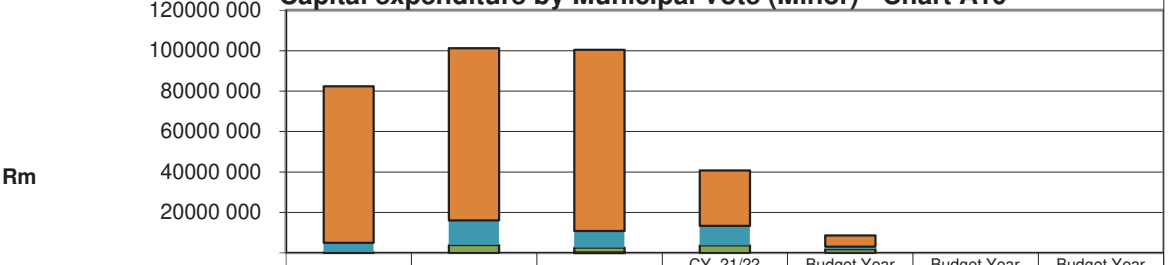
	2018/19 AUD	2019/20 AUD	2020/21 AUD	CY 21/22 ADJ	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Planning & Development	1345 505	1219 931	8465 779	3412 070	390 000		
Housing	34275 986	85753 090	49598 159	63865 472	39785 000	21230 000	6400 000
Water	12270 442	31751 721	35573 766	37333 918	39290 201	19000 000	23400 000
Electricity	28893 042	21428 126	10436 193	35310 944	65389 000	22000 000	24314 000
Road Transport	12061 188	5645 336	20734 158	10798 658	11347 466	5000 000	6000 000
Waste Water Management	42209 616	26893 030	57190 343	55980 147	45939 000	24500 000	19100 000
Waste Management	1498 982	7310 874	18365 157	4606 002	1983 720		6500 000
Community & Social Services	5163 604	1330 053	16072 292	5617 030	5108 611		
Sport and Recreation	23922 928	9980 664	22885 610	9674 251	400 000	10868 000	13297 000
Health							
Executive & Council	295 165	1 714	354 702	5 000	5 000		
Public Safety	4809 422	15694 332	8424 813	9605 398	1300 000		
Environmental Protection							
Finance & Administration	6936 200	4047 592	6699 214	3770 000	1870 000		

Capital expenditure by Municipal Vote (Major) - Chart A9

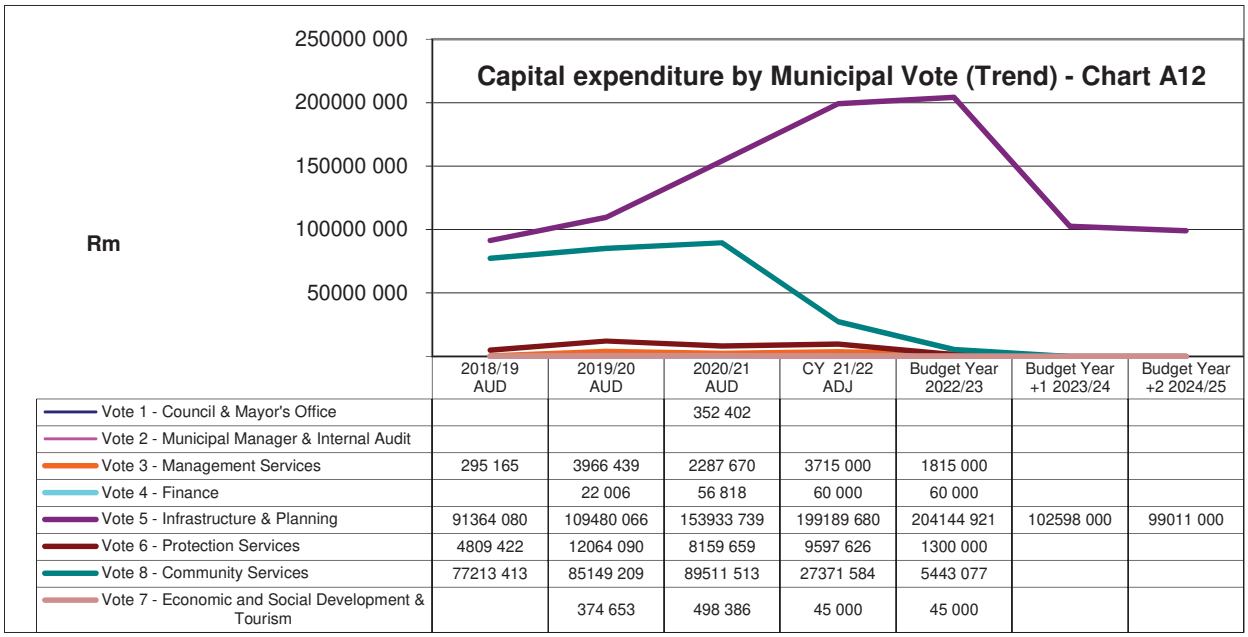


	2018/19 AUD	2019/20 AUD	2020/21 AUD	CY 21/22 ADJ	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Vote 7 - Economic and Social Development & Tourism		374 653	498 386	45 000	45 000		
Vote 5 - Infrastructure & Planning	91364 080	109480 066	153933 739	199189 680	204144 921	102598 000	99011 000

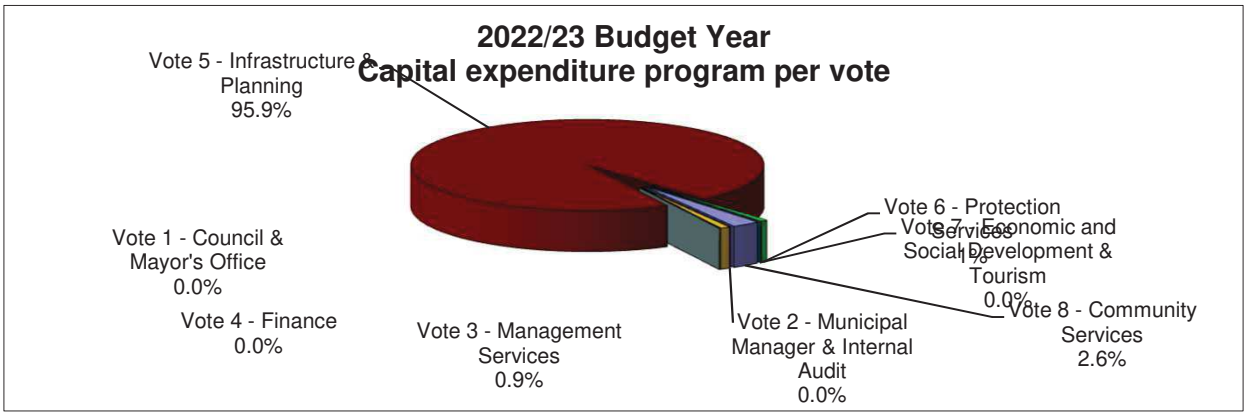
Capital expenditure by Municipal Vote (Minor) - Chart A10

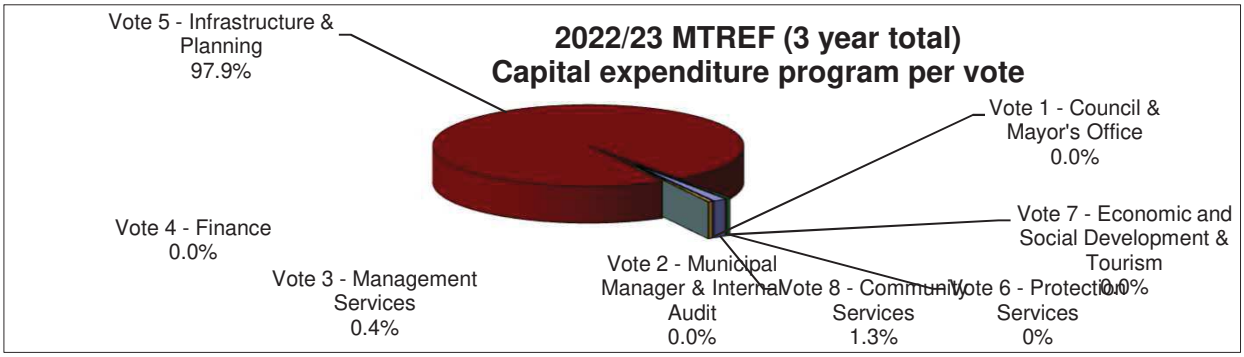


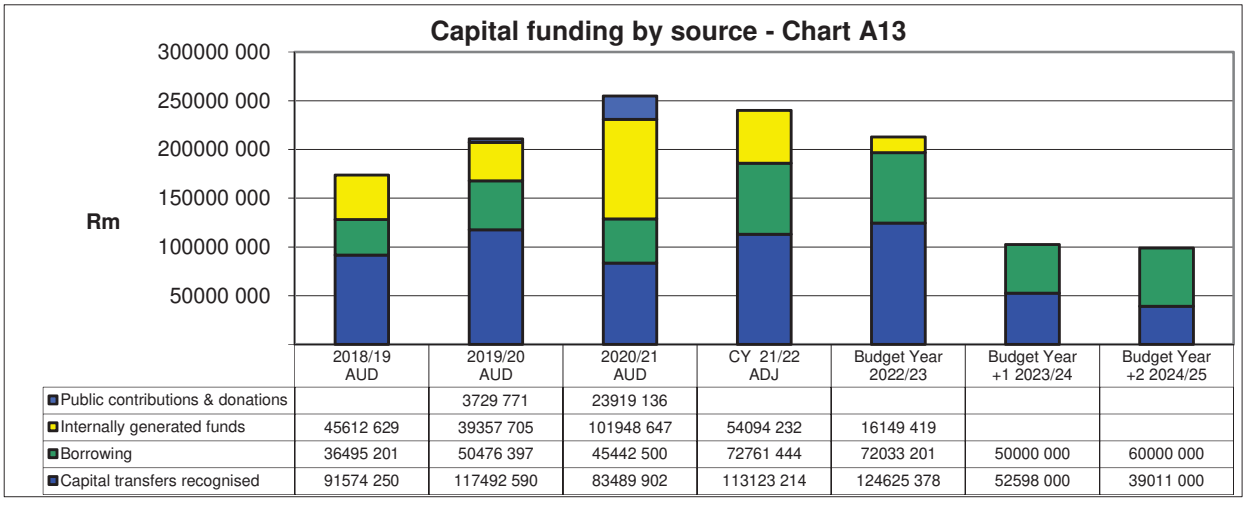
	2018/19 AUD	2019/20 AUD	2020/21 AUD	CY 21/22 ADJ	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Vote 8 - Community Services	77213 413	85149 209	89511 513	27371 584	5443 077		
Vote 6 - Protection Services	4809 422	12064 090	8159 659	9597 626	1300 000		
Vote 4 - Finance		22 006	56 818	60 000	60 000		
Vote 3 - Management Services	295 165	3966 439	2287 670	3715 000	1815 000		
Vote 2 - Municipal Manager & Internal Audit							
Vote 1 - Council & Mayor's Office			352 402				



	2018/19 AUD	2019/20 AUD	2020/21 AUD	CY 21/22 ADJ	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Vote 1 - Council & Mayor's Office			352 402				
Vote 2 - Municipal Manager & Internal Audit							
Vote 3 - Management Services	295 165	3966 439	2287 670	3715 000	1815 000		
Vote 4 - Finance		22 006	56 818	60 000	60 000		
Vote 5 - Infrastructure & Planning	91364 080	109480 066	153933 739	199189 680	204144 921	102598 000	99011 000
Vote 6 - Protection Services	4809 422	12064 090	8159 659	9597 626	1300 000		
Vote 8 - Community Services	77213 413	85149 209	89511 513	27371 584	5443 077		
Vote 7 - Economic and Social Development & Tourism		374 653	498 386	45 000	45 000		

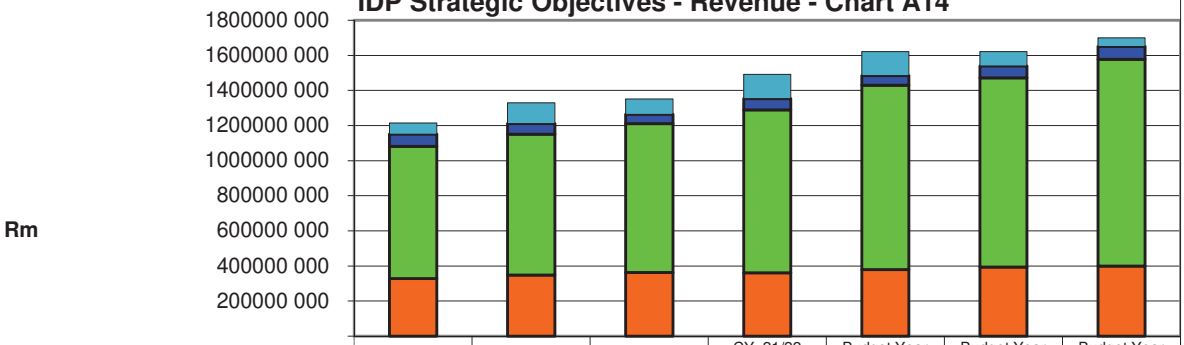






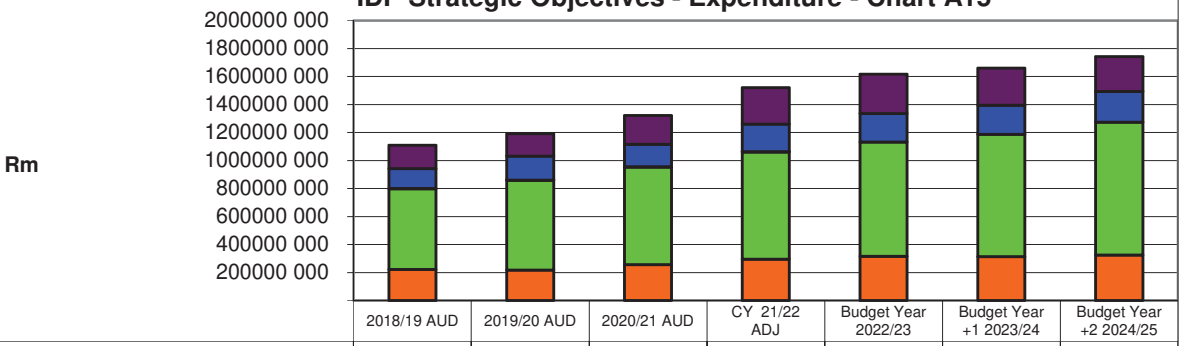
	2018/19 AUD	2019/20 AUD	2020/21 AUD	CY 21/22 ADJ	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Public contributions & donations		3729 771	23919 136				
Internally generated funds	45612 629	39357 705	101948 647	54094 232	16149 419		
Borrowing	36495 201	50476 397	45442 500	72761 444	72033 201	50000 000	60000 000
Capital transfers recognised	91574 250	117492 590	83489 902	113123 214	124625 378	52598 000	39011 000

IDP Strategic Objectives - Revenue - Chart A14



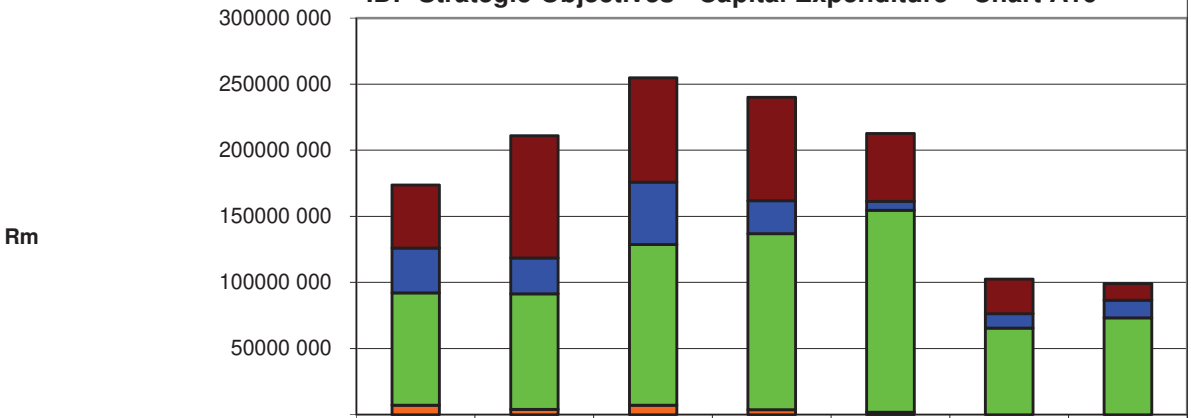
	2018/19 AUD	2019/20 AUD	2020/21 AUD	CY 21/22 ADJ	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
The promotion of tourism, economic and social development	64318 429	119872 641	87925 989	138140 261	136674 500	83159 900	47737 500
The creation and maintenance of a safe and healthy environment	70070 345	59673 123	53572 715	64245 146	55543 800	67699 000	72839 100
The encouragement of structured community participation in the matters of the municipality							
Provision and maintenance of municipal services	752662 306	802791 241	847453 878	927889 720	1050116 134	1077441 566	1179161 281
Provision of democratic accountable and ethical governance	328011 317	347612 459	362831 131	360936 624	379688 491	393583 980	399096 066

IDP Strategic Objectives - Expenditure - Chart A15



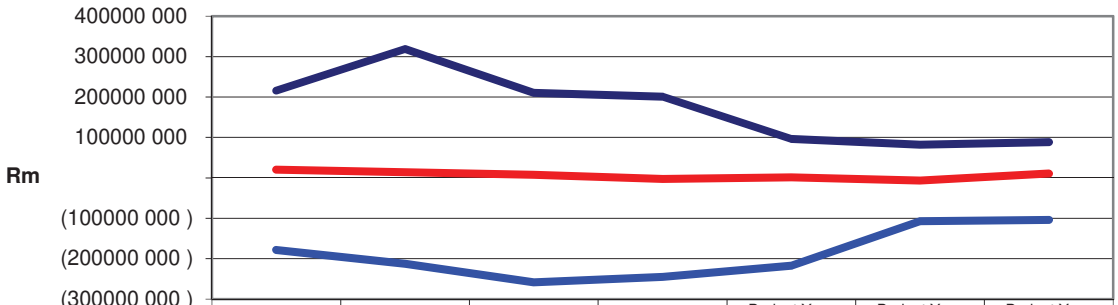
	2018/19 AUD	2019/20 AUD	2020/21 AUD	CY 21/22 ADJ	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
The promotion of tourism, economic and social development	166920 741	159573 785	204057 066	260493 017	280215 190	263564 922	250399 616
The creation and maintenance of a safe and healthy environment	141579 319	171527 316	161460 130	197488 329	202510 000	208684 000	218910 000
The encouragement of structured community participation in the matters of the municipality	1250 000	725 325	1382 484	1125 000			
Provision and maintenance of municipal services	576651 439	641935 415	696760 993	766056 563	817550 367	874214 533	949259 593
Provision of democratic accountable and ethical governance	222134 446	217320 017	257275 267	295754 981	315492 495	312935 787	324797 898

IDP Strategic Objectives - Capital Expenditure - Chart A16



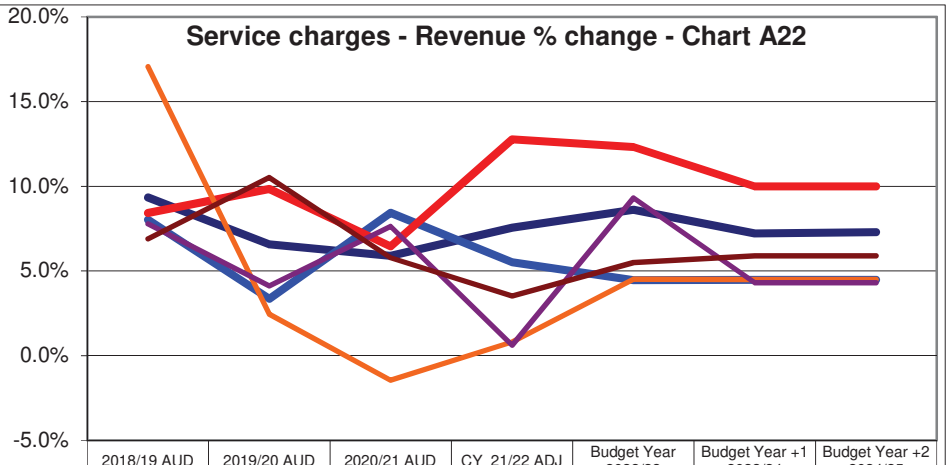
	2018/19 AUD	2019/20 AUD	2020/21 AUD	CY 21/22 ADJ	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
The promotion of tourism, economic and social development	47682 633	92618 406	78797 811	78075 879	51522 077	26230 000	12400 000
The creation and maintenance of a safe and healthy environment	33896 000	27005 000	47383 000	24897 000	6809 000	10868 000	13297 000
The encouragement of structured community participation in the matters of the municipality							
Provision and maintenance of municipal services	84872 082	87383 751	121565 459	133231 011	152601 921	65500 000	73314 000
Provision of democratic accountable and ethical governance	7231 365	4049 306	7053 916	3775 000	1875 000		

Cash flow trend - Chart A23



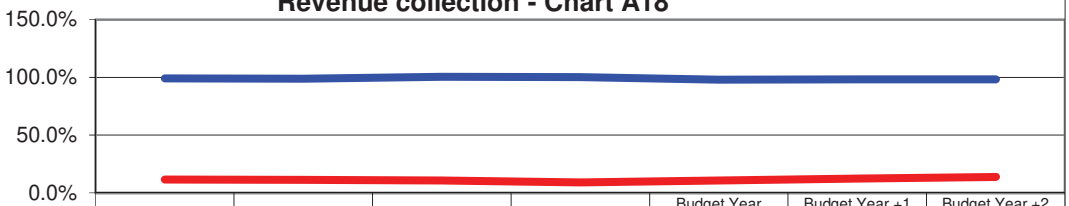
	2018/19 AUD	2019/20 AUD	2020/21 AUD	CY 21/22 ADJ	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Cash Flow - Op. Activities	215983 066	319090 598	210219 518	201184 166	96143 600	82030 144	88150 080
Cash Flow - Investing (used)	(178314 442)	(212740 373)	(258733 785)	(244948 659)	(217787 998)	(107578 000)	(103991 000)
Cash Flow - Financing	20551 553	14275 392	7423 747	(2645 960)	1376 512	(6592 401)	10761 321

Service charges - Revenue % change - Chart A22



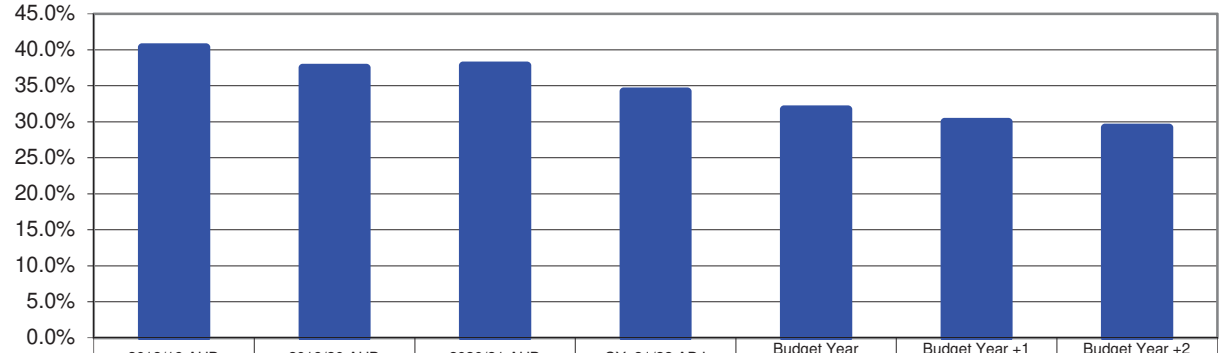
	2018/19 AUD	2019/20 AUD	2020/21 AUD	CY 21/22 ADJ	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
% incr total service charges (incl prop rates)	9.3%	6.6%	5.9%	7.5%	8.6%	7.2%	7.3%
% incr Property Tax	8.0%	3.4%	8.4%	5.5%	4.5%	4.5%	4.5%
% incr Service charges - electricity revenue	8.4%	9.8%	6.5%	12.8%	12.3%	10.0%	10.0%
% incr Service charges - water revenue	17.1%	2.4%	-1.4%	0.8%	4.5%	4.5%	4.5%
% incr Service charges - sanitation revenue	7.8%	4.1%	7.6%	0.6%	9.3%	4.3%	4.3%
% incr Service charges - refuse	6.9%	10.5%	5.8%	3.5%	5.5%	5.9%	5.9%

Revenue collection - Chart A18



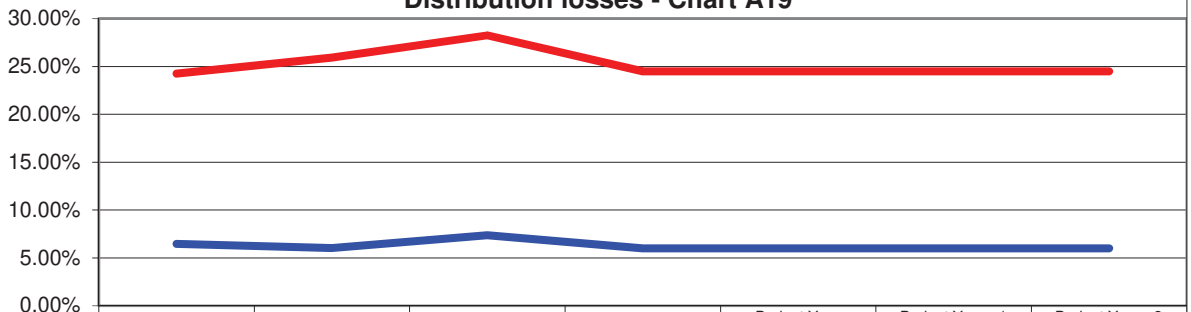
	2018/19 AUD	2019/20 AUD	2020/21 AUD	CY 21/22 ADJ	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Annual Debtors Collection	99.2%	98.8%	100.5%	100.3%	98.0%	98.3%	98.3%
O/S Debtors to Revenue	11.7%	11.3%	10.9%	9.1%	10.8%	12.5%	13.9%

Debt (borrowing as a % of total revenue collection) - Chart A17



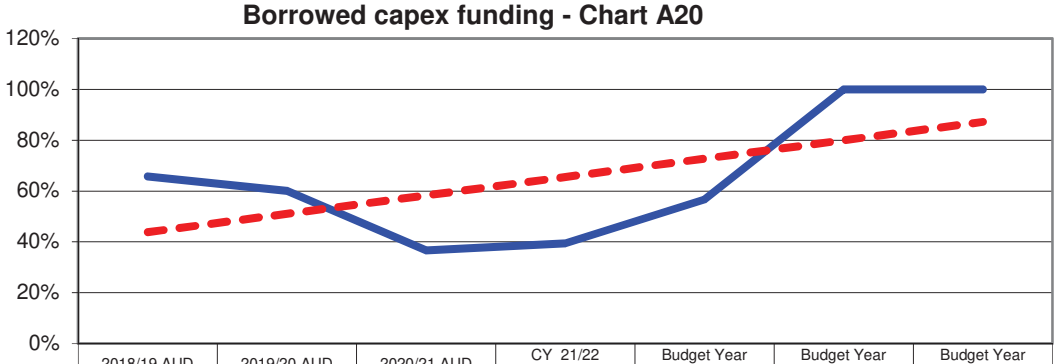
	2018/19 AUD	2019/20 AUD	2020/21 AUD	CY 21/22 ADJ	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Borrowing	40.4%	37.5%	37.8%	34.2%	31.7%	30.0%	29.2%

Distribution losses - Chart A19



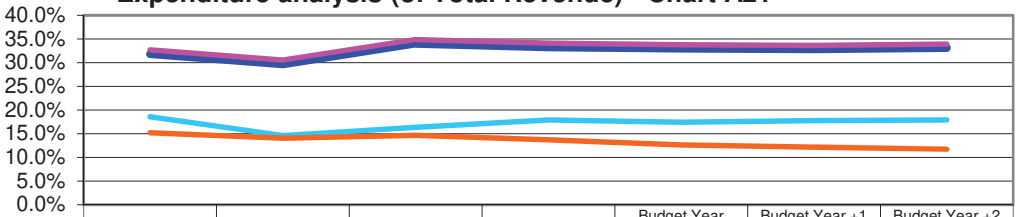
	2018/19 AUD	2019/20 AUD	2020/21 AUD	CY 21/22 ADJ	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Electricity	6.45%	6.02%	7.35%	6.00%	6.00%	6.00%	6.00%
Water	24.25%	25.91%	28.25%	24.50%	24.50%	24.50%	24.50%

Borrowed capex funding - Chart A20



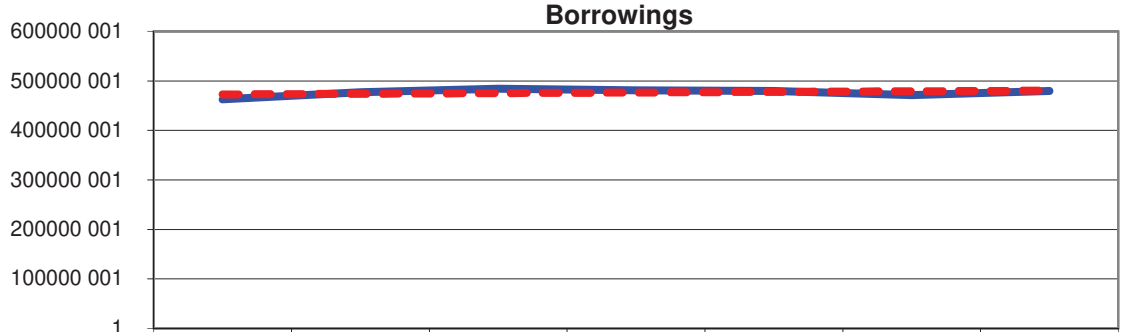
	2018/19 AUD	2019/20 AUD	2020/21 AUD	CY 21/22 ADJ	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Borrowed capex funding	66%	60%	37%	39%	57%	100%	100%

Expenditure analysis (of Total Revenue) - Chart A21

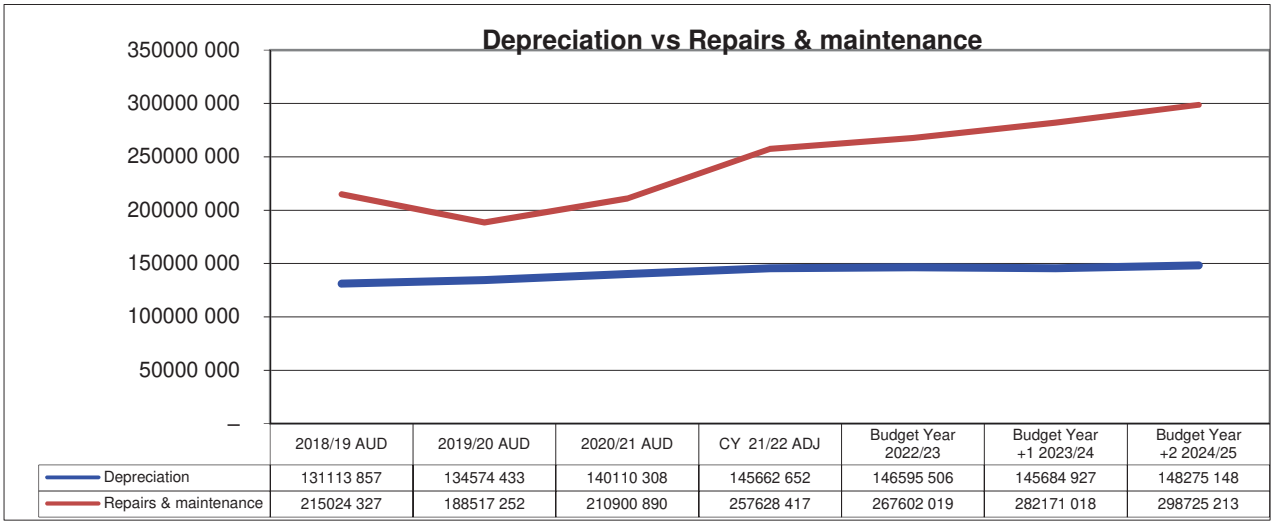


	2018/19 AUD	2019/20 AUD	2020/21 AUD	CY 21/22 ADJ	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Employee costs	31.8%	29.7%	34.0%	33.2%	33.0%	32.9%	33.1%
Remuneration	32.7%	30.6%	34.9%	34.1%	33.8%	33.7%	33.9%
Repairs & Maintenance	18.6%	14.6%	16.4%	17.9%	17.4%	17.7%	17.9%
Finance charges & Depreciation	15.2%	14.1%	14.7%	13.7%	12.7%	12.2%	11.7%

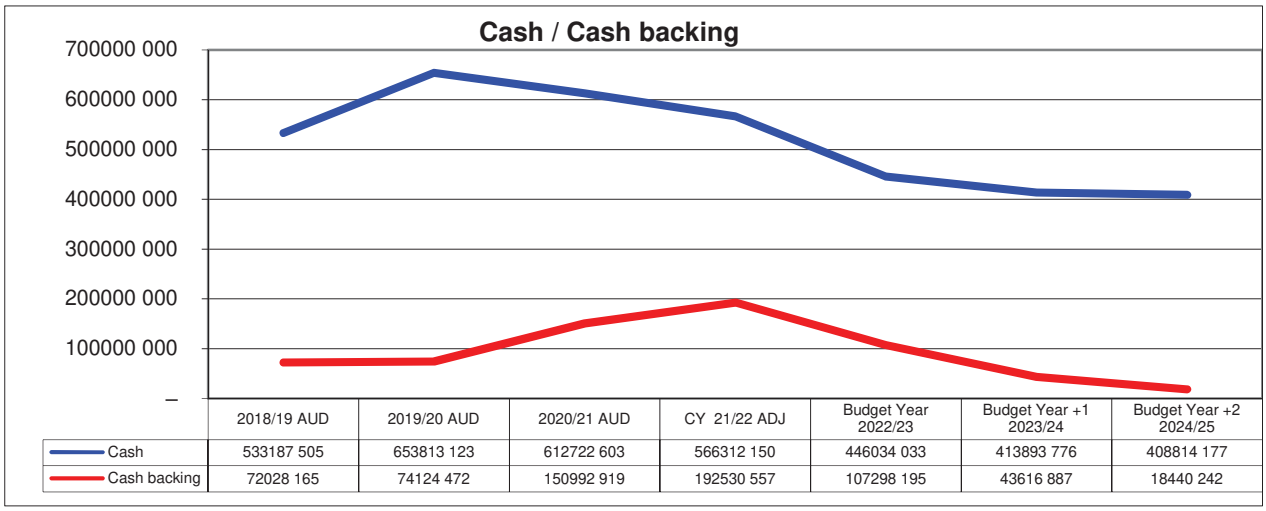
Borrowings



	2018/19 AUD	2019/20 AUD	2020/21 AUD	CY 21/22 ADJ	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Borrowings	462657 608	476933 000	484356 747	481057 758	479776 719	471184 318	479945 639



	2018/19 AUD	2019/20 AUD	2020/21 AUD	CY 21/22 ADJ	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Depreciation	131113 857	134574 433	140110 308	145662 652	146595 506	145684 927	148275 148
Repairs & maintenance	215024 327	188517 252	210900 890	257628 417	267602 019	282171 018	298725 213



	2018/19 AUD	2019/20 AUD	2020/21 AUD	CY 21/22 ADJ	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Cash	533187 505	653813 123	612722 603	566312 150	446034 033	413893 776	408814 177
Cash backing	72028 165	74124 472	150992 919	192530 557	107298 195	43616 887	18440 242

ANNEXURE C

RATES AND TARIFFS

RATES TARIFFS

Tariff Code	Detail	2022/2023		2021/2022		1.0590 / 1.0400
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
		R	R	R	R	
RATES	**YEAR OF GENERAL VALUATION: 02 JULY 2015**					
RATE1*	Commercial Land with Improvements	0.00994	0.00994	0.00939	0.00939	5.9000%
RATE2*	Residential Land with Improvements	0.00657	0.00657	0.00620	0.00620	5.9000%
	**** See attached schedule of Exemptions and Rebates applicable***					
RATE3	Municipal Properties: Investment Properties	Applicable tariff for Commercial or Residential	Applicable tariff for Commercial or Residential	Applicable tariff for Commercial or Residential	Applicable tariff for Commercial or Residential	
RATE4	Municipal Properties: Property, Plant and Equipment	0.00000	0.00000	0.00000	0.00000	
RATE6	Building Clause	Equals to tariff for rates on property	Equals to tariff for rates on property	Equals to tariff for rates on property	Equals to tariff for rates on property	
RATE7	Farm/Agriculture (Bona-fide)	0.00164	0.00164	0.00155	0.00155	5.9000%
RATE8	Undeveloped erven	0.00899	0.00899	0.00849	0.00849	5.9000%
RATE9	Government Properties: Commercial	0.00994	0.00994	0.00939	0.00939	5.9000%
RAT10	Government Properties: Residential	0.00657	0.00657	0.00620	0.00620	5.9000%
	Special Rating Areas					
RAT11	HSRA (Hermanus)	0.00066	0.00066	0.00063	0.00063	4.0000%
RAT12	KSRA (Kleinmond)	0.00052	0.00052	0.00050	0.00050	4.0000%
RAT13	OVSRA (Onrus-Vermont)	0.00036	0.00036	0.00035	0.00035	4.0000%

PLEASE NOTE: VAT IS LEVIED AT A RATE OF 0% ON ASSESSMENT RATES

ATTACHMENTS TO THE RATES TARIFF SCHEDULE

TARIFF CODE	CLASS TAX	TYPE OF PROPERTY	REBATE OR EXEMPTIONS
BUS	General Tax: Commercial	All business, industries, Bed and Breakfast and Guest Houses	NO exemptions Bed and Breakfast as well as Guesthouses can apply before 30 June for the following rebate on the difference between Bus and Res rate: 1 - 2 X lettable room : 100% 3 X lettable room : 75% 4 X lettable room : 50% 5 X lettable room : 25%
BUSO	General Tax: Tourism and Recreational Resorts outside the municipal service areas	Hotels, Guest Houses, Cottages, Caravan Parks and Holiday Resorts, Chalets	50% rebate on the tax applicable on commercial property in urban areas
RES	General Tax: Residential properties within the municipal service areas	Single residential properties, Group housing, Retirement villages, Flats, Sectional schemes, Small holdings not used for bona fide farming purposes	The first R15 000.00 of the rateable value of all residential properties is exempted from property tax as per the Municipal Propery Rates Act, Section 17 (1) h A further R35 000.00 of the rateable value is exempted in respect of all residential properties where a residential completion certificate has been issued An Additional rebate of 20% of the levy calculated on such properties is granted Rebate to qualifying property owners as indicated under "Other Retabe"
RESO	General Tax: Residential properties outside the municipal service area	Single residential properties, Group housing, Retirement villages, Flats, Sectional schemes	50% of the tax applicable on residential property in urban areas Rebate to qualifying property owners as indicated under "Other Retabe"
FARMS	General Tax: Farming properties	Small holdings used for bona fide farming purposes outside municipal service area	Agricultural purpose in relation to the use of a property, excludes the use of the property for the purpose of ecotourism or for the trading In or hunting game
FARMS	Conservation land	Privately owned properties whether designated or used for conservation purposes	Not rateable in terms of section 17(1)(e) of the Municipal Property Rates Act
	Other Rebates	Single residential properties, Group housing, Retirement villages, Flats, Sectional schemes	- Property zoned single residential must be occupied permantly by the applicant; - The applicant must be the registered owner; - Applicant may not be the registered owner of more than one property
PR100			* A rebate of 100% to approved applicant in terms of the Property Rates Policy, who's gross monthly household income may not exceed the amount of two times (2X) of state funded social pensions per month
PR050			* A rebate of 50% to approved applicants, in terms of the Property Rates Policy who are older than 60 with a gross monthly household income less than four times (4X) of state funded social pensions per month
PR040			* A rebate of 40% to approved applicants, in terms of the Property Rates Policy who are older than 60 with a gross monthly household income more than four times (4X) but less than eight times (8X) of state funded social pensions per month

EXEMPTIONS FROM PROPERTY RATES (Rates Policy)

Religious organisations	A property registered in the name of and used primarily as a place of public worship by a religious organization/community, including an official residence registered in the name of that organization/community which is occupied by an office bearer who officiates at services at that place of worship in terms of section 17(1)(i) of the MPRA
Health and welfare institutions	Properties used exclusively as a hospital, clinic, mental hospital, orphanage, non-profit retirement village, old age home or benevolent institution, including workshops used by the inmates, laundry or cafeteria facilities, provided that any profits from the use of the property are used entirely for the benefit of the institution and/or to charitable purposes within the boundaries of Overstrand Municipality
Private schools and Educational Institutions	Property used by registered private schools for educational purposes only
Charitable institutions	Properties belonging to not-for-gain institutions or organizations that perform charitable work
Sporting bodies	Property used by an organization whose sole purpose is to use the property for sporting purposes, for gain or not. Assistance to professional sporting organizations may differ from that afforded to amateur bodies. The rebate will be award **at the sole discretion of council on an annual basis**.
Agricultural societies	Property belonging to agricultural societies affiliated to the SA Agricultural Union used for the purposes of the society
Cutural institutions	Properties declared in terms of the Cultural Institutions Act, Act 29 of 1969 or the Cultural Institutions Act, Act 66 of 1989.
Museums, libraries, art galleries and botanical gardens	Registered in the name of private persons, open to the public and not operated for gain.
Youth development organisations	Property owned and/or used by organizations such as the Boy Scouts, Girls Guides, Voortrekkers or organizations the Council deems to be similar.
Animal protection	Property owned or used by institutions/organizations whose exclusive aim is to protect birds, reptiles and animals on a not-for-gain basis.

SUNDRY TARIFF LIST (ROUNDING APPLICABLE)

Tariff Code	Detail	2022/2023		2021/2022		1.045 / 1.045
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%	
		R	R	R	R	
S1	**BOAT LICENSE/PERMITS, LAUNCHING & ENTRANCE FEE**					
S1J	**Kleinbaai Boat Launching:**					
S1J1	On site Parking pm	1 019.13	1 172.00	1 019.13	1 172.00	0.00%
S1J2A	Category B1: Shark-view operators/whale-watching (Incl on-site parking) pa	42 756.52	49 170.00	42 756.52	49 170.00	0.00%
S1J2B	Category B2: Shark-view operators/whale-watching (excl on-site parking) pm	3 273.04	3 764.00	3 273.04	3 764.00	0.00%
S1J2C	Category B2: Shark-view operators/whale-watching (excl on-site parking) pa	32 633.91	37 529.00	32 633.91	37 529.00	0.00%
S1J4A	Kelp Collectors pm	4 088.70	4 702.00	4 088.70	4 702.00	0.00%
S1J4B	Kelp Collectors pa	40 793.91	46 913.00	40 793.91	46 913.00	0.00%
S1J4C	Kelp Collectors, Whale Watching and Shark Diving per launch	265.22	305.00	265.22	305.00	0.00%
S1J5	Oversize vessel	tariff + 50%	applicable vat	tariff + 50%	applicable vat	
S1J6A	Nature Conservation	no charge	no vat	no charge	no vat	
S1J6B	Support Service per month	774.78	891.00	774.78	891.00	0.00%
S1J6C	Support Service per launch	103.48	119.00	103.48	119.00	0.00%
S1J7A1	Recreational Fishing (Overstrand Consumers) Vessels < 7m pa	521.74	600.00	660.00	759.00	-20.95%
S1J7A1A	Recreational Fishing (Overstrand Consumers) Vessels < 7m from 01 July - 31 Dec	260.87	300.00	new	new	
S1J7A1B	Recreational Fishing (Overstrand Consumers) Vessels < 7m frrp, 01 January - 30 June	347.83	400.00	new	new	
S1J7A2	Recreational Fishing Vessels < 7m per Launch	65.22	75.00	77.39	89.00	-15.73%
S1J7A3	Recreational Fishing (Overstrand Consumers) Vessels > 7m pa	695.66	800.00	793.04	912.00	-12.28%
S1J7A4	Recreational Fishing Vessels > 7m per Launch	86.96	100.00	103.48	119.00	-15.96%
S1J7B1	Commercial Fishing (Overstrand Consumers) Vessels < 7m pa	695.65	800.00	720.00	828.00	-3.38%
S1J7B2	Commercial Fishing Vessels > 7m pa	869.57	1 000.00	953.91	1 097.00	-8.84%
S1J7B3	Commercial Fishing Vessels < 7m per launch	86.96	100.00	90.44	104.00	-3.84%
S1J7B4	Commercial Fishing Vessels > 7m per launch	104.35	120.00	115.65	133.00	-9.77%
S1J8A	Passenger Boats pm	1 521.74	1 750.00	1 633.04	1 878.00	-6.82%
S1J8B	Passenger Boats per launch	152.17	175.00	158.26	182.00	-3.85%
S1J9	Use of Tractor for Boat Launching per month	276.52	318.00	276.52	318.00	0.00%
S1J11	Formal Shop Rental / month	949.57	1 092.00	949.57	1 092.00	0.00%
S1J12	Informal Trader under cover rental / month	625.22	719.00	625.22	719.00	0.00%
S1M	**Kleinmond Slipway:**					
S1M1	Recreational Fishing (Overstrand Consumers) Vessels < 7m pa	689.57	793.00	660.00	759.00	4.48%
S1M1A	Recreational Fishing (Overstrand Consumers) Vessels < 7m from 01 July - 31 Dec	260.87	300.00	new	new	
S1M1B	Recreational Fishing (Overstrand Consumers) Vessels < 7m frrp, 01 January - 30 June	347.83	400.00	new	new	
S1M2	Recreational Fishing Vessels < 7m per Launch	65.22	75.00	77.39	89.00	-15.73%
S1M3	Recreational Fishing (Overstrand Consumers) Vessels > 7m pa	828.70	953.00	793.04	912.00	4.50%
S1M4	Recreational Fishing Vessels > 7m per Launch	107.83	124.00	103.48	119.00	4.20%
S1M5	Commercial Fishing (Overstrand Consumers) Vessels < 7m pa	695.65	800.00	720.00	828.00	-3.38%
S1M6	Commercial Fishing Vessels > 7m pa	996.52	1 146.00	953.91	1 097.00	4.47%
S1M7	Commercial Fishing Vessels < 7m per launch	94.78	109.00	90.44	104.00	4.80%
S1M8	Commercial Fishing Vessels > 7m per launch	113.04	130.00	107.83	124.00	4.83%

S1M9	Passenger Boats pm	1 706.96	1 963.00	1 633.04	1 878.00	4.53%
S1M10	Passenger Boats per launch	165.22	190.00	158.26	182.00	4.40%
S1T	**Registered Launching Sites managed by the Overstrand Municipality (08:00-16:00) (Western Cape December School Holiday and when declared by Council) EXCLUDING Buffeljahctsbaai, Blue Water Bay, Du Toit Street Site to the Kleinriver at Stanford.**					
S1T1	**Affiliated Members**					
S1T1A	Annually	240.87	277.00	240.87	277.00	0.00%
S1T1B	Monthly	144.35	166.00	144.35	166.00	0.00%
S1T1C	Weekly	72.17	83.00	72.17	83.00	0.00%
S1T1D	Daily	25.22	29.00	25.22	29.00	0.00%
S1T2	**Non- Affiliated Members**					
S1T2A	Annually	480.87	553.00	480.87	553.00	0.00%
S1T2B	Monthly	216.52	249.00	216.52	249.00	0.00%
S1T2C	Weekly	120.87	139.00	120.87	139.00	0.00%
S1T2D	Daily	37.39	43.00	37.39	43.00	0.00%
S2	**BUILDING CONTROL**					
S2A1	Building Plan Fees : Minor Building Works	275.65	317.00	263.48	303.00	4.62%
S2A2	Building Plan Fees : 0 up to 30 m² (Fixed fee)(S2A3 x 30)	1 043.40	1 199.91	991.20	1 139.88	5.27%
S2A3	Building Plan Fees : Greater than 30 m² up to 100 m² (R/m²)	34.78	40.00	33.04	38.00	5.27%
S2A4	Building Plan Fees : Greater than 100 m² up to 200 ²m (R/m²)	40.87	47.00	39.13	45.00	4.45%
S2A5	Building Plan Fees : Greater than 200 m² up to 300 m² (R/m²)	47.83	55.00	46.09	53.00	3.78%
S2A6	Building Plan Fees : Greater than 300 m² (R/m²)	53.04	61.00	50.44	58.00	5.17%
S2A7	Building Plan Fees : Government Subsidized Housing Schemes smaller than 80 m² (privatly constructed)	246.09	283.00	235.65	271.00	4.43%
S2A8	Building Plan Fees : New Government Subsidised Housing Schemes (Government constructed)	no charge	no vat	no charge	no vat	
S2A9	Building Plan Fees : Government Subsidized Housing Schemes (verandas < 15 m²)	no charge	no vat	no charge	no vat	
S2A10	Building Plan Fees : Agricultural buildings (excluding residential buildings) (R/m²)	22.61	26.00	21.74	25.00	4.00%
S2A11	Building Plan Fees : Industrial buildings (excluding offices)(R/m²)	22.61	26.00	21.74	25.00	4.00%
S2A12	Building Plan Fees : Government Buildings (School, etc) (R/m²)	no charge	no vat	no charge	no vat	
S2A13	Building plan Fees : Application for temporary structures (Wendy House,Stores,Containers,etc.)	612.17	704.00	586.09	674.00	4.45%
S2A14	Buildng Plan Fees : Application for temporary structures (Tents for events)	612.17	704.00	586.09	674.00	4.45%
S2B1	Plan Scrutiny Fees : 0 up to 200 m² (Fixed Fee)	612.17	704.00	586.09	674.00	4.45%
S2B2	Plan Scrutiny Fees : Greater than 200 m² (R/m²)	5.22	6.00	5.04	5.80	3.57%
S2C1	Demolition application	623.48	717.00	596.52	686.00	4.52%
S2D1	Re-inspection fees and Inspections on complaints, rates clearance etc.	351.30	404.00	336.52	387.00	4.39%
S2E1	Administration / Viewing Request, Filing retrieval and Copying of Plans	68.70	79.00	66.09	76.00	3.94%
S2F1	Plan validity extension	277.39	319.00	265.22	305.00	4.59%
S2G1	Heritage Investigation Minor Alterations (no additions)	551.30	634.00	527.83	607.00	4.45%
S2G2	Heritage Investigation add and alt smaller than 30 m² (2 X S2G1)	1 102.61	1 268.00	1 055.66	1 214.01	4.45%
S2G3	Heritage Investigation add and alt greater than 30 m² (2 X S2G2)	2 205.22	2 536.00	2 111.32	2 428.02	4.45%
S2H1	Signage : Application to errect a sign	612.17	704.00	586.09	674.00	4.45%
S2H2	Signage : Application fee for consent (S4.2.1)	539.13	620.00	515.65	593.00	4.55%
S2H3	Signage : Application fee for departure (S4.3.1)	539.13	620.00	515.65	593.00	4.55%
S2H4	Signage : Advertising Costs Local newspapers for departure application	4 248.70	4 886.00	4 066.09	4 676.00	4.49%

S3	**BUILDING CONTROL: PLAN PRINTING FEES**					
S3A1	Per sheet - Size A0 (Private copy)	72.17	83.00	68.70	79.00	5.06%
S3A2	Size A1 (Private copy)	56.52	65.00	53.91	62.00	4.84%
S3A3	Size A2 (Private copy)	41.74	48.00	40.00	46.00	4.35%
S3A4	Per sheet - Size A0 (Official copy)	56.52	65.00	53.91	62.00	4.84%
S3A5	- Size A1 (Official copy)	41.74	48.00	40.00	46.00	4.35%
S3A6	- Size A2 (Official copy)	28.70	33.00	27.83	32.00	3.11%
S3B1	Per sheet - Size A0 (Private copy) Colour	358.26	412.00	342.61	394.00	4.57%
S3B2	Size A1 (Private copy) Colour	273.91	315.00	261.74	301.00	4.65%
S3B3	Size A2 (Private copy) Colour	182.61	210.00	174.78	201.00	4.48%
S3B4	Per sheet - Size A0 (Official copy) Colour	182.61	210.00	174.78	201.00	4.48%
S3B5	- Size A1 (Official copy) Colour	136.52	157.00	130.44	150.00	4.67%
S3B6	- Size A2 (Official copy) Colour	92.17	106.00	87.83	101.00	4.94%
S5	**BUSINESS LICENSE**					
S5B1	Business Licence - Formal	875.65	1 007.00	838.26	964.00	4.46%
S5B2	Business Licence - Informal	313.91	361.00	300.00	345.00	4.64%
S5B3	Re-inspection Fee	172.17	198.00	164.35	189.00	4.76%
S5B4	Duplicate Licence Fee	172.17	198.00	164.35	189.00	4.76%
S5B5	**Liquor Licence per Calender year (January to December) or part there of**					
S5B5A	Application for extended Liquor (Trading Hours up to 2am), per annum	1 890.44	2 174.00	1 808.70	2 080.01	4.52%
S5B5B	Application for extended Liquor (Trading on Sunday) per annum ^^ (to be applicable according By-law)	1 890.44	2 174.00	1 808.70	2 080.01	4.52%
S15	**CEMETERY**					
	Residents (RES):					
S15A	**Plot Cost (Fixed)**					
Note	**Grave Depths** - Infill grave (between two existing graves) must have a soil coverage of not less than 1 meter; - Other single graves (not infill) must have a soil coverage of not less than 1.5 meters; - Double depht graves (in depth) must have a soil coverage of not less than 1 meters with a 300mm soil between the coffins; - Child grave must have a soil coverage of not less than 1 meter.					
Note	**Rebate for grave site: Applicable to Tariffs S15A1m S15A2, S15A4 & S15B1** Overstrand local household with gross household income per application of 0 - R4100 (Tariff 50% Discount; -Applications must be accompanied by sworn declaration of household income of the immediate family of the deceased.				-	
S15A1	All cemeteries - single grave	680.00	782.00	650.44	748.00	4.55%
S15A2	All cemeteries - Doubble graves - depth for two coffins	1 053.91	1 212.00	1 008.70	1 160.00	4.48%
S15A4	Children under 12years	510.44	587.00	488.70	562.00	4.45%
S15A5	Wall of Remembrance Fees	248.70	286.00	238.26	274.00	4.38%
S15A6	Overstrand Reginal Cemetary: COVID-19 related funerals	0.00	0.00	0.00	0.00	0.00%
S15B	**Indication of grave**					
S15B1	New graves (include inspection before and after funeral)	673.91	775.00	645.22	742.00	4.45%
S15B2	Existing graves	216.52	249.00	206.96	238.00	4.62%
S18	**COMMERCIAL FILMING/PHOTOGRAPHING (Tariff of 50% less charged, when compliant to pre-determined criteria)**					
S18A	Large per day or part thereof ≥ 50 people	16 091.30	18 505.00	15 398.26	17 708.00	4.50%

S18B	Small per day or part thereof more than 10 but < 50 people	7 826.09	9 000.00	5 400.87	6 211.00	44.90%
S18C	Small per day or part thereof ≤ 10 people	4 347.83	5 000.00	1 549.57	1 782.00	180.58%
S18D	Application Fee per application	1 817.39	2 090.00	1 739.13	2 000.00	4.50%
S18F	**Addition to Shoot**					
S18F1	Animals (per animal per day or part of a day)	201.74	232.00	193.04	222.00	4.51%
S18F2	Area required for production and catering (per m² per day or part of a day)	46.09	53.00	44.35	51.00	3.92%
S18F3	Cancellation Fee (per application at full permit fee)	15% of Fee	applicable vat	15% of Fee	applicable vat	
S18F4	Enviromental Control Officer: Fees per hour or part thereof	472.17	543.00	452.17	520.00	4.42%
S18F5	Vehicles off Public Roads per Parking Bay (per vehicle per day/part of a day)	169.57	195.00	162.61	187.00	4.28%
S20	**CREDIT CONTROL AND DEBT COLLECTION**					
S20A1	Admin fee on arrear accounts Notices	226.09	260.00	226.09	260.00	0.00%
S20A2	Admin fee on 24 hour Notices - Bulk users	226.09	260.00	226.09	260.00	0.00%
S20B	Admin fee on arrear accounts Disconnection and Reconnection Fee	530.44	610.00	530.44	610.00	0.00%
S20C	SMS admin fee on arrear accounts Notices	17.39	20.00	17.39	20.00	0.00%
S23	**FIRE SERVICES & DISASTER MANAGEMENT**					
S23A	Plot Clearing	Actual Cost + R1 222.86 admin. Fee	applicable vat	Actual Cost + R1 170.20 admin. Fee	applicable vat	4.50%
S23B	Re-inspection Fee under By-law	182.61	210.00	174.78	201.00	4.48%
S23C	**Extinghuising of Fires**					
S23C1	Extinguishing of structural fires per hour or part thereof per incident	R2 069.27 + add cost incurred	applicable vat	R1 980.16 + add cost incurred	applicable vat	4.50%
S23C2	Extinguishing of structural fires - indigent households	no charge	no vat	no charge	no vat	
S23C3	Control and Extinguishing of Veld fires payable by registered owner if fire had its sole origin on said owner's property: per hour or part thereof, excluding goFPA Members	R616.13 + add cost incurred	applicable vat	R587.60 + add cost incurred	applicable vat	4.50%
S23C4	Extinguishing of vehicle/equipment fires per hour or part thereof	R526.01 + add cost incurred	applicable vat	R503.36 + add cost incurred	applicable vat	4.50%
S23C5	Assistance at motor vehcile accidents and rescues	no charge	no vat	no charge	no vat	
S23D	**Standby at fire scene**					
S23D1	Per hour or part thereof for vehicle and fire fighters excluding goFPA members	690.44	794.00	660.87	760.00	4.47%
S23E	**Fire Prevention Inspections**					
S23E1	Tank installation - per tank	390.44	449.00	373.91	430.00	4.42%
S23E2	LP Gas - per installation 48Kg and more incl bulk tanks	390.44	449.00	373.91	430.00	4.42%
S23F	**Fire Safety (excluding municipal buildings)**					
S23F1	1st compliance inspection per 20 minutes	159.13	183.00	152.17	175.00	4.57%
S23F2	2nd and continuing compliance inspection per 20 minutes	159.13	183.00	152.17	175.00	4.57%
S23F3	Rates Clearance Inspection	211.30	243.00	202.61	233.00	4.29%
S23F5	Fire Compliance Certificate excluding goFPA members	526.96	606.00	504.35	580.00	4.48%
S23G	**Events**					
S23G1	Inspection of location and issuing of Population Certificate	260.87	300.00	249.57	287.00	4.53%
S23G2	Standby at event per event per day or part thereof for vehicle and fire fighters	1 300.87	1 496.00	1 245.22	1 432.00	4.47%
S23H	**Burn Permits**					
S23H1	Burn Permit Inspection	326.09	375.00	312.17	359.00	4.46%
S23J	**Special Services**					
S23J1	Ad hoc services	709.57	816.00	679.13	781.00	4.48%

S23J2	Water Supply per hour, excluding water tariff as set out in the water tariff structure	709.57	816.00	679.13	781.00	4.48%
S25	**LAW ENFORCEMENT**					
S25B	**Impoundment of Abanded or Obstructing items**					
S25B1	Per Impoundment	776.52	893.00	new	new	
S25B2	Storage Fee per day	206.96	238.00	new	new	
S25C	**Impoundment of Informal Traders (Hawkers) Goods**					
S25C1	Per Impoundment	776.52	893.00	743.48	855.00	4.44%
S25C2	Removal of illegal structure per structure	3 186.09	3 664.00	3 048.70	3 506.00	4.51%
S25C3	Storage Fee per day	206.96	238.00	198.26	228.00	4.39%
S25D	**Pound fee: Dogs and Cats**					
S25D1	Impoundment of Dogs and Cats per animal	85.22	98.00	81.74	94.00	4.26%
S25D2	Pound fee: from day 2 per day per animal	53.91	62.00	51.30	59.00	5.09%
S25E	**Pound fee: Other Animals (not listed here)**					
S25E1	Impoundment fee per week per animal	834.78	960.00	799.13	919.00	4.46%
S25F	**Pound fee: Horses**					
S25F1	Impoundment of Horses per animal	842.61	969.00	806.09	927.00	4.53%
S25F2	Pound fee: per day per animal	211.30	243.00	202.61	233.00	4.29%
S25G	**Pound fee: Sheep and Goats**					
S25G1	Impoundment of Sheep and Goats per animal	211.30	243.00	202.61	233.00	4.29%
S25G2	Pound fee: per day per animal	106.09	122.00	101.74	117.00	4.28%
S25H	**Pound fee: Cattle**					
S25H1	Impoundment of Cattle per animal	842.61	969.00	806.09	927.00	4.53%
S25H2	Pound fee: per day per animal	159.13	183.00	152.17	175.00	4.57%
S25I	**Pound fee: Pigs**					
S25I1	Impoundment of Pigs per animal	421.74	485.00	403.48	464.00	4.53%
S25I2	Pound fee: per day per animal	159.13	183.00	152.17	175.00	4.57%
S25J	**Pound fee: Poultry**					
S25J1	Impoundment of Poultry per animal	106.09	122.00	101.74	117.00	4.28%
S25J2	Pound fee: per day per animal	21.74	25.00	20.87	24.00	4.17%
S25K	**Pound fee: Shopping Trolley**					
S25K1	Impoundment of Shopping Trolley per trolley	472.17	543.00	452.17	520.00	4.42%
S25P	**Bylaw on Outdoor Advertising**					
S25P1	Impoundment of illegal Advertising/Agent boards (per board) - small <2400cm²	85.22	98.00	81.74	94.00	4.26%
S25P2	Impoundment of illegal Advertising/Agent boards (per board) - large >2400cm²	836.52	962.00	800.87	921.00	4.45%
S25R	**Business & Other Events**					
S25R1	Per officer per hour or part thereof - Mon - Sat	531.30	611.00	new	new	
S25R2	Per officer per hour or part thereof - Sundays and public Holidays	607.83	699.00	new	new	
S25R3	Administrative fee for provision of officers - per application	145.22	167.00	new	new	
S28	**LIBRARY**					
S28A1	Copies: A3 / page	3.48	4.00	4.52	5.20	-23.01%
S28A3	Copies: A3 page Colour	5.22	6.00	8.17	9.40	-36.11%
S28A5	Copies: A4/page (Library content only)	0.87	1.00	0.87	1.00	0.00%
S28A6	Copies: A4/page (Non-Library content)	1.74	2.00	1.91	2.20	-8.90%
S28A7	Copies: A4 page Colour	3.48	4.00	5.48	6.30	-36.50%

S28B1	Deposit to person/s non-residents - Fiction & Non-Fiction	450.00	no vat	452.00	no vat	-0.44%
~~S28C1~~	~~Fax per page - excluding 0865/6 numbers~~	~~0.00~~	~~0.00~~	5.48	6.30	~~-100.00%~~
~~S28C2~~	~~Fax per page - 0865/6 numbers~~	~~0.00~~	~~0.00~~	9.04	10.40	~~-100.00%~~
S28D1	Lost Cards: Laminated (R/card) first time	17.39	20.00	27.83	32.00	-37.51%
S28D1A	Lost Cards: Laminated (R/card)(subsequent lost card)	34.78	40.00	57.39	66.00	-39.40%
S28D2	Laminated Cost A3	4.35	5.00	6.96	8.00	-37.50%
S28D3	Laminated Cost A4	3.48	4.00	4.35	5.00	-20.00%
S28E1	Penalty per book per week	2.00	no vat	3.00	no vat	-33.33%
S28E2	Penalty per record/CD per week	2.00	no vat	3.00	no vat	-33.33%
S28E3	Penalty per video/DVD per day	2.00	no vat	5.00	no vat	-60.00%
S28F1	Scanning of Document - Black & White	0.87	1.00	22.61	26.00	-96.15%
S28F2	Scanning of Document - Colour	1.74	2.00	24.35	28.00	-92.85%
S28G1	Special Requests - Hold per Book	6.09	7.00	6.09	7.00	0.00%
S28G2	Special Requests - ILL per Book	13.04	15.00	13.04	15.00	0.00%
S28H1	Subscriptions/ reader - Adults (Non residents)	170.44	196.00	170.44	196.00	0.00%
S28H2	Subscriptions/ reader - Children (Non residents)	107.83	124.00	107.83	124.00	0.00%
S28H3	Subscriptions/ reader - Family max 5 (Non residents)	420.00	483.00	420.00	483.00	0.00%
~~S28K~~	~~Visitor's fee - Handling charge / item~~	~~0.00~~	~~0.00~~	14.78	17.00	-100.00%
S28L1	Hire of Library Hall per Hour - Fundraising event	165.22	190.00	165.22	190.00	0.00%
S28L2	Hire of Library Hall per Hour - NON- Fundraising event	30.44	35.00	32.17	37.00	-5.39%
S28M1	Minor Damage to book (per book)	26.09	30.00	32.17	37.00	-18.90%
S28M2	Damage or lost library material	As per System Price Rounded	applicable vat	As per System Price Rounded	applicable vat	
~~S32~~	~~PARKING FEE~~					
	~~Metered parking (excluding public holidays)~~					
~~S32P~~	~~Parking Monthly Permit per vehicle~~	~~0.00~~	~~0.00~~	302.61	348.00	-100.00%
~~S32R~~	~~0 - 30 minutes or part thereof - Monday to Friday 08:30 - 16:30 and Saterday 08:30 - 14:00)~~	~~no charge~~	~~no vat~~	no charge	no vat	0.00%
~~S32S~~	~~There after per Hour or part thereof (Monday to Friday : 08:30 - 16:30)~~	~~0.00~~	~~0.00~~	4.35	5.00	-100.00%
~~S32T~~	~~There after per Hour or part thereof Saturday (08:30 - 14:00)~~	~~0.00~~	~~0.00~~	4.35	5.00	-100.00%
S33	**OPERATIONAL COST**					
S33A	Application fee for Installation of Street Signage (brown direction boards)	cost + 15%	applicable vat	cost + 15%	applicable vat	
S34	**PROPERTY ADMINISTRATION**					
S34A	**Application**					
S34A1	Lease or purchase of/or encroachment on municipal land (excluding Sport Facilities/Stalls and organs of state)	2 608.70	3 000.00	2 608.70	3 000.00	0.00%
S34A2	Lease or purchase of municipal land - Social Care Institutions / Registered Organisations / NPO's / PBO's/Community organisations	600.00	690.00	600.00	690.00	0.00%
S34A3	Tempory lease of municipal land for the storage of building materials next to building sites	600.00	690.00	600.00	690.00	0.00%
S34C	**Encroachment Fee:**					
S34C1	Encroachments of Veranda, Balcony, Sign, Signboards or similar structure over/onto municipal land (per annum)	521.74	600.00	499.50	574.43	4.45%
S34C2	Encroachments onto municipal land where a lease is not applicable (per annum)	521.74	600.00	499.50	574.43	4.45%

S34C3	Enclosure or exclusive use of portions of the Commonage, Public Open Spaces, Road Reserves or Public Thoroughfares for gardening purposes where a lease is not applicable (per m² per month)	15.04	17.30	14.40	16.56	4.50%
S34G	**Leases**					
S34G1	Tempory use (<12months) of municipal land for general purposes (per m² per month)	6.09	7.00	5.74	6.60	6.10%
S34G2	Lease of municipal land for outdoor seating adjoining a Restaurant (per m² per month)	33.91	39.00	32.61	37.50	3.99%
S34G3	Lease of municipal land to Social Care Institutions / Registered Organisations / NPO's/ PBO's/ Sport facilities/Community organisations (per month)	167.83	193.00	160.87	185.00	4.33%
~~S34G4~~	~~Lease of stalls/containers on municipal land for informal trading (full stall/container) (per month)~~	~~203.55~~	~~234.08~~	194.78	224.00	~~4.50%~~
~~S34G5~~	~~Lease of stalls/containers on municipal land for informal trading (half a stall/container) (per month)~~	~~101.77~~	~~117.04~~	97.39	112.00	~~4.50%~~
S34G6	Lease of municipal land for the displaying of vehicles (per m² per month)	6.35	7.30	6.09	7.00	4.27%
S34H	**Radio Mast**					
S34H1	Equipment on municipal mast - per month per mast	2 307.83	2 654.00	2 208.70	2 540.00	4.49%
S34H2	Space in building adjacent to the mast (per m² per month)	607.83	699.00	581.74	669.00	4.48%
S34H3	Space outside the building adjacent to the mast (per m² per month)	305.22	351.00	292.17	336.00	4.47%
S34H4	Lease of municipal land with a mast on or for the erection of a new mast (per m² per month)	77.39	89.00	73.91	85.00	4.71%
S34J	**Memorial Benches**					
S34J1	Application for a new memorial bench on municipal land	3 794.78	4 364.00	3 631.30	4 176.00	4.50%
S34J2	Fee for a memorial bench on municipal land (per annum)	305.22	351.00	292.17	336.00	4.47%
S36	**PROPERTY INFORMATION**					
S36A1	Clearance Certificate (R/certificate) - ELECTRONIC	115.65	133.00	110.44	127.00	4.72%
S36A2	Clearance Certificate (R/certificate) - MANUAL	351.30	404.00	336.52	387.00	4.39%
S36B1	Deeds office registrations with sales information (R/100 erven or part)	152.17	175.00	145.22	167.00	4.79%
S36B2	Deeds office registrations with sales information (R/erf)	40.00	46.00	38.26	44.00	4.55%
S36C	Extract from the Valuation Roll (R/page)	13.04	15.00	12.35	14.20	5.59%
S36F	Revaluation fee	2 171.30	2 497.00	2 077.39	2 389.00	4.52%
S36G1	Valuation Certificate (R/certificate) - ELECTRONIC	53.91	62.00	51.30	59.00	5.09%
S36G2	Valuation Certificate (R/certificate) - MANUAL	182.61	210.00	174.78	201.00	4.48%
S36H	Access of valuation roll Information on CD	415.65	478.00	397.39	457.00	4.59%
S40	**RENTAL: COMMUNITY HALLS**					
S40.1	All events hosted where the municipal council or administration is the official host	free of charge	no vat	free of charge	no vat	
S40.3	Elections by the Electoral Commission	as per IEC policy	applicable vat	as per IEC policy	applicable vat	
S40.4	Events of Government Departments directly in interest of community	free of charge	no vat	free of charge	no vat	
S40A	**Auditorium & Banqueting Hall**					
S40A1	Deposit for all functions (refundable) - excluding meetings	2 065.00	no vat	1 976.00	no vat	4.50%
S40A2	Hire of Auditorium and Banqueting Hall per Hour or part of a hour	726.09	835.00	694.78	799.00	4.51%
S40A3	Hire of Auditorium per Hour or part of a hour	424.35	488.00	406.09	467.00	4.50%
S40A4	Hire of Banqueting Hall per Hour or part of a hour	424.35	488.00	406.09	467.00	4.50%

Note	Hiring of Kitchen (Banqueting Hall & Auditorium) used for the serving of food only is included in the hiring fee mentioned above as this facility forms an integral part of the building and cannot be separated there from.					
S40A5	Non-fundraising events for Schools, other training institutions and sport & recreation per day	551.30	634.00	527.83	607.00	4.45%
S40A6	Piano per event	Actual Tuning Cost	applicable vat	Actual Tuning Cost	applicable vat	
S40A7	Sound and/or Ligthing Equipment per event per hour	115.65	133.00	110.44	127.00	4.72%
S40A8	Use of Kitchen per day	759.13	873.00	726.09	835.00	4.55%
S40A9	Hire of Glasses or Cups, Sauers and teaspoons per event	222.61	256.00	213.04	245.00	4.49%
S40A10	Local NGO's and CBO's per hour per venue - all events	237.39	273.00	226.96	261.00	4.60%
S40A12	Preparation for event - per hour	150.44	173.00	144.35	166.00	4.22%
S40A13	Meetings: Government departments (private meetings), NGO's and CBO's from outside the municipal area, per hour (Banquet hall)	334.78	385.00	320.00	368.00	4.62%
S40A14	Meetings: Local CBO's & NGO's per hour (Banquet hall only)	32.17	37.00	30.87	35.50	4.21%
S40A15	Weddings, Birthdays and Special Occasions per day (including the Kitchen)	2 106.09	2 422.00	2 015.65	2 318.00	4.49%
S40A16	Festivals/Exhibitions/Events per day (max 14 days). Both venues, excluding extras - more than 14 days refer to general tariffs	726.09	835.00	694.78	799.00	4.51%
S40C	**Rental Units - Kleinmond**					
S40C1	Hire per room per month	51.30	59.00	48.87	56.20	4.97%
S40E	**Baardskeerdersbos / Betty's Bay / Blompark / Buffelsjags /Eluxolweni/Fernkloof Hall /Hawston Abalone *Hall* /Kleinmond Youth Centre / Kleinmond Club House / Masakane / Moffat Hall / Mooiuitsig / Overhills / Pringle Bay / Proteadorp / Stanford / Stanford Committee Room / Zwelihle**					
S40E4	Fundraising: (Karaoke) Per daytime *or* evening	334.78	385.00	320.00	368.00	4.62%
S40E5	Funeral Tea (three hours)	138.26	159.00	132.17	152.00	4.61%
S40E6	Local CBO's of vulnerable groups: one booking allowed 24 hours in advance of a social gathering to be scheduled only on week days between 08:00 - 16:30	no charge	no vat	no charge	no vat	
S40E7	Non-fundraising events for Schools, other training institutions and sport & recreation	277.39	319.00	265.22	305.00	4.59%
S40E8	Meetings: Local CBO's and NGO's per hour - Meetings free of charge for Hawston Local Organisation for the Elderly	32.17	37.00	30.87	35.50	4.21%
S40E9	Non-fundraising (parties) Per daytime *or* evening	167.83	193.00	160.87	185.00	4.33%
S40E10	Use of Kitchen - Fundraising events per event	305.22	351.00	292.17	336.00	4.47%
S40E11	Use of Kitchen - Non Fundraising	305.22	351.00	292.17	336.00	4.47%
Note	**Daytime = 07:00 - 17:00 // Evening = 18:00 - 24:00 (Charge seperately)**					
S40J	**Kleinmond Civic Center Hall, & Hawston Thusong Centre**					
S40J1	Deposit: (refundable) Government Imbizos & Government Meetings.	602.00	no vat	576.00	no vat	4.51%
S40J2	Deposit (refundable): Hawston Thusong Centre	1 087.00	no vat	1 040.00	no vat	4.52%
S40J3	Fundraising: Karaoke, Disco, competitions, etc. per daytime or evening	759.13	873.00	726.09	835.00	4.55%
S40J4	Church Services per day	105.22	121.00	100.87	116.00	4.31%
S40J5	Funeral Tea (three hours)	138.26	159.00	132.17	152.00	4.61%
S40J6	Government Imbizos (per day)	2 339.13	2 690.00	2 238.26	2 574.00	4.51%
S40J7	Non-fundraising events for Schools, other training institutions and sport & recreation	277.39	319.00	265.22	305.00	4.59%
S40J8	Meetings: Government Departments (private meetings) & CBO's outside Municipal area per hour	334.78	385.00	320.00	368.00	4.62%
S40J9	Meetings: Local CBO's, NGO's, Non-fund-raising indoor sports per hour (only large groups > 30) - (No Deposits)	32.17	37.00	30.87	35.50	4.21%

S40J10	Preparation for event - per hour	79.13	91.00	75.65	87.00	4.60%
S40J11	Non-fundraising: Parties, weddings, indoor sports, etc. per daytime or evening	380.00	437.00	363.48	418.00	4.54%
S40J12	Tariff for events continuing after midnight (24h00) per hour	233.04	268.00	222.61	256.00	4.69%
S40J13	Sound OR Ligthing Equipment per event (each item) per hour	116.52	134.00	111.30	128.00	4.69%
S40J14	Use of kitchen (per event per day)	366.09	421.00	350.44	403.00	4.47%
S40J15	Use of kitchen for water jugs and glasses or tea cups & sauces (per event per day)	53.04	61.00	50.44	58.00	5.17%
Note	**Daytime = 07:00 - 17:00 // Evening = 18:00 - 24:00 (Charge seperately)**					
S43	**RENTAL: INFORMAL TRADERS' (HAWKERS') STALLS, OPEN SPACES & BEACHES (applicable Overstrand Wide)**					
S43A	**CBD**					
S43A1	All open stalls per day (demarcated area)(excluding Western Cape December Holiday plus Easter Weekend)	32.17	37.00	30.87	35.50	4.21%
S43A2	Open Stalls per day (Western Cape December Holiday plus Easter Weekend)	46.96	54.00	45.22	52.00	3.85%
S43B	**Outside the CBD**					
S43B1	Open Stalls Rental ~~-Western Cape December Holiday plus Easter Weekend / pm~~ December - January pm	104.35	120.00	100.00	115.00	4.35%
S43B2	Open Stalls Rental - ~~excluding Western Cape December Holiday plus Easter Weekend / pm~~ February to November pm	44.35	51.00	42.61	49.00	4.08%
S43D	**Public Open Space**					
S43D1	Car Park - Private Car Sales per day (demarcated areas)	41.74	48.00	40.00	46.00	4.35%
S43D2	Funfair, Circus etc per day	987.83	1 136.00	945.22	1 087.00	4.51%
S43D3	Welfare, churches, non-profit organizations	no charge	no vat	no charge	no vat	
S43D4	Sport Events per day	4 477.39	5 149.00	4 284.35	4 927.00	4.51%
S43F	**Beaches**					
S43F1	Beach Rentals - per day (Private functions)	1 442.61	1 659.00	1 380.87	1 588.00	4.47%
S43F2	Rental December to January pm	260.87	300.00	new	new	
S43F3	Rental February to November pm	86.96	100.00	new	new	
S43G	**Leases**					
S43G4	Lease of stalls/containers on municipal land for informal trading (full stall/container) (per month)	203.48	234.00	194.78	224.00	4.47%
S43G5	Lease of stalls/containers on municipal land for informal trading (half a stall/container) (per month)	84.35	97.00	80.87	93.00	4.30%
S46	**RENTAL: OFFICE**					
S46A	Rental for office space (Hermanus Administration) (per m² per month)	138.26	159.00	132.17	152.00	4.61%
S46A1	Rental for office space (Gansbaai, Stanford & Kleinmond Administrations) (per m² per month)	68.70	79.00	66.09	76.00	3.94%
S46A2	Rental for office space to NGO's/NPO's/Government Departments/State Owned Enterprises irrespective of area (per m² per month)	41.74	48.00	40.00	46.00	4.35%
S46B	Rental for office space - Local Council Functions	no charge	no vat	no charge	no vat	
S48	**RENTAL: SPORT FACILITIES**					
S48A	**Spaces for Sport - Gansbaai / Hawston / Kleinmond / Mount Pleasant / Overhills / Stanford / Zwelihle**					
S48A1	Club House - per hour (private events)	190.44	219.00	182.61	210.00	4.29%
S48A2	Club House - Sport events hosted by Overstrand Sport and Recreation structures per 2 hours or part thereof	46.96	54.00	45.22	52.00	3.85%
S48A3	Club House - Sport Event hosted by non Overstrand Sport and Recreation structures - per hour	95.65	110.00	91.30	105.00	4.76%
S48A4	Sport grounds -Per event hosted by non Overstrand Sport and Recreation structures	1 876.52	2 158.00	1 795.65	2 065.00	4.50%

S48A6	Sport grounds - Functions/Events (excluding departmental events)	1 035.65	1 191.00	991.30	1 140.00	4.47%
S48A8	Change Rooms - Sport events hosted by Overstrand Sport and Recreation Structures	no charge	no charge	no charge	no charge	
Note	**Sportgrounds refer to playing surfaces**					
S49	**RENTAL: VACANT SERVICED ERVEN FOR LOW COST HOUSING**					
S49A	Wetcore Stands (Social Housing) - rent per month	39.13	45.00	37.39	43.00	4.65%
S50	**SCHUSS HOUSES KLEINMOND (Meerenvlei)**					
S50A	Rental per unit per month	1 124.35	1 293.00	1 075.65	1 237.00	4.53%
S55	**SUNDRY**					
S55A	Access to Information as per Act (2 of 2000) - Tariffs	As Stipulated in the Act	applicable vat	As Stipulated in the Act	applicable vat	
S55B1	Administration Cost - RD ACB	actual cost + R52.00	applicable vat	actual cost + R52.00	applicable vat	0.00%
S55B2	Administration Cost - RD cheques, Post Dated Cheques	actual cost + R52.00	applicable vat	actual cost + R52.00	applicable vat	0.00%
S55B3	Administration Cost - Trace of Direct Deposit	actual cost + R106.00	applicable vat	actual cost + R106.00	applicable vat	0.00%
S55D1	Copies: A3 page	4.70	5.40	4.52	5.20	3.87%
S55D2	Copies: A3 page Colour	8.52	9.80	8.17	9.40	4.28%
S55D3	Copies: A4 page	2.00	2.30	1.91	2.20	4.50%
S55D4	Copies: A4 page Colour	5.74	6.60	5.48	6.30	4.74%
S55E	Foreign Bank Cost	actual cost	applicable vat	actual cost	applicable vat	
S55F1	Fax per page - excluding 0865/6 numbers	5.74	6.60	5.48	6.30	4.74%
S55F2	Fax per page - 0865/6 numbers	9.48	10.90	9.04	10.40	4.87%
S55G1	Interest on accounts in arrear	prime + 4%	no vat	prime + 4%	no vat	
S55G2	Placard / Poster Deposit for Elections	5 193.65	no vat	4 970.00	no vat	4.50%
S55G4	Placard / Poster Deposit for Political Parties	5 193.65	no vat	4 970.00	no vat	4.50%
S55H	Placard / Poster each	19.04	21.90	18.26	21.00	4.27%
S55I	Multiple Duplicate Consumer Accounts per request ~~Duplicate Account~~	9.04	10.40	9.04	10.40	0.00%
S55I1	Duplicate PayDay pay slip	9.04	10.40	9.04	10.40	0.00%
S55J	Section 62 of local Government: Systems Act: appeal deposit (refundable if appeal is upheld)	1 800.00	no vat	1 800.00	no vat	0.00%
S55K1A	Tender objection deposit (refundable if appeal is upheld)	1 800.00	no vat	3 365.00	no vat	-46.51%
S55K1B	Tender objection deposit (partially upheld -50% refundable)	1 675.00	no vat	1 675.00	no vat	0.00%
S55K2	Tender documentation Fee: (less than 50 pages)	34.78	40.00	34.78	40.00	0.00%
S55K3	Tender documentation Fee: (more than 51 pages less than 200 pages)	182.61	210.00	182.61	210.00	0.00%
S55K4	Tender documentation Fee: (more than 200 pages)	391.30	450.00	391.30	450.00	0.00%
S55K5	Tender documentation Fee (Consultant/CIDB)	695.65	800.00	695.65	800.00	
S55L	Advertising Signs Auctioneers per 14days	563.48	648.00	539.13	620.00	4.52%
S55K1	Laminated Cost A3	7.30	8.40	6.96	8.00	4.89%
S55K2	Laminated Cost A4	4.52	5.20	4.35	5.00	3.91%
S60	**SWIMMING POOL**					
S60A	**Daily Tariffs (01 December - 31 March & Easter Weekend & Events approved by the Administration)**					
S60A1	Persons older than 12years of age - per person per DAY or part of a day	4.35	5.00	4.35	5.00	0.00%
S60A2	Children (< 12years) per child per day or part of a day	No Charge	no vat	No Charge	no vat	
S60A4	Galas	106.09	122.00	106.09	122.00	0.00%

S60A5	Training sessions (Schools & Clubs) per season	167.83	193.00	167.83	193.00	0.00%
S65	**TOP MANAGEMENT CONSULTATIONS**					
S65A1	Consultation Fee (Top Management) per hour	1 117.39	1 285.00	1 069.57	1 230.00	4.47%
S72	**TOWN PLANNING: APPLICATION FEES**					
S72A	Amendment, deletion or additional contitions in respect of an existing approval	2 440.00	2 806.00	2 334.78	2 685.00	4.51%
S72B	Application for deviation of SDF/Sectoral Plans	2 872.17	3 303.00	2 748.70	3 161.00	4.49%
S72F	**Removal of Title Deed Restrictions**					
S72F1	Erven 150m² and smaller	282.60	325.00	270.44	311.00	4.50%
S72F2	Erven between 150 m² and 400 m²	565.22	650.00	540.87	622.00	4.50%
S72F3	Erven 400 m² and larger	4 298.26	4 943.00	4 113.04	4 730.00	4.50%
S72G	**Consolidations**					
S72G1	Erven 150m² and smaller	264.35	304.00	253.04	291.00	4.47%
S72G2	Erven between 150 m² and 400 m²	532.17	612.00	509.57	586.00	4.44%
S72G3	Erven 400 m² and larger	3 034.78	3 490.00	2 904.35	3 340.00	4.49%
S72H	**Subdivision (cumulative)**					
S72H1	up to 5 erven	4 101.74	4 717.00	3 925.22	4 514.00	4.50%
S72H2	6 to 10 erven	6 981.74	8 029.00	6 680.87	7 683.00	4.50%
S72H3	More than 10	6 981.74	8 029.00	6 680.87	7 683.00	4.50%
S72H3A	Additional per erf after 10	105.22	121.00	100.87	116.00	4.31%
S72I	**Application for Consent Use/Special Use/Additional Consent**					
S72I1	Erven 150m² and smaller	240.00	276.00	229.57	264.00	4.55%
S72I2	Erven between 150m² and 400m²	639.13	735.00	611.30	703.00	4.55%
S72I3	Erven 400 m² and larger	3 035.65	3 491.00	2 905.22	3 341.00	4.49%
S72J	**Application for Rezoning**					
S72J1	Erven 150 m² and smaller	639.13	735.00	611.30	703.00	4.55%
S72J2	Erven between 150 m² and 400 m²	1 045.22	1 202.00	1 000.00	1 150.00	4.52%
S72J3	Erven between 400m² and 5000m²	6 981.74	8 029.00	6 680.87	7 683.00	4.50%
S72J4	Erven 5000m² and larger	7 994.78	9 194.00	7 650.44	8 798.00	4.50%
S72K	**Departure ito Section 16(2)(b) and (c) of OM Land Use Planning Bylaw**					
S72K1A	Erven 150m and smaller	240.00	276.00	229.57	264.00	4.55%
S72K1B	Erven between 150m² and 400m²	531.30	611.00	508.70	585.00	4.44%
S72K1C	Erven 400 m² and larger	3 035.65	3 491.00	2 905.22	3 341.00	4.49%
S72L	**Appeal deposit in terms of Section 79(5) of the Bylaw on Municipal Land Use Planning (refundable if appeal is upheld)**					
S72L1	Erven 150m² and smaller	346.00	no vat	331.00	no vat	4.53%
S72L2	Erven between 150m² and 400 m²	649.00	no vat	621.00	no vat	4.51%
S72L3	Erven 400 m² and larger	3 502.00	no vat	3 351.00	no vat	4.51%
	Note: No appeal fee payable in case of appeal submitted by the Municipal Manager					
S72M	Amendment of site development plan, Constitution/Architectural Guidelines, Phasing, amendement or cancellation of a plan of subdivision or a part thereof	2 208.70	2 540.00	2 113.91	2 431.00	4.48%
S72N	**Determination of Zoning**					
S72N1	Erven 150m² and smaller	639.13	735.00	611.30	703.00	4.55%
S72N2	Erven between 150 m² and 400 m²	2 008.70	2 310.00	4 793.04	5 512.00	-58.09%
S72N3	Erven 400 m² and larger	6 981.74	8 029.00	6 680.87	7 683.00	4.50%

S72N4	Disestablishment of HOA	3 035.65	3 491.00	2 905.22	3 341.00	4.49%
S72P	**Relaxation of Title Deed** (if combined with departure application only the higest fee applies)					
S72P0	Erven 150m² and smaller	272.17	313.00	260.87	300.00	4.33%
S72P1	~~Erven 400m² and smaller~~ Erven between 150m² and 400m²	531.30	611.00	508.70	585.00	4.44%
S72P2	Erven larger than 400m²	3 021.74	3 475.00	2 891.30	3 325.00	4.51%
S72Q	**Permission in terms of Zoning Scheme**					
S72Q1	Erven 150m² and smaller	240.00	276.00	229.57	264.00	4.55%
S72Q2	Erven between 150m² and 400m²	531.30	611.00	508.70	585.00	4.44%
S72Q3	Erven 400 m² and larger	3 035.65	3 491.00	2 905.22	3 341.00	4.49%
S72Q4	Closure of Public Place/Part thereof (if combined with rezoning application only the highest fee is applicable	6 981.74	8 029.00	6 680.87	7 683.00	4.50%
S72R	Extention of Time	762.61	877.00	729.57	839.00	4.53%
S72S	Exemption in terms of Section 26	120.87	139.00	115.65	133.00	4.51%
S75	**TOWN PLANNING: LAND USE PLANNING FEE**					
S75A1	Advertising Costs Government Gazette	4 248.70	4 886.00	4 066.09	4 676.00	4.49%
S75A2	Advertising Costs Local newspapers	4 248.70	4 886.00	4 066.09	4 676.00	4.49%
S75A3	Advertising Costs Local Newspaper (Removal of Restriction only)	8 497.39	9 772.00	8 131.30	9 351.00	4.50%
S75A4	Advertising Costs - Placing of Final Notice in the Government Gazette	1 200.87	1 381.00	1 149.57	1 322.00	4.46%
S75B	Regulations of Zoning schemes (printing)	273.04	314.00	260.87	300.00	4.67%
S75C	Spatial Development Framework (printing)	273.04	314.00	260.87	300.00	4.67%
S75D	Zoning Certificate	305.22	351.00	292.17	336.00	4.47%
S75D1	Zoning Certificate - Non Profit Organisation (NPO)	No Charge	no vat	No Charge	no vat	0.00%
S75E	Registered Letters - more than 10 letters, applicant to pay applicable tariffs according to the South African Post Office Rates	applicable rate	applicable vat	applicable rate	applicable vat	
S75G	Search Fee	305.22	351.00	292.17	336.00	4.47%
S75H	Section 30(2) Certification / Clearance (only for the first transfer)	1 800.00	2 070.00	1 722.61	1 981.00	4.49%
S75I	Determination of Administrative Penalty: in terms of Section 90(5) of the Overstrand Municipality Land Use Planning Amendment By-Law, 2020					
S75I1	~~Formal structure (erven 150m² and smaller) per sqm~~ Formal structure - habitable (erven 150m² and smaller) per sqm	5 225.22	6 009.00	5 000.00	5 750.00	4.50%
S75I2	~~Formal structure (erven larger than 400m²) per sqm~~ Formal structure - habitable (erven larger than 150m²) per sqm	15 673.91	18 025.00	15 000.00	17 250.00	4.49%
S75I3	Formal structure non-habitable per sqm	average of two formal quotations	average of two formal quotations	new	new	
S80	**TRAFFIC**					
S80J	**Business & Other Events**					
S80J1	Per officer per hour or part thereof - Mon - Sat	531.30	611.00	508.70	585.00	4.44%
S80J2	Per officer per hour or part thereof - Sundays and public Holidays	607.83	699.00	581.74	669.00	4.48%
S80J4	Administrative fee for provision of officers - per application	145.22	167.00	139.13	160.00	4.38%
S80K	**Removal of Vehicles/Towing Fee**					
S80K1	Removal of Vehicles per vehicle	1 275.65	1 467.00	1 220.87	1 404.00	4.49%
S80K2	Storage Fees per day	350.44	403.00	335.65	386.00	4.40%
S80K3	Towing Charge	Cost plus 15%	applicable vat	Cost plus 15%	applicable vat	

S80K4	Wheel Clamping per vehicle	472.17	543.00	452.17	520.00	4.42%
S80L	**Traffic Cones**					
S80L1	Hire of Traffic Cones per Cone per day	75.65	87.00	72.17	83.00	4.82%
S80P	**Disabled Parking Token**					
S80P1	Disabled Parking Token per application - valid for 2year period	139.13	160.00	133.04	153.00	4.58%
S80R	**Impoundment of Boats**					
S80R1	Impoundment Fee per boat	1 890.44	2 174.00	1 808.70	2 080.00	4.52%
S80T1	NLTA impoundments of public transport vehicles according the Government Notice 5/2009	6 086.96	7 000.00	new	new	
S80T2	NLTA Deviating of the routes public transport	2 173.91	2 500.00	new	new	
S85	**WAYLEAVES AND THE USE OF MUNICIPAL ROAD RESERVES FOR THE INSTALLATION OF SERVICES.**					
S85A	**Administration and Supervision Fee**					
S85A1	Administration fee for a miscellaneous permit to use the road reserve for a period of one month or less other than to install an underground service **per permit/event/incident**	480.00	552.00	459.13	528.00	4.55%
S85A2	Administration fee for a wayleave or permit to use the road reserve to install an underground service **per permit/event/incident**	1 670.44	1 921.00	1 598.26	1 838.00	4.52%
S85A3	Supervision fee for a wayleave or permit to install an underground service **per permit/event/incident**	3 090.44	3 554.00	2 957.39	3 401.00	4.50%
S85A4	Unauthorised commencement of use of the road reserve **per permit/event/incident**	200% of applicable above administration and supervision fee	applicable vat	200% of applicable above administration and supervision fee	applicable vat	
S85B	**Remedying, Repairing and Cleaning**					
S85B1	Remedying substandard reinstatement or reinstatement which does not comply with the road reserve or other Overstrand Municipality infrastructure; cleaning the site; or ensuring compliance with any other requirement the Overstrand Municipality . For the costs incurred by the Overstrand Municipality resulting from any work in, or use of, the road reserve by any person other than the Overstrand Municipality .	Actual costs plus 10% administration fee	applicable vat	Actual costs plus 10% administration fee	applicable vat	
S85C	**Roadway Trench Fee**					
S85C1	Tariff for authorised trenching across a roadway: Local Road per m - measured from 0.5m behind kerb face or road edge (where no kerb is present)	236.52	272.00	226.09	260.00	4.61%
S85C2	Tariff for unauthorised trenching across a roadway: Local Road per m - measured from 0.5m behind kerb face or road edge (where no kerb is present)	10 840.00	12 466.00	10 373.04	11 929.00	4.50%

REFUSE (SOLID WASTE) TARIFFS (ROUNDING APPLICABLE)

Tariff Code	Detail	2022/2023		2021/2022		1.045
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%	1.0590
		R	R	R	R	
	DOMESTIC WASTE					
SAN1A	Residential (All registered erven/unit with approved building plan) 1 x removal per week (**R/Month**)	213.48	245.51	201.59	231.83	5.90%
SA1A2	Residential Indigent subsidy as per paragraph A of the Indigent Policy (All registered erven/unit with approved building plan) 1 x removal per week **(R/Month)**	213.48	245.51	201.59	231.83	5.90%
SA1A3	Residential Indigent subsidy as per paragraph B, C & D of the Indigent Policy (All registered erven/unit with approved building plan) 1 x removal per week **(R/Month)**	185.49	213.31	185.49	213.31	0.00%
	BUSINESS WASTE					
SAN1C	Commercial/Business (Hostels, Old Age Homes, Caravan Sites, Semi-permanent Resorts etc) (**R/Month)**	213.48	245.51	201.59	231.83	5.90%
SA1N1	Bulk Container 240L (Wheeley bin) **(R/Month) 1** X per week (if available)	213.48	245.51	201.59	231.83	5.90%
SAN1N	Bulk Container 240L (Wheeley bin) **(R/Month) 2** X per week (if available)	426.95	491.00	403.17	463.64	5.90%
SA1N3	Bulk Container 240L (Wheeley bin) **(R/Month) 3** X per week CBD (if available)	640.42	736.48	604.74	695.45	5.90%
SA1N4	Bulk Container 240L (Wheeley bin) **(R/Month) 4** X per week CBD (if available)	853.90	981.99	806.33	927.28	5.90%
SA1N2	Bulk Container 240L (Wheeley bin) **(R/Month) 5** X per week CBD (if available)	1 067.39	1 227.50	1 007.92	1 159.11	5.90%
SAN1O	Camphill Route **(R/Month)** (If available)	1 677.31	1 928.90	1 583.86	1 821.44	5.90%
SAN1P	Additional Removals per week on **Saturday** per Bin **(R/Month)** per removal	320.21	368.24	302.37	347.73	5.90%
SA1P1	Additional Removals on request Central Town (CBD) per bin **(R/Month**) (Sunday or Public Holidays) per removal	426.95	491.00	403.17	463.64	5.90%
SA1P2	All CBD's additional Removal during normal working week, per Bin, per removal	49.36	56.76	46.61	53.60	5.90%
SA1P3	All CBD's additional Removal on Saturday, per Bin per removal	74.03	85.14	69.91	80.40	5.90%
SA1P4	All CBD's additional Removal during Sunday or Public Holidays, per Bin per removal	98.72	113.53	93.22	107.20	5.90%
SA1Q	Caravan Sites, Chalets, Semi-permanent & Resorts **(R/Month)** (Uilenskraalmond Vakansieoord; Franskraal Vakansieoord; Pearly Beach Camp, Micheal Fuchs Guesthouse) **NO REMOVAL (per unit/site)**	68.68	78.98	64.85	74.58	5.90%
SAN1R	Departmental Consumption (Municipal Consumption per removal site per **month**)	213.48	245.51	201.59	231.83	5.90%
SAN1U	Schools **(R/Month)**	213.48	245.51	201.59	231.83	5.90%
SAN1T	Removal outside service area (per removal per hour) (If available)	1 601.07	1 841.23	1 511.87	1 738.65	5.90%
SAN1V	Single Quarters & Transit Camps per unit	68.61	78.90	64.79	74.51	5.90%
SAN1W	Guesthouses, Bed & Breakfast **(R/Month)**	213.48	245.51	201.59	231.83	5.90%
SAN1X	Removal of food waste for safe disposal (**R/per Collection**)	425.04	488.80	401.36	461.56	5.90%
SAN2	**SELF DUMPING TRANSFER STATIONS & DROP OFF'S: SAND AND CLEAN BUILDERS RUBBLE: (rounding applicable)**					
SA2A1	Vehicles up to 1 ton load capacity: clean builders rubble (<250mm) and sand: only at Kleinmond Transfer Station, Stanford Drop Off, Pearly Beach Drop Off, Hawston Drop Off and Zwelihle Drop Off. **(All vehicles above 1 ton load capacity only to landfills).**	no Charge	no vat	no Charge	no vat	

SAN2B	**SELF DUMPING TRANSFER STATIONS & DROP OFF'S: GENERAL AND GARDEN REFUSE**					
SA2B1	Vehicles up to 1 Ton per vehicle load capacity (maximum volume of 5m³)	no Charge	no vat	no Charge	no vat	
SA2B2	Vehicles >1 & up to 2 Ton per vehicle load capacity (2 X SAN3B)	490.34	563.89	463.93	533.52	5.69%
SA2B3	Vehicles >2 & up to 3 Ton per vehicle load capacity (3 X SAN3B)	735.51	845.84	695.44	799.76	5.76%
SAN2C	**WEIGH BRIDGE - SELF DUMPING ZWELIHLE DROP OFF: GENERAL REFUSE (rounding applicable)**					
SA2C1	Up to 1 ton load weighed	no Charge	no vat	new	new	
SA2C2	Above 1 ton load weighed per ton load weighed (maximum 3 tons)	245.17	281.94	new	new	
SA2C3	Weighing - Commercial vehicles (Cars, pick-ups / bakkies, campers, caravans and trailers)	190.19	218.72	new	new	
SA2C4	Weighing - Large vehicles (trucks and busses)	489.06	562.42	new	new	
SAN3	**WEIGH BRIDGE - GANSBAAI LANDFILL (rounding applicable)**					
SAN3A	Up to 1 ton load weighed	no Charge	no vat	no Charge	no vat	
SAN3B	Above 1 ton load weighed per ton load weighed	245.17	281.94	231.51	266.24	5.90%
SAN3D	Clean builders rubble and sand	no Charge	no vat	no Charge	no vat	
SAN3F	Mixed builders rubble per ton weighed (load contaminated with waste eg wood, plasitc, paper , cardboard, etc)	245.17	281.94	231.51	266.24	5.90%
SAN3G	Weighing - Commercial vehicles (Cars, pick-ups / bakkies, campers, caravans and trailers)	190.19	218.72	new	new	
SAN3H	Weighing - Large vehicles (trucks and busses)	489.06	562.42	new	new	
SAN4	**BASIC FEE REFUSE SERVICE (Erven without approved building plans)**					
SAN4A	All registered erven without approved building plans **(R/Month)**	106.73	122.74	100.79	115.90	5.90%
SAN5	**SUNDRIES (rounding applicable)**					
SAN5A	Rental of Bulk Container per day (including disposal)	113.04	130.00	107.83	124.00	4.83%
SAN5B	Deposit - rental of bulk containers per 4 bins or less	852.00	no vat	815.00	no vat	4.54%
SAN5C	Asbestos Sheet - per unit (Limited to **max 10m² per six month period**)	137.39	158.00	131.30	151.00	4.64%
SAN5D	Baboon Resistant 240L Wheeley bin with lock delivered to homes - projects	1 341.74	1 543.00	1 284.35	1 477.00	4.47%
SAN5E	Replacement lock on baboon resistant wheelie bin	417.39	480.00	399.13	459.00	4.57%
SAN5F	**Chipped Organic Material at Gansbaai landfill site**					
SAN5F1	Per ton (when available and for self loading)	0.00	0.00	0.00	0.00	0.00%
SAN5F2	Per cubic (m³) (when available and for self loading)	0.00	0.00	0.00	0.00	0.00%

SEWER TARIFFS (ROUNDING APPLICABLE)

Tariff Code	Detail	2022/2023		2021/2022		1.043
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%	
SE7A	**SEWERAGE - SINGLE AND INTERMEDIATE RESIDENTIAL (Dwelling house and Duplex flats, Conventional Sewers, small bore sewers and conservancy tanks)**					
SE7A1	0 - 35kl per kl (based on 70% of max 50kl water usage) - per unit per month , Conservancy tank service only during office hours per month. For after hours service, refer to tariff SE9B.	15.53	17.86	14.89	17.12	4.30%
SE7A2	Where no municipal water is used - per RUE per month. Conservancy tank service only during office hours per month. For after hours service, refer to tariff SE9B.	137.88	158.56	131.57	151.31	4.80%
	SEWERAGE - REGISTERED INDIGENT HOUSEHOLDS					
SE7A4	0 - 7 kl ~~4.2 kl~~ - **subsidised**	15.53	17.86	14.89	17.12	4.30%
SE7A5	~~4.3~~ 8 - 35kl per kl (based on 70% of max 50kl water usage) - per unit per month , Conservancy tank service only during office hours per month. For after hours service, refer to tariff SE9B.	15.53	17.86	14.89	17.12	4.30%
SE7B	**SEWERAGE - GENERAL RESIDENTIAL (Blocks of flats and Residential Buildings)**					
SE7B1	0 - 45kl per kl (based on 90% of max 50kl water usage) per unit per month	15.53	17.86	14.89	17.12	4.30%
SE7C	**SEWERAGE - GUEST HOUSE; BED & BREAKFAST ESTABLISHMENTS**					
SE7C1	per kl (based on 70% of water usage) per unit per month.	15.53	17.86	14.89	17.12	4.30%
SE7D	**CONSUMPTION - ALL OTHER (Including Commercial, Industrial, School, Sport, etc)**					
SE7D1	per kl (based on 90% of water usage) per unit per month - this percentage may be adjusted according to the Tariff Policy after investigation	15.53	17.86	14.89	17.12	4.30%
SE7E	**CONSUMPTION - DEPARTMENTAL**					
SE7E1	0 - 35 kl per kl (based on 70% of max 50kl water usage) per unit per month	15.53	17.86	14.89	17.12	4.30%
SE8	**BASIC CHARGE**					
SE8A	Basic Monthly Charge Developed sites per erf/unit per month	137.88	158.57	132.20	152.03	4.30%
SE8A1	Basic Monthly Subsidy Residential Indigent as per paragraph A of the Indigent Policy per month	137.88	158.57	132.20	152.03	4.30%
SE8A2	Basic Monthly Subsidy Residential Indigent as per paragraph B, C & E of the Indigent Policy per month	115.09	132.35	115.09	132.35	0.00%
SE8B	Basic Monthly Charge Undeveloped sites - can not connect to the network per erf/unit per month	92.91	106.85	89.08	102.44	4.30%
SE8C	Basic Monthly Charge Undeveloped sites - can connect to the network per erf/unit per month	137.88	158.57	132.20	152.03	4.30%
SE8D	Basic Monthly Charge Developed sites - with a septic Tank per erf/unit per month	92.91	106.85	89.08	102.44	4.30%
SE8E	Basic Monthly Charge - Low Cost Housing & Single Quarters per erf/unit per month	92.91	106.85	89.08	102.44	4.30%
SE8F	**Infrastructure**					
SE8F1	Fixed Infrastructure Basic Charge per erf/unit per month (No 1 end date 30 June 2026)	9.60	11.04	9.60	11.04	0.00%
SE8F2	Fixed Infrastructure Basic Charge per erf/unit per month (No 2 end date 30 June 2029)	3.43	3.94	3.43	3.94	0.00%
SE8F3	Subsidised Fixed Infrastructure Basic Charge per erf/unit per month - Registered Indigent Households (No 2 end date 30 June 2029)	3.43	3.94	3.43	3.94	0.00%
SE9	**OTHER SEWERAGE CHARGES**					
SE9A	**Vacuum Tanker Service for users not paying tariffs SE7 above - PROVIDED ON REQUEST**					
SE9A1	Vacuum Tanker Service provided on request < 6kl (per 6kl or part thereof)	634.29	729.43	608.14	699.36	4.30%

SE9A2	Vacuum Tanker Service provided on request < 5kl (per 5kl or part thereof)	634.29	729.43	608.14	699.36	4.30%
SE9A4	Vacuum Tanker Service provided on request > 6kl (per 6kl or part thereof)	634.29	729.43	608.14	699.36	4.30%
SE9A5	Call out fee for Tank Service request but no service due to another defect	634.29	729.43	608.14	699.36	4.30%
SE9A6	More than 3 pipes an additional fee per pipe for users not paying tariff SE7 above	92.91	106.85	89.08	102.44	4.30%
SE9BA	**After Hours Vacuum Tanker Service - PROVIDED ON REQUEST**					
SE9B1	After Hours - per request < 6kl (per 6kl or part thereof)	1 268.58	1 458.87	1 216.28	1 398.72	4.30%
SE9B2	After Hours - per request > 6kl (per 6kl or part thereof)	1 268.58	1 458.87	1 216.28	1 398.72	4.30%
SE9B3	After Hours - per request < 5kl (per 5kl or part thereof)	1 268.58	1 458.87	1 216.28	1 398.72	4.30%
SE9B2	After Hours Businesses with Public Toilets per removal	380.90	438.04	365.20	419.98	4.30%
SE9C	**Vacuum Tanker Service outside urban areas - PROVIDED ON REQUEST**					
SE9C1	Normal Applicable Tariff (SE9A1 or SE9A2 or SE9A4) PLUS additional per hour **PLUS SE9C2**	380.91	438.05	365.21	419.99	4.30%
SE9C2	Normal ApplicableTariff (SE9A2) plus additional per km	18.60	21.39	17.83	20.50	4.30%
	After Hours for Vacuum Tanker Service outside urban areas - PROVIDED ON REQUEST					
SE9C6	After Hours Applicable Tariff (SE9B1 or SE9B2 or SE9B3) **PLUS additional per hour PLUS SE9C7**	380.90	438.04	365.20	419.98	4.30%
SE9C7	After Hours Applicable Tariff (SE9B2) plus additional per km	18.60	21.39	17.83	20.50	4.30%
SE10	**SUNDRY CHARGES**					
SE9D	**Testing and Connection Fees**					
SE9D1	Testing of the septic and conservancy tanks per test	1 650.44	1 898.00	1 582.61	1 820.00	4.29%
SE9D2	Smallbore sewerage connection fee + tank test	7 573.04	8 709.00	7 260.87	8 350.00	4.30%
SE9D3	Sewer Connection	5 682.61	6 535.00	5 448.70	6 266.00	4.29%
SE9E	**Disposal with own tanker truck**					
SE9E1	Charge per kl or part thereof	15.65	18.00	80.00	92.00	-80.44%
SE11	**ILLEGAL CONNECTION / TAMPERING FEE**					
SE11A	1st Offence	7 783.00	no vat	7 462.00	no vat	4.30%
SE11B	2 nd Offence (SE11A X 2)	15 566.00	no vat	14 924.00	no vat	4.30%
NOTE: Any requests for tanker services after 15:00 will be charged at the after hour rate						

ELECTRICITY TARIFFS (ROUNDING APPLICABLE) (BEFORE NERSA approval)

Tariff Code	Detail		2022/2023		2021/2022		
			Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%	1.1033
							1.1033
ED	**CONSUMER DEPOSITS**						1.1033
ED1	Large Power User Group tariff E5 (excluding Kleinmond)	R	0.00	no vat	0.00	no vat	1.1033
ED2	Large Power User Group tariff E5 Kleinmond 2 weeks highest average consumption	R	calculated	no vat	calculated	no vat	
ED3	Domestic & Commercial Single Phase Credit Meter (Two Part Tariff) Electricity	R	3 315.00	no vat	3 005.00	no vat	10.32%
ED4	Domestic Three Phase Credit Meter (Two Part Tariff)- Electricity	R	5 811.00	no vat	5 267.00	no vat	10.33%
ED5	Commercial Three Phase Credit Meter (Two Part Tariff) - Electricity	R	13 282.00	no vat	12 038.00	no vat	10.33%
ED6	Domestic & Commercial Single Phase Pre-paid (Two Part Tariff) - Electricity	R	763.00	no vat	692.00	no vat	10.26%
ED7	Domestic & Commercial Three Phase Pre-paid (Two Part Tariff) - Electricity	R	1 527.00	no vat	1 384.00	no vat	10.33%
ED8	Indigent Registered (including UISP)	R	246.00	no vat	223.00	no vat	10.31%
EDD	**Deposit Defaulters**						
EDD1	Large Power User Group tariff E5 : Two Times average consumption during the preceding 12 months	R	calculated	no vat	calculated	no vat	
EDD2	Domestic & Commercial Single Phase Credit Meter (Two Part Tariff) Electricity : Two Times average consumption during the preceding 12 months	R	calculated	no vat	calculated	no vat	
EDD3	Domestic Three Phase Credit Meter (Two Part Tariff)- Electricity : Two Times average consumption during the preceding 12 months	R	calculated	no vat	calculated	no vat	
EDD4	Commercial Three Phase Credit Meter (Two Part Tariff) - Electricity : Two Times average consumption during the preceding 12 months	R	calculated	no vat	calculated	no vat	
EF	**FIXED CHARGES**						
EF1	Infrastructure Charge per Meter per month (No 1 end date 30 June 2026)	R	16.65	19.15	16.65	19.15	0.00%
E1	**SINGLE PHASE : DOMESTIC**						
E1A	**Two-Part Tariff: Credit meters up to 60 Amp (13.8 kVA BDMD) (Including Resorts)**						
E1A1	Basic Monthly charge per meter	R	450.33	517.88	408.17	469.40	10.33%
	kWH Unit cost						
E1A2	IBT BLOCK 1 0 - 350 kWh	c	172.79	198.71	156.61	180.10	10.33%
E1A3	IBT BLOCK 2 351 - 600 kWh	c	253.77	291.84	230.01	264.51	10.33%
E1A4	IBT BLOCK 3 > 600 kWh	c	311.79	358.56	282.60	324.99	10.33%
E1B	**Two-Part Tariff: Pre-paid up to 60 Amp (13.8 kVA BDMD) (Including Resorts)**						
E1B1	Basic Monthly charge per meter	R	450.33	517.88	408.17	469.40	10.33%
	kWH Unit cost						
E1B2	IBT BLOCK 1 0 - 350 kWh	c	159.60	183.54	144.66	166.36	10.33%
E1B3	IBT BLOCK 2 351 - 600 kWh	c	239.14	275.01	216.75	249.26	10.33%
E1B4	IBT BLOCK 3 > 600 kWh	c	299.71	344.67	271.65	312.40	10.33%
E1C	**SINGLE PHASE : COMMERCIAL**						
E1C1	Basic Monthly charge per meter	R	450.33	517.88	408.17	469.40	10.33%
E1C2	kWH Unit cost - Credit Meters	c	258.60	297.39	234.39	269.55	10.33%
E1C3	KwH Unit cost - Pre-paid meters	c	243.70	280.25	220.88	254.01	10.33%
E1D	**Life Line One part tariff (Pre-paid meters only) ≤ 30 Amp with Maximum consumption of 350 kWH with average measured over twelve month period. Only available to Informal dwellings**						

	kWH Unit cost						
E1D1	IBT BLOCK 1 0 - 350 kWh	**c**	161.35	185.55	146.24	168.18	10.33%
E1E	**One part tariff (Pre-paid meters only) Local Economic Development Projects**						
	kWH Unit cost						
E1E1	IBT BLOCK 1 0 - 350 kWh	**c**	278.77	320.59	252.67	290.57	10.33%
E3	**THREE PHASE: COMMERCIAL & DOMESTIC**						
E3E	**Two-Part Tariff: Credit up to 100A (70 kVA BDMD) DOMESTIC**						
E3E1	Basic Monthly charge per meter	**R**	900.66	1 035.76	816.33	938.78	10.33%
	kWH Unit cost						
E3E2	IBT BLOCK 1 0 - 350 kWh	**c**	174.42	200.58	158.09	181.80	10.33%
E3E3	IBT BLOCK 2 351 - 600 kWh	**c**	254.82	293.04	230.96	265.60	10.33%
E3E4	IBT BLOCK 3 > 600 kWh	**c**	309.86	356.34	280.85	322.98	10.33%
E3E	**Two-Part Tariff: Pre-paid up to 100A (70 kVA BDMD) DOMESTIC**						
E3E5	Basic Monthly charge per meter	**R**	900.66	1 035.76	816.33	938.78	10.33%
	kWH Unit cost						
E3E6	IBT BLOCK 1 0 - 350 kWh	**c**	161.13	185.29	146.04	167.95	10.33%
E3E7	IBT BLOCK 2 351 - 600 kWh	**c**	240.12	276.14	217.64	250.29	10.33%
E3E8	IBT BLOCK 3 > 600 kWh	**c**	297.85	342.52	269.96	310.45	10.33%
E3E	**Two-Part Tariff: Credit up to 100A (70 kVA BDMD) COMMERCIAL**						
E3E9	Basic Monthly charge per meter	**R**	900.66	1 035.76	816.33	938.78	10.33%
E3E10	**kWH Unit cost**	**c**	258.60	297.39	234.39	269.55	10.33%
E3E	**Two-Part Tariff: Pre-paid up to 100A (70 kVA BDMD) COMMERCIAL**						
E3E11	Basic Monthly charge per meter	**R**	900.66	1 035.76	816.33	938.78	10.33%
E3E12	**kWH Unit cost**	**c**	243.70	280.25	220.88	254.01	10.33%
E3G	**One-Part Tariff: Pre-paid only; up to 100A (70 kVA BDMD)** **Businesses, Flats, Sport grounds, Churches.(minimum of 800kWH average for twelve months)**						
E3G1	kWH Unit cost	**c**	307.59	353.73	278.79	320.61	10.33%
E5	**TIME OF USE TARIFF**						
	Service Charge (per month) for MV and LV consumers						
E5A1	Administrative and Service Charge **Medium Voltage** per month	**R**	4 282.68	4 925.08	3 881.70	4 463.96	10.33%
E5A1A	Administrative and Service Charge **Low Voltage** per month	**R**	3 787.63	4 355.77	3 433.00	3 947.95	10.33%
E5A2	Network Demand Charge kVA: Utilised capacity	**R**	42.25	48.58	38.29	44.03	10.33%
E5A3	Network Capacity Charge kVA: Notified Maximum Demand (NMD)	**R**	33.67	38.72	30.52	35.10	10.33%
	Medium Voltage Metering Points (11000V)						
E5A4	Off Peak kWh Unit Charge	**c**	71.07	81.74	64.42	74.08	10.33%
E5A5	Standard kWh Unit Charge	**c**	127.95	147.14	115.97	133.37	10.33%
E5A6	Peak kWh Unit Charge	**c**	415.81	478.18	376.88	433.41	10.33%
	Low Voltage Metering Points (400V)						
E5A7	Off Peak kWh Unit Charge	**c**	76.43	87.89	69.27	79.66	10.33%
E5A8	Standard kWh Unit Charge	**c**	133.27	153.26	120.79	138.91	10.33%

E5A9	Peak kWh Unit Charge	c	421.15	484.32	381.72	438.98	10.33%
	Sundry Charges						
E5A10	Exceed NOTIFIED MAXIMUM DEMAND (NMD) per kVA Per month	R	1 314.64	1 511.83	1 191.55	1 370.28	10.33%
E6	**SUBSIDIZED TARIFFS: Grant to be shown separately**						
E6A	Basic Monthly Charge: Residential Indigent as per paragraph A of the Indigent Policy per meter	R	450.33	517.88	408.17	469.40	10.33%
E6B	Basic Monthly Charge: Residential Indigent as per paragraph B, C & D of the Indigent Policy per meter	R	291.60	335.34	291.60	335.34	0.00%
E7	**PUBLIC LIGHTING & CCTV**						
E7A1	Streetlights & CCTV (metered) per kWh (no basic charge)	c	101.84	117.12	101.84	117.12	0.00%
E7A2	Streetlights & CCTV (consumption) (per unit/per month) (no basic charge)	R	39.42	45.33	35.73	41.09	10.33%
E7A5	Illuminated street sign boards per month	R	39.42	45.33	35.73	41.09	10.33%
E8	**CASUAL SUPPLIES**						
E8A1	Per connection includes disconnection excluding hire of kiosk	R	1 552.03	1 784.84	1 406.72	1 617.73	10.33%
E8A2	Consumption per day if not metered	R	100.84	115.97	91.40	105.11	10.33%
E8A3	Hire of temporary distribution kiosk, per kiosk, per occasion	R	608.18	699.41	551.24	633.93	10.33%
E8A4	Deposit (Usage will be subtracted)	R	2 093.63	no vat	1 897.61	no vat	10.33%
E8A5	One part tariff : Prepaid or Credit Casual Supply	c	305.88	351.76	277.24	318.83	10.33%
E9	**NETWORK CHARGES: SERVICED LAND**						
E9A1	Network charge per serviced plot per month	R	450.33	517.88	408.17	469.40	10.33%
E9A2	Infrastructure per vacant plot per month	R	16.65	19.15	16.65	19.15	0.00%
E10	**SUNDRY CHARGES**						
E10A1	Call-out Fee - office hours (Based on 2 hours for electr & assist + 30km)	R	787.83	906.00	753.91	867.00	4.50%
E10A2	Call-out Fee - after hours: Weekdays & Saturdays (Based on 2 hrs (time and a half) for electr & assist + 30km)	R	1 106.09	1 272.00	1 058.26	1 217.00	4.52%
E10A3	Call-out Fee - after hours: Sundays & Public Holidays (Based on 2 hrs (double time) for electr & assist + 30km)	R	1 422.61	1 636.00	1 361.74	1 566.00	4.47%
E10A4	MV. Switching on Council's equipment office hours (Based on 3 hours for superintendent & electr + 60km)	R	2 293.91	2 638.00	2 194.78	2 524.00	4.52%
E10A5	MV. Switching on Council's equipment -after hours: Weekdays & Saturdays (Based on 3 hours (time and a half) for a superintendent and an electrician plus 60km)	R	3 286.96	3 780.00	3 145.22	3 617.00	4.51%
E10A6	MV. Switching on Council's equipment -after hours: Sundays & Public holidays (Based on 3 hours (double time) for a superintendent and an electrician plus 60km)	R	4 281.74	4 924.00	4 097.39	4 712.00	4.50%
E10A7	Contractor Inspection 2nd	R	771.30	887.00	738.26	849.00	4.48%
E10A8	Contractor Inspection 3rd	R	1 164.35	1 339.00	1 113.91	1 281.00	4.53%
E10A9	Change of Circuit Breaker - S/Phase(1/annum) contact Electricity Department for approval (Based on Circuit Breaker cost + 1 hour for an electrician and assistant + 30km)	R	616.52	709.00	589.57	678.00	4.57%
E10A10	Change of Circuit Breaker - 3 Phase(1/annum) contact Electricity Department for approval (Based on Circuit Breaker cost + 1 hour for an electrician and assistant + 30km)	R	1 572.17	1 808.00	1 504.35	1 730.00	4.51%
E10A11	Disconnection	R	378.26	435.00	361.74	416.00	4.57%
E10A12	Reconnection	R	378.26	435.00	361.74	416.00	4.57%
E10A13	Verification of a Meter Reading	R	378.26	435.00	361.74	416.00	4.57%

E10A14	Administration fee - recalculation due to no meter access	R	196.52	226.00	187.83	216.00	4.63%
E10A15	Test of Meter: 1 & 3 Phase (Conditionally Refundable) External testing	R	726.09	835.00	694.78	799.00	4.51%
E10A16	Test of Meter: All other Meters (Conditionally Refundable) External testing	R	cost + 15%	applicable vat	cost + 15%	applicable vat	
E10A17	Tariff change - change between one part and two-part	R	257.39	296.00	246.09	283.00	4.59%
E10A18	Damage elect meter (based on meter cost + call out X 2)	R	2 582.61	2 970.00	2 471.30	2 842.00	4.50%
E10A19	Damage elect meter 3 phase (based on meter cost + call out X 2)	R	3 943.48	4 535.00	3 773.91	4 340.00	4.49%
E10A20	Replacement of CIU (Meter keypad) (Based on keypad cost and call out fee)	R	1 300.00	1 495.00	1 244.35	1 431.00	4.47%
E10A21	Damage of Bulk meter or change to SSEG (Based on 3 hours for a superintendent and electrician + 60km + bulk meter cost + modem cost)	R	8 535.65	9 816.00	8 167.83	9 393.00	4.50%
E10A22	Change to Time of Use (with existing bulk meter) + Deposit	R	770.44	886.00	737.39	848.00	4.48%
E10A23	Change to Time of Use (without existing bulk meter) + Deposit	R	133 368.70	153 374.00	12 793.04	14 712.00	942.51%
E10A24	Commission of Bulk meter, supplied by customer (call out fee x 3)	R	2 363.48	2 718.00	2 261.74	2 601.00	4.50%
E10A25	Damage of HV Cable	R	cost + R43 045.97	applicable vat	cost + R41 192.32	applicable vat	4.50%
E10A26	Damage of MV Cable	R	cost + R11 252.73	applicable vat	cost + R10 768.16	applicable vat	4.50%
E10A27	Damage of LV Cable	R	cost + R 4 531.96	applicable vat	cost + R 4 336.80	applicable vat	4.50%
E10A28	Damage of Service Connection Cable	R	cost + R 1 133.55	applicable vat	cost + R 1 084.72	applicable vat	4.50%
E10A29	Working without Way leave	R	5 809.57	6 681.00	5 559.13	6 393.00	4.50%
E10A30	Refundable Wayleave **deposit** for HV cables	R	82 962.00	no vat	79 389.00	no vat	4.50%
E10A31	Refundable Way leave **deposit** for MV cables	R	20 741.00	no vat	19 848.00	no vat	4.50%
E10A32	Refundable Way leave **deposit** for LV cables	R	4 482.00	no vat	4 289.00	no vat	4.50%
E10A33	Cancellation Fee of requested service	R	15% of Service Value	no vat	15% of Service Value	no vat	
E10A34	Erection and removal of Banners, signs & lights (per hour) (Vehicle cost + labour)	R	940.00	1 081.00	899.13	1 034.00	4.55%
E10A35	Replacement of damaged overhead service connection cable (Tariff E13A9 - E10A18)	R	3 992.17	4 591.00	3 800.87	4 371.00	5.03%
E12	**CONVERSION OF METERS**						
E12A1	Convert Credit Meter to Pre-paid: SP (no cable work) (based on meter cost + call out)	R	1 795.65	2 065.00	1 718.26	1 976.00	4.50%
E12A2	Convert Credit Meter to Pre-paid: 3P (no cable work) (based on meter cost + call out)	R	3 156.52	3 630.00	3 020.87	3 474.00	4.49%
E12A3	Convert Credit Three Phase to Singe Phase Pre-paid meter (based on meter cost + call out + CB)	R	1 998.26	2 298.00	1 552.17	1 785.00	28.74%
E12A4	Convert Credit Three Phase to Single Phase Credit (Commercial only)	R	1 224.35	1 408.00	1 171.30	1 347.00	4.53%
E12A5	Convert Pre-paid Single Phase to Three Phase Pre-paid (based on tariff E13A8) cost includes cable to boundary	R	R13 073.12 + ext fee	applicable vat	R12 510.16 + ext fee	applicable vat	4.50%
E12A6	Convert pre-paid Three phase to Single phase pre-paid (based on meter cost + call out + CB)	R	1 998.26	2 298.00	1 912.17	2 199.00	4.50%
E12A7	Removal of Meter (based on call out fee)	R	787.83	906.00	753.04	866.00	4.62%
E12A8	Repositioning of Meter (excl. cable) (based on call out fee)	R	787.83	906.00	753.04	866.00	4.62%
E12A9	Repositioning of Meter (incl. cable) (based on call out fee + 30m cable)	R	2 599.13	2 989.00	2 486.96	2 860.00	4.51%
E13	**SERVICE CONNECTIONS**						
E13A1	Builders connection (plus applicable service connection tariff)	R	998.26	1 148.00	955.65	1 099.00	4.46%
E13A4	Single Phase (Credit - 60A) option for Commercial users only (Based on 30m cable + meter cost + average labour cost + 15% admin fee)	R	7 080.87	8 143.00	6 775.65	7 792.00	4.50%
E13A6	Single Phase - (Pre-paid meters - 60A) applicable to Domestic users (Network Permitted) (Based on: 30m cable + meter cost + average labour cost + 15% admin fee)	R	7 080.87	8 143.00	6 775.65	7 792.00	4.50%

E13A7	Three Phase : (Credit - 60A) Plus Extension fee : Extension fee not applicable to Industrial erven up to 60 Amp (Based on 30m (25mm) cable + meter cost + average labour +circuit breaker + 15% admin fee)	R	R13 530.66 + ext fee	applicable vat	R12 948.00 + ext fee	applicable vat	4.50%
E13A8	Three Phase : (Pre-paid - 60A) Plus Extension fee : Extension fee not applicable to Industrial erven up to 60 Amp (Based on 30m (25mm) cable + meter cost + average labour +circuit breaker + 15% admin fee)	R	R13 530.66 + ext fee	applicable vat	R12 948.00 + ext fee	applicable vat	4.50%
E13A9	Non Standard : Pre-paid 30 Amp Single phase (Sub economic connections) (Based on 30m (10mm) cable + meter cost + average labour cost + 15% admin fee)	R	6 574.78	7 561.00	6 291.30	7 235.00	4.51%
E13A10	Single Phase (Credit 60A- Developer install cable to boundary) option for Commercial users only (Based on meter cost + call out fee + 15% admin fee)	R	2 064.35	2 374.00	1 975.65	2 272.00	4.49%
E13A11	Single Phase (Pre-paid 60A-Developer install cable to boundary) applicable to Domestic users (Network permitted) (Based on meter cost + call out fee + 15% admin fee)	R	2 064.35	2 374.00	1 975.65	2 272.00	4.49%
E13A12	Three Phase (Credit 60A- Developer install cable to boundary) : Extension fee not applicable to Industrial erven up to 60 Amp (Based on meter cost + call out fee + 15% admin fee)	R	R3 629.48 + ext fee	applicable vat	R3 473.19 + ext fee	applicable vat	4.50%
E13A13	Three Phase (Pre-paid 60A-Developer install cable to boundary) : Extension fee not applicable to Industrial erven up to 60 Amp (Based on meter cost + call out fee + 15% admin fee)	R	R3 629.48 + ext fee	applicable vat	R3 473.19 + ext fee	applicable vat	4.50%
E13A14	Any other none standard connections		cost + 15% admin	applicable vat	cost + 15% admin	applicable vat	
E14	**ILLEGAL AND UNSAFE CONNECTION / TAMPERING FEE (Including SSEG and damage or bypass of the DSM Hot Water Cylinder Control Unit**						
E14A1	1 st Offence	R	4 599.00	no vat	4 401.00	no vat	4.50%
E14A2	2 nd Offence (E14A1 X 2)	R	9 198.00	no vat	8 802.00	no vat	4.50%
E14A3	3 rd Offence and re-occurance (Disconnection of service and remedial action fee = double previous* offence fee) *based on current tariffs		2 X E14A2	applicable vat	2 X E14A2	applicable vat	
E14A4	Unsafe / Illegal supply of electricity (per visit) **(reconnection fee included)**	R	2 060.00	2 369.00	1 971.30	2 267.00	4.50%
E15	**UPGRADING CONTRIBUTIONS (BULK INFRASTRUCTURE CONTRIBUTION LEVIES - BICL) (Network permitted : to be approved by Electricity Department)**						
E15A1	Primary Cost p/kVA -include all HV Equipment UP to HV Substation or identified point of supply excluding Dist. TF	R	1 282.61	1 475.00	1 227.19	1 411.27	4.52%
E15A2	Primary Cost p/kVA -include all MV. Equipment UP to Main Substation or identified point of supply excluding Dist. TF	R	3 820.00	4 393.00	3 655.37	4 203.68	4.50%
E15A3	Secondary Cost p/kVA -include all MV. Equipment UP to Main Substation or identified point of supply including Dist. TF	R	4 655.65	5 354.00	4 455.58	5 123.92	4.49%
E15A4	Secondary Cost p/kVA -include all MV. Equipment UP to Main Substation or identified point of supply including Dist. TF and Kiosk	R	6 074.78	6 986.00	5 813.05	6 685.01	4.50%
E15A5	Buying/Refund of spare capacity cost/kVA	R	100% of approved installation cost	applicable vat	100% of approved installation cost	applicable vat	
E15A6	Investigation Fee	R	4 563.48	5 248.00	4 367.10	5 022.17	4.50%
E15A7	FACTOR OF 0,36 APPLICABLE ON DOMESTIC USERS : TARIFF : applicable on E15A3 AND E15A4 (Commercial /Business no factor apply)	R	Factor 0.36	applicable vat	Factor 0.36	applicable vat	
E18	**SMALL SCALE EMBEDDED GENERATION (SSEG)**						

	This tariff is available only for approved SSEG connections, where the customers offset their small scale generation (kWh) against purchases from the Municipality, provided that their purchases exceed their generation (kWh). This tariff will only be implemented after NERSA's approved Guidelines have been received. The consumer will stay on his existing tariff **(All prepaid customers excluded) Prepaid customers to convert to credit meter and tariff:**						
E18A2	Feed-in Tariff c/kWh	**c**	92.57	106.45	83.90	96.49	10.33%
DC2	**DEVELOPMENT CONTRIBUTIONS (BULK INFRASTRUCTURE CONTRIBUTION LEVIES - BICL)**						
DC2A	**Sub Division of existing erf**						
DC2A1	Single Phase 60 AMP (5 kVA) Domestic X Tariff E15A4 = P/ERF **PLUS** STANDARD CONNECTION FEES	**R**	30 373.90	34 929.99	28 925.51	33 264.34	5.01%
DC2B	**New Developments**						
DC2B1	Standard fee per Singel Phase Domestic erf - infrastructure provide by developer (13.8 kVA xE15A2 x.36)	**R**	18 977.76	21 824.42	18 072.58	20 783.47	5.01%
DC2B2	Standard fee per Three Phase Domestic erf - infrastructure provide by developer (42kVA x E15A2x.36)	**R**	57 758.40	66 422.16	55 003.50	63 254.03	5.01%
DC2C	MV/LV Bulk Supply with metering point cost / kVA= Tariff E15A2	**R**	3 819.86	4 392.84	3 655.37	4 203.68	4.50%
DC2C1	LV Bulk Supply if capacity is available on existing TF cost / kVA = Tariff E15A3	**R**	4 656.08	5 354.49	4 455.58	5 123.92	4.50%

WATER TARIFFS (ROUNDING APPLICABLE)

Tariff Code	Detail	2022/2023		2021/2022		1.049
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%	1.049
WD	**CONSUMER DEPOSITS**					
WD1	Domestic - Water	678.00	no vat	646.00	no vat	4.95%
WD2	Commercial - Water - Consumption < 40kl	2 709.00	no vat	2 582.00	no vat	4.92%
WD3	Commercial - Water - Consumption 40 - 100kl	9 479.00	no vat	9 036.00	no vat	4.90%
WD4	Commercial - Water - Consumption 100 kl +	16 249.00	no vat	15 490.00	no vat	4.90%
WD5	Domestic - Water RUE's	Applicable Rue's X WD1A	no vat	Applicable Rue's X WD1A	no vat	
WD6	Indigent - registered (including UISP)	217.00	no vat	207.00	no vat	4.83%
WDD	**Deposit Defaulters**					
WDD1	Domestic - Water - Two Times average monthly consumption during the preceding 12 months (Defaulters)	calculated	no vat	calculated	no vat	
WDD2	Commercial - Water - Consumption < 40kl Two Times average monthly consumption during the preceding 12 months (Defaulters)	calculated	no vat	calculated	no vat	
WDD3	Commercial - Water - Consumption 40 - 100kl Two Times average monthly consumption during the preceding 12 months (Defaulters)	calculated	no vat	calculated	no vat	
WDD4	Commercial - Water - Consumption 100 kl + Two Times average monthly consumption during the preceding 12 months (Defaulters)	calculated	no vat	calculated	no vat	
WDD5	Domestic - Water RUE'sTwo Times average monthly consumption during the preceding 12 months (Defaulters)	calculated	no vat	calculated	no vat	
W1	**BASIC CHARGE**					
W1A1	Basic Monthly Charge per erf/unit per month	155.62	178.96	148.35	170.60	4.90%
W1A2A	Basic Monthly Subsidy : Residential Indigent as per paragraph A of the Indigent Policyper erf/unit per month	155.62	178.96	148.35	170.60	4.90%
W1A2B	Basic Monthly Subsidy: Residential Indigent as per paragraph B, C & D of the Indigent Policy per erf/unit per month	129.14	148.51	129.14	148.51	0.00%
W1A3	**Infrastructure**					
W1A3A	Fixed Infrastructure Basic Charge per erf/unit per month (No 1 end date 30 June 2026)	15.45	17.77	15.45	17.77	0.00%
W1A3B	Fixed Infrastructure Basic Charge per erf/unit per month (No 2 end date 30 June 2029)	8.41	9.67	8.41	9.67	0.00%
W1A3C	Subsidised Fixed Infrastructure Basic Charge per erf/unit per month - Registered Indigent Households (No 2 end date 30 June 2029)	8.41	9.67	8.41	9.67	0.00%
	See attachment for the amount of RUE's allocated to different household consumers					
W1B	**CONSUMPTION - HOUSEHOLDS**					
	Normal Tariff & Level 1 water restrictions					
W1B1	0 - 6 kl per kl	6.38	7.33	6.08	6.99	4.90%
W1B2	7 - 18 kl per kl	13.08	15.04	12.47	14.34	4.90%
W1B3	19 - 30 kl per kl	21.22	24.40	20.23	23.26	4.90%
W1B4	31 - 45 kl per kl	32.68	37.58	31.15	35.82	4.90%
W1B5	46 - 60 kl per kl	42.43	48.80	40.45	46.52	4.90%

W1B6	>60kl per kl	56.58	65.07	53.94	62.03	4.90%
	Restriction Tariff 1 (level 2 & 3 water restrictions)					
W1B7	0 - 6 kl per kl	6.38	7.33	6.08	6.99	4.90%
W1B8	7 - 18 kl per kl	17.01	19.56	16.21	18.64	4.90%
W1B9	19 - 30 kl per kl	27.59	31.73	26.30	30.24	4.90%
W1B10	31 - 45 kl per kl	42.48	48.85	40.50	46.57	4.90%
W1B11	46 - 60 kl per kl	55.16	63.44	52.59	60.47	4.90%
W1B12	>60kl per kl	73.56	84.59	70.12	80.64	4.90%
	Restriction Tariff 2 (level 4 & 5 water restrictions)					
W1B13	0 - 6 kl per kl	6.38	7.33	6.08	6.99	4.90%
W1B14	7 - 18 kl per kl	20.93	24.07	19.95	22.94	4.90%
W1B15	19 - 30 kl per kl	33.95	39.05	32.37	37.22	4.90%
W1B16	31 - 45 kl per kl	52.28	60.12	49.84	57.32	4.90%
W1B17	46 - 60 kl per kl	67.89	78.07	64.72	74.43	4.90%
W1B18	>60kl per kl	90.53	104.11	86.30	99.25	4.90%
	Restriction Tariff 3 (level 6 water restrictions)					
W1B19	0 - 6 kl per kl	6.38	7.33	6.08	6.99	4.90%
W1B20	7 - 18 kl per kl	26.16	30.09	24.94	28.68	4.90%
W1B21	19 - 30 kl per kl	42.44	48.81	40.46	46.53	4.90%
W1B22	31 - 45 kl per kl	65.35	75.16	62.30	71.65	4.90%
W1B23	46 - 60 kl per kl	84.86	97.59	80.90	93.04	4.90%
W1B24	>60kl per kl	113.17	130.14	107.88	124.06	4.90%
W1BI	**CONSUMPTION - REGISTERED INDIGENT HOUSEHOLDS**					
	Normal Tariff & Level 1 water restrictions					
W1BI1	0 - 10~~6~~ kl per kl - **subsidised**	6.38	7.33	6.08	6.99	4.90%
W1BI2	11 ~~7~~ - 18 kl per kl	13.08	15.04	12.47	14.34	4.90%
W1BI3	19 - 30 kl per kl	21.22	24.40	20.23	23.26	4.90%
W1BI4	31 - 45 kl per kl	32.68	37.58	31.15	35.82	4.90%
W1BI5	46 - 60 kl per kl	42.43	48.80	40.45	46.52	4.90%
W1BI6	>60kl per kl	56.58	65.07	53.94	62.03	4.90%
	Restriction Tariff 1 (level 2 & 3 water restrictions)					
W1BI7	0 - 10~~6~~ kl per kl - **subsidised**	6.38	7.33	6.08	6.99	4.90%
W1BI8	11 ~~7~~ - 18 kl per kl	17.01	19.56	16.21	18.64	4.90%
W1BI9	19 - 30 kl per kl	27.59	31.73	26.30	30.24	4.90%
W1BI10	31 - 45 kl per kl	42.48	48.85	40.50	46.57	4.90%
W1BI11	46 - 60 kl per kl	55.16	63.44	52.59	60.47	4.90%
W1BI12	>60kl per kl	73.56	84.59	70.12	80.64	4.90%
	Restriction Tariff 2 (level 4 & 5 water restrictions)					
W1BI13	0 - 10~~6~~ kl per kl - **subsidised**	6.38	7.33	6.08	6.99	4.90%
W1BI14	11 ~~7~~ - 18 kl per kl	20.93	24.07	19.95	22.94	4.90%
W1BI15	19 - 30 kl per kl	33.95	39.05	32.37	37.22	4.90%
W1BI16	31 - 45 kl per kl	52.28	60.12	49.84	57.32	4.90%

W1BI17	46 - 60 kl per kl	67.89	78.07	64.72	74.43	4.90%
W1BI18	>60kl per kl	90.53	104.11	86.30	99.25	4.90%
	Restriction Tariff 3 (level 6 water restrictions)					
W1BI19	0 - 10~~6~~ kl per kl - **subsidised**	6.38	7.33	6.08	6.99	4.90%
W1BI20	11 ~~7~~ - 18 kl per kl	26.16	30.09	24.94	28.68	4.90%
W1BI21	19 - 30 kl per kl	42.44	48.81	40.46	46.53	4.90%
W1BI22	31 - 45 kl per kl	65.35	75.16	62.30	71.65	4.90%
W1BI23	46 - 60 kl per kl	84.86	97.59	80.90	93.04	4.90%
W1BI24	>60kl per kl	113.17	130.14	107.88	124.06	4.90%
W1C	**CONSUMPTION - ALL OTHER**					
	Normal Tariff & Level 1 water restrictions					
W1C1	0 - 18 kl per kl	14.47	16.64	13.79	15.86	4.90%
W1C2	19 - 30 kl per kl	21.22	24.40	20.23	23.26	4.90%
W1C3	31 - 45 kl per kl	32.68	37.58	31.15	35.82	4.90%
W1C4	46 - 60 kl per kl	42.43	48.80	40.45	46.52	4.90%
W1C5	>60 kl per kl	56.58	65.07	53.94	62.03	4.90%
	Restriction Tariff 1 (level 2 & 3 water restrictions)					
W1C6	0 - 18 kl per kl	18.81	21.63	17.93	20.62	4.90%
W1C7	19 - 30 kl per kl	27.59	31.73	26.30	30.24	4.90%
W1C8	31 - 45 kl per kl	42.48	48.85	40.50	46.57	4.90%
W1C9	46 - 60 kl per kl	55.16	63.44	52.59	60.47	4.90%
W1C10	>60 kl per kl	73.56	84.59	70.12	80.64	4.90%
	Restriction Tariff 2 (level 4 & 5 water restrictions)					
W1C11	0 - 18 kl per kl	23.15	26.62	22.06	25.37	4.90%
W1C12	19 - 30 kl per kl	33.95	39.05	32.37	37.22	4.90%
W1C13	31 - 45 kl per kl	52.28	60.12	49.84	57.32	4.90%
W1C14	46 - 60 kl per kl	67.89	78.07	64.72	74.43	4.90%
W1C15	>60 kl per kl	90.53	104.11	86.30	99.25	4.90%
	Restriction Tariff 3 (level 6 water restrictions)					
W1C16	0 - 18 kl per kl	28.93	33.27	27.58	31.72	4.90%
	19 - 30 kl per kl	42.44	48.81	40.46	46.53	4.90%
	31 - 45 kl per kl	65.35	75.16	62.30	71.65	4.90%
	46 - 60 kl per kl	84.86	97.59	80.90	93.04	4.90%
W1C17	>60 kl per kl	113.17	130.14	107.88	124.06	4.90%
W1D	**OTHER CONSUMERS**					
W1D1	Departmental per Kl (Including temporary connection for municipal purposes)	28.46	32.73	25.19	28.97	12.98%
W1D2	Fire Hoses: Basic per Month	198.04	227.75	188.79	217.11	4.90%
W1D3	Bulk usage (Unconnected to networks) per Kl - Consumers Permanently residing within Overstrand municipality area	16.02	18.42	15.27	17.56	4.90%
W1D3A	Restriction Tariff 1 (level 2 & 3 water restrictions)	20.82	23.95	19.85	22.83	4.90%
W1D3B	Restriction Tariff 2 (level 4 & 5 water restrictions)	25.63	29.47	24.43	28.10	4.90%
W1D3C	Restriction Tariff 3 (level 6 water restrictions)	32.04	36.84	30.54	35.12	4.90%

W1D4	Kid Brooke (Van Cauter 0 - 8000kl per year)	0.08	0.09	0.08	0.09	0.00%
W1D5	Onrus Small Holdings tariff 2 (Van Cauter)	0.08	0.09	0.08	0.09	0.00%
W1D6	Onrus Small Holdings tariff 4 (Per agreement)	1.11	1.28	1.11	1.28	0.00%
W1D7	Contractors water consumption - temporary connection (only for municipal purposes)	28.46	32.73	25.19	28.97	12.98%
W1D8	Bulk usage (Unconnected to networks) per Kl - People residing outside the Overstrand municipal area	59.40	68.32	56.63	65.12	4.90%
W1D8A	Restriction Tariff 1 (level 2 & 3 water restrictions)	77.23	88.81	73.62	84.66	4.90%
W1D8B	Restriction Tariff 2 (level 4 & 5 water restrictions)	95.05	109.30	90.61	104.20	4.90%
W1D8C	Restriction Tariff 3 (level 6 water restrictions)	118.81	136.63	113.26	130.25	4.90%
W1E	**WET COMMERCIAL, SPORT, PARKS etc (must apply for this tariff)**					
	Normal Tariff & Level 1 water restrictions					
W1E1	0 - 500kl per kl	21.05	24.21	20.07	23.08	4.90%
W1E2	501 - 1000kl per kl	31.84	36.61	30.35	34.90	4.90%
W1E3	>1000kl per kl	42.45	48.82	40.47	46.54	4.90%
	Restriction Tariff 1 (level 2 & 3 water restrictions)					
W1E4	0 - 300kl per kl	27.37	31.47	26.09	30.00	4.90%
W1E5	301 - 700kl per kl	41.39	47.60	39.46	45.37	4.90%
W1E6	>700kl per kl	55.19	63.47	52.61	60.50	4.90%
	Restriction Tariff 2 (level 4 & 5 water restrictions)					
W1E7	0 - 250kl per kl	33.69	38.74	32.11	36.93	4.90%
W1E8	251 - 500kl per kl	50.94	58.58	48.56	55.84	4.90%
W1E9	>500kl per kl	67.92	78.11	64.75	74.46	4.90%
	Restriction Tariff 3 (level 6 water restrictions)					
W1E10	0 - 100kl per kl	42.11	48.42	40.14	46.16	4.90%
W1E11	>100 kl per kl	84.91	97.64	80.94	93.08	4.90%
W1F	**WET INDUSTRY (Marine etc. must apply for this tariff) (Average of 100kl per day over previous 365 days**					
	Normal Tariff & Level 1 water restrictions					
W1F1	0 - 5800kl per kl	21.93	25.22	20.91	24.05	4.90%
W1F2	> 5800kl per kl	42.45	48.82	40.47	46.54	4.90%
	Restriction Tariff 1 (level 2 & 3 water restrictions)					
W1F3	0 - 5800kl per kl	28.51	32.79	27.18	31.26	4.90%
W1F4	> 5800kl per kl	55.19	63.47	52.61	60.50	4.90%
	Restriction Tariff 2 (level 4 & 5 water restrictions)					
W1F5	0 - 5800kl per kl	35.10	40.36	33.46	38.47	4.90%
W1F6	> 5800kl per kl	67.92	78.11	64.75	74.46	4.90%
	Restriction Tariff 3 (level 6 water restrictions)					
W1F7	0 - 5 800kl per kl	43.87	50.45	41.82	48.09	4.90%
W1F8	>5 800 kl per kl	84.91	97.64	80.94	93.08	4.90%
W2A	**AVAILABILITY CHARGES**					
W2A1	Overstrand per month	155.62	178.96	148.35	170.60	4.90%
W2A2	Farms connected to water pipe line	155.62	178.96	148.35	170.60	4.90%
W2J	**REBATES (This can be granted by the Municipal Manager after application) refer to Policy # 6.8.1**					

W2J1	Kl above average - per kl	28.46	32.73	25.19	28.97	12.98%
W3A	**IRRIGATION WATER ("LEI WATER") & RAW WATER**					
W3A1	Use and pump water (80-90 min) per MONTH Stanford	47.56	54.70	45.34	52.14	4.90%
W3A2	Pearly Beach Small Holdings: Basic	58.04	66.75	55.33	63.63	4.90%
W3A3	Pearly Beach Small Holdings: Consumption 0- 70 kl per kl	4.54	5.22	4.33	4.98	4.90%
W3A4	Pearly Beach Small Holdings: Consumption >70 kl per kl	10.63	12.22	10.13	11.65	4.90%
W3A5	Others per kl	4.54	5.22	4.33	4.98	4.90%
W3A6	Farm 1/722 Stanford as per agreement 1.75% of raw water abstraction from municipal boreholes, maximum 8760 kl/a	0.00	0.00	0.00	0.00	0.00%
W3A7	Farm 586 Volmoed raw water from De Bos pipeline consumption 0 - 300 kl/month per kl	0.00	0.00	0.00	0.00	0.00%
W3A8	Farm 586 Volmoed raw water from De Bos pipeline consumption >300 kl/month per kl	4.54	5.22	4.31	4.96	5.39%
W3B	**IRRIGATION WATER - (TREATED EFFLUENT)**					
W3B2	Hermanus Golf Club per month	51 630.30	59 374.85	49 218.59	56 601.38	4.90%
W3B3	All other per kl	2.91	3.34	2.77	3.19	4.90%
W3B4	Schools, municipal sports grounds & project sport grounds as per agreement	no charge	no vat	no charge	no vat	
W3B5	Curro Holdings - 250kl free per day as per deed of sale	2.91	3.34	2.77	3.19	4.90%
W4	**SUNDRY CHARGES**					
W4A1	Testing of a Meter (Call-out Fee incl)(Conditionally refundable)	1 035.65	1 191.00	991.30	1 140.00	4.47%
W4A2	Testing of a Meter (Ind/Bulk Meter)(Conditionally refundable) ***Minimum charge of R500**	Cost plus 15%	applicable vat	Cost plus 15%	applicable vat	
W4A3	Disconnection	469.57	540.00	449.57	517.01	4.45%
W4A4	Reconnection	469.57	540.00	449.57	517.01	4.45%
W4A5	Reconnection After Normal Working Hours	940.00	1 081.00	899.13	1 034.00	4.55%
W4A6	Administration fee - recalculation due to no meter access	182.61	210.00	175.05	201.31	4.32%
W4A7	Verification of a Meter Reading	257.39	296.00	246.09	283.00	4.59%
W4A8	Final and Special Readings	235.65	271.00	225.22	259.00	4.63%
W4A9	Call-out Fee - Normal Working Hours	468.70	539.00	448.70	516.01	4.46%
W4A10	Call-out Fee - After Hours	938.26	1 079.00	898.26	1 033.00	4.45%
W4A11	Replacement of damage meter	1 259.13	1 448.00	1 205.22	1 386.00	4.47%
W4A12	Removal of Meter (based on call out fee)	1 035.65	1 191.00	991.30	1 140.00	4.47%
W4A13	Registration of Borehole (Including inspection fee)	351.30	404.00	336.52	387.00	4.39%
W4A14	Repositioning of Meter (excl. pipe)	1 031.30	1 186.00	986.96	1 135.00	4.49%
W4A15	Convert to Water Flow Restrictor Meter	3 357.39	3 861.00	3 213.04	3 695.00	4.49%
W4A16	Temporary Connections - Deposit	8 835.00	no vat	8 455.00	no vat	4.49%
W4A17	Temporary Connection - Usage per kl	28.46	32.73	25.19	28.97	12.98%
W4A18	Damage of Water Meter	Actual cost plus 15%	applicable vat	Actual cost plus 15%	applicable vat	
W4A19	Damage of Watermain	Actual cost plus R3 551.66	applicable vat	Actual cost plus R3 398.72	applicable vat	4.50%
W4A20	Damage of Service Connection (including water meter)	Actual cost plus R933.56	applicable vat	Actual cost plus R893.36	applicable vat	4.50%
W5	**ILLEGAL CONNECTION / TAMPERING FEE**					
W5A1	1st Offence	7 838.00	no vat	7 500.00	no vat	4.51%

W5A2	2 nd Offence Must convert to a flow-restriction watermeter at applicable tariff plus	9 196.00	no vat	8 800.00	no vat	4.50%
W5A3	3rd Offence (Restriction of service and remedial action fee = double previous offence fee)	Previous offence amount X 2	no vat	Previous offence amount X 2	no vat	
W6	**CONNECTION FEE**					
W6A1	20 mm Connection Conventional Meter	5 741.74	6 603.00	5 494.78	6 319.00	4.49%
W6A2	20 mm Connection Water Flow Restrictor Meter	6 819.13	7 842.00	6 525.22	7 504.00	4.50%
W6A3	Other Connections	Actual cost plus 15%	applicable vat	Actual cost plus 15%	applicable vat	
W6A4	Connections (Erf Boundary - by Developer)	1 493.04	1 717.00	1 428.70	1 643.01	4.50%
W7	**BULK SERVICES DEVELOPMENT FEES**					
	Tariffs set out in Development Contribution Tariff list					

ANNEXURE TO WATER TARIFFS

ALLOCATION OF RUE's TO CATEGORIES OF CONSUMERS

Clinics - Out patients	* 1 RUE
Flats	* 1 RUE per Unit
Guest Houses and B & B's	* 1 RUE
Household related consumers that do not fall in one of the above household consumer categories	* Upon application the Engineering & Financial Departments will assess the validity within the tariff's structural framework
Old Age Homes, Hostels & Boarding School	* 1 RUE per 7 beds
Retirement Villages, Hospital & Hospice	* 1 RUE per 1 residential unit * 1 RUE per 7 beds
Single Residential erven	* 1 RUE
Townhouse and Group developments	* 1 RUE per unit (Please note that Townhouse/Group Developments must apply should they require more than 1 RUE during development) * RUE's only applicable from date of application and approval

RUE = Residential Unit Equivalent

DEVELOPMENT CONTRIBUTION TARIFFS (BULK INFRASTRUCTURE CONTRIBUTION LEVIES - BICL) (ROUNDING APPLICABLE)

Tariff Code	Detail	2022/2023		2021/2022		1.045
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%	
		R	R	R	R	
DC1	**WATER**					
DC1A	Standard Fee per Equivalent Unit	22 640.00	26 036.00	21 665.22	24 915.00	4.50%
DC2	**ELECTRICITY**					
DC2A	**Sub Division of Existing Erf**					
DC2A1	Single Phase 60 AMP (5 kVA) Domestic X Tariff E15A4 = P/ERF **PLUS** Standard Connection Fees	30 373.90	34 929.99	28 925.51	33 264.34	5.01%
DC2B	**New Developments**					
DC2B1	Standard fee per Singel Phase Domestic erf - infrastructure provide by developer (Based on 13.8 kVA xE15A2 x.36)	18 977.76	21 824.42	18 072.58	20 783.47	5.01%
DC2B2	Standard fee per Three Phase Domestic erf - infrastructure provide by developer (Based on 42kVA x E15A2x.36)	57 758.40	66 422.16	55 003.50	63 254.03	5.01%
DC2C	MV/LV Bulk Supply with metering point cost / kVA= Tariff E15A2	3 819.86	4 392.84	3 655.37	4 203.68	4.50%
DC2C1	LV Bulk Supply if capacity is available on existing TF cost / kVA = Tariff E15A3	4 656.08	5 354.49	4 455.58	5 123.92	4.50%
DC3	**SEWERAGE**					
DC3A	Standard Fee per Equivalent Unit	15 265.22	17 555.00	14 607.93	16 799.12	4.50%
DC4	**ROADS**					
DC4A	Standard Fee per Equivalent Unit	6 845.22	7 872.00	6 550.19	7 532.72	4.50%
DC5	**STORMWATER**					
DC5A	Standard Fee per Equivalent Unit	7 897.39	9 082.00	7 557.64	8 691.29	4.50%
DC6	**SOLID WASTE**					
DC6A	Standard Fee per Equivalent Unit	1 368.70	1 574.00	1 309.50	1 505.93	4.52%
DC7	**OFF-GRID DEVELOPMENT/UNITS**					
DC7A	As per signed agreement as recommended by the Director: Infrastructure and Planning and approval by the Municipal Manager	as per agreement	applicable vat	as per agreement	applicable vat	
DC8	**EVALUATION/INVESTIGATION LEVIES are payable OVER and ABOVE the Bulk Service Levies**					
DC8A	**Water**					
	No. of Equivalent units					
DC8A1	1 - 4	no charge	no vat	no charge	no vat	
DC8A2	5 - 10	9 482.61	10 905.00	9 073.91	10 435.00	4.50%
DC8A3	11 - 25	15 966.96	18 362.00	15 279.13	17 571.00	4.50%
DC8A4	26 - 50	21 968.70	25 264.00	21 022.61	24 176.00	4.50%
DC8A5	51 - 100	25 209.57	28 991.00	24 124.35	27 743.00	4.50%
DC8A6	101 - 250	27 970.44	32 166.00	26 766.09	30 781.00	4.50%
DC8A7	251 - 500	32 652.17	37 550.00	31 246.09	35 933.00	4.50%
DC8A8	501 - 2000	36 853.04	42 381.00	35 266.09	40 556.00	4.50%
DC8A9	2000 – 5000	44 296.52	50 941.00	42 388.70	48 747.01	4.50%

DC8A10	> 5001	50 299.13	57 844.00	48 133.04	55 353.00	4.50%
DC8E	**Sanitation**					
	No. of Equivalent units					
DC8E1	1 - 4	no charge	no vat	no charge	no vat	
DC8E2	5 - 10	9 482.61	10 905.00	9 073.91	10 435.00	4.50%
DC8E3	11 - 25	15 966.96	18 362.00	15 279.13	17 571.00	4.50%
DC8E4	26 - 50	21 968.70	25 264.00	21 022.61	24 176.00	4.50%
DC8E5	51 - 100	25 209.57	28 991.00	24 124.35	27 743.00	4.50%
DC8E6	101 - 250	27 970.44	32 166.00	26 766.09	30 781.00	4.50%
DC8E7	251 - 500	32 652.17	37 550.00	31 246.09	35 933.00	4.50%
DC8E8	501 - 2000	36 853.04	42 381.00	35 266.09	40 556.00	4.50%
DC8E9	2000 – 5000	44 296.52	50 941.00	42 388.70	48 747.01	4.50%
DC8E10	> 5001	50 299.13	57 844.00	48 133.04	55 353.00	4.50%

RESORTS TARIFF LIST (ROUNDING APPLICABLE)

Tariff Code	Detail	2022/2023		2021/2022		1.045
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%	1.10330
	** A deposit of 50% of the total amount payable is applicable to secure the booking					electricity
	** On cancellation of the booking an administration fee of 15% will deducted from the deposit					
	** On cancellation of the booking less than 14 days prior to the commencement of the booking period, the deposit **will not** be paid back					
R 1	**PALMIET & KLEINMOND CARAVAN PARKS**					
R1A	**Peak Season - 1 December - 31 January & Easter Weekend**					
R1A1	A Stands per day	450.44	518.00	431.30	496.00	4.44%
R1A2	B Stands per day	361.74	416.00	346.09	398.00	4.52%
R1A3	C Stands per day	321.74	370.00	307.83	354.00	4.52%
R1B	**Off-Peak Season - 1 February - 30 November (Excluding Easter Weekend)**					
R1B1	A Stands per day	249.57	287.00	239.13	275.00	4.36%
R1B2	B Stands per day	214.78	247.00	205.22	236.00	4.66%
R1B3	C Stands per day	196.52	226.00	187.83	216.00	4.63%
	The above tariffs include for up to four (4) persons and one (1) vehicle with one trailor or caravan or small boat per day					
R1F	**Sundry Costs**					
R1F1	Electricity if available per stand per day	28.79	33.10	26.09	30.00	10.33%
R1F2	Additional persons up to a maximum of two (2) - per person per day	65.22	75.00	62.61	72.00	4.17%
R1F3	Additional vehicle or small trailer or small boat to maximum of 2 units - per unit per day	37.39	43.00	35.65	41.00	4.88%
R1F4	Day visitors for campers up to a maximum of four (4) per person per day	65.22	75.00	62.61	72.00	4.17%
R1F5	Day visitors vehicle per day	49.57	57.00	47.83	55.00	3.63%
	NOTE: Special arrangements must be made with the Camp Manager to allow day visitors					
R1F6	Children under two (2) years	no charge	no vat	no charge	no vat	
R1F7	Children under twelve (12)	32.17	37.00	30.44	35.01	5.68%
R1F8	Gate Card / Key Deposit per set - Refundable	189.00	no vat	181.00	no vat	4.42%
R1J	**Off-Peak: Pensioners,Caravan Clubs more than 10 caravans, Mobile Camper Vehicles & RV groups (not caravans) more than 20 campers**					
	Note: Pensioners to be defined as persons sixty (60) years and older					
R1J1	May get a discount on the stands	50%	applicable vat	50%	applicable vat	
R1J2	Qulify for a reduced tariff for a period of 30 days	3 034.78	3 490.00	2 904.35	3 340.00	4.49%
R 10	**KLEINMOND: FRANK ROBB HUT**					
R10A	Camping per person per day (Maximum of 10 persons)	106.96	123.00	102.61	118.00	4.24%
R 20	**ONRUS CARVAN PARK: PLETT HOUSE**					
R20A	Peak Season - 1 December - 31 January & Easter Weekend	498.26	573.00	476.52	548.00	4.56%
R20B	Off-Peak Season - 1 February - 30 November (Excluding Easter Weekend)	308.70	355.00	295.65	340.00	4.41%
R 30	**ONRUS CARVAN PARK**					
R30A	**Peak Season - 1 December - 31 January & Easter Weekend**					
R30A1	A Stands per day	490.44	564.00	469.57	540.01	4.44%
R30A2	B Stands per day	376.52	433.00	360.00	414.00	4.59%

R30A3	C Stands per day	344.35	396.00	329.57	379.01	4.48%
R30B	**Off-Peak Season - 1 February - 30 November (Excluding Easter Weekend)**					
R30B1	A Stands per day	271.30	312.00	260.00	299.00	4.35%
R30B2	B Stands per day	229.57	264.00	220.00	253.00	4.35%
R30B3	C Stands per day	214.78	247.00	205.22	236.00	4.66%
	The above tariffs include for up to four (4) persons and one (1) vehicle with one trailor or caravan or small boat per day					
R30F	**Sundry Costs**					
R30F1	Electricity if available per stand per day	28.79	33.10	26.09	30.00	10.33%
R30F2	Additional persons up to a maximum of two (2) - per person per day	72.17	83.00	68.70	79.01	5.05%
R30F3	Additional vehicle or small trailer or small boat to maximum of 2 units - per unit per day	39.13	45.00	37.39	43.00	4.65%
R30F4	Children under two (2) years	no charge	no vat	no charge	no vat	
R30F5	Children under twelve (12)	37.39	43.00	35.65	41.00	4.88%
R30F6	Daily Functions (pre-arrangement) per day	178.26	205.00	170.44	196.01	4.59%
R30F7	Full 30 day Rental	4 851.30	5 579.00	4 642.61	5 339.00	4.50%
R30F8	Gate Card / Key Deposit per set - Refundable	192.00	no vat	184.00	no vat	4.35%
R30J	**Annual Rental**					
R30J1	Rental per annum	15 873.04	18 254.00	15 189.57	17 468.01	4.50%
	Plus:					
R30J2	Pergola with covering per annum	1 701.74	1 957.00	1 628.70	1 873.01	4.48%
R30J3	Water tap per annum	362.61	417.00	346.96	399.00	4.51%
R30J4	Structure for storing purposes per annum	362.61	417.00	346.96	399.00	4.51%
R30J5	Permanent fireplace structure per annum	362.61	417.00	346.96	399.00	4.51%
R30J6	Electricity per stand per annum	1 457.76	1 676.42	1 321.27	1 519.46	10.33%
R30L	**Off-Peak: Pensioners,Caravan Clubs more than 10 caravans, Mobile Camper Vehicles & RV groups (not caravans) more than 20 campers**					
	Note: Pensioners to be defined as persons sixty (60) years and older					
R30L1	May get a discount on the stands	50%	applicable vat	50%	applicable vat	
R30L2	Qualify for a reduced tariff for a period of 30 days	3 335.65	3 836.00	3 192.17	3 671.00	4.49%
R 60	**GANSBAAAI CARAVAN PARK**					
R60A	**Peak Season - 1 December - 31 January & Easter Weekend**					
R60A1	A+ Stands per day	400.00	460.00	382.61	440.00	4.55%
R60A2	A Stands per day	318.26	366.00	304.35	350.00	4.57%
R60A3	B Stands per day	249.57	287.00	239.13	275.00	4.36%
R60A4	C Stands per day	226.96	261.00	217.39	250.00	4.40%
R60B	**Off-Peak Season - 1 February - 30 November (Excluding Easter Weekend)**					
R60B1	A+ Stands per day	273.04	314.00	260.87	300.00	4.67%
R60B2	A Stands per day	236.52	272.00	226.09	260.00	4.61%
R60B3	B Stands per day	213.91	246.00	204.35	235.00	4.68%
R60B4	C Stands per day	195.65	225.00	186.96	215.00	4.65%
	The above tariffs include for up to four (4) persons and one (1) vehicle with one trailor or caravan or small boat per day					
R60F	**Sundry Costs**					

R60F1	Additional persons up to a maximum of two (2) - per person per day	65.22	75.00	62.61	72.00	4.17%
R60F2	Additional vehicle or small trailer or small boat - per unit per day	46.96	54.00	45.22	52.00	3.85%
R60F3	Children under two (2) years	no charge	no vat	no charge	no vat	
R60F4	Children under twelve (12)	32.17	37.00	30.44	35.01	5.68%
R60F5	Day visitors for campers up to a maximum of four (4) per person per day	46.96	54.00	45.22	52.00	3.85%
R60F6	Gate Card / Key Deposit per set - Refundable	188.00	no vat	180.00	no vat	4.44%
R60J	**Annual Rental**					
R60J1	Rental per annum	8 910.44	10 247.00	8 526.96	9 806.00	4.50%
E60K	**Off-Peak: Pensioners,Caravan Clubs more than 10 caravans, Mobile Camper Vehicles & RV groups (not caravans) more than 20 campers**					
	Note: Pensioners to be defined as persons sixty (60) years and older					
R60K1	May get a discount on the stands	50%	applicable vat	50%	applicable vat	
R 80	**HAWSTON DAY CAMPING SITE**					
R80A	**Peak Season - 1 December - 31 January & Easter Weekend**					
R80A1	Camping Sites	214.78	247.00	205.22	236.00	4.66%
R80A2	Parking Fees per vehicle (excluding busses >20 seats)	16.52	19.00	15.65	18.00	5.56%
R80A3	Per Bus >20 seats	183.48	211.00	175.65	202.00	4.46%
R80A4	Entrance Fee: Adults (per person)	16.52	19.00	15.65	18.00	5.56%
R80A5	Entrance Fee: Children (per child < 12)	4.52	5.20	4.35	5.00	3.91%
R80B	**Off-Peak Season - 1 February - 30 November (Excluding Easter Weekend)**					
R80B1	Camping Sites	116.52	134.00	111.30	128.00	4.69%
R80B2	Parking Fees per vehicle (excluding busses >20 seats)	16.52	19.00	15.65	18.00	5.56%
R80B3	Per Bus >20 seats	183.48	211.00	175.65	202.00	4.46%
R80B4	Entrance Fee: Adults (per person)	16.52	19.00	15.65	18.00	5.56%
R80B5	Entrance Fee: Children (per child < 12)	4.52	5.20	4.35	5.00	3.91%
R80B6	The above tariffs include for up to six (6) persons and one (1) vehicle with one trailor or caravan or small boat per day					
R80E	**Sundry Costs**					
R80E1	Electricity if available per stand per day	28.70	33.00	26.09	30.00	9.98%
R80E2	Additional vehicle or small trailer or small boat - per unit per day	44.35	51.00	42.61	49.00	4.08%
R80E3	Events - partial or whole day camp site, per day or portion of the day (Excluding other services eg. Refuse collection, electricity etc.)	606.96	698.00	580.87	668.00	4.49%
R80J	**Off-Peak: Pensioners,Caravan Clubs more than 10 caravans, Mobile Camper Vehicles & RV groups (not caravans) more than 20 campers**					
	Note: Pensioners to be defined as persons sixty (60) years and older					
R80J1	May get a discount on the stands	50%	applicable vat	50%	applicable vat	

ANNEXURE D

TARIFF BASKETS

MONTHLY BASKET OF TARIFFS - SINGLE RESIDENTIAL 2022/20223

Residential			Year	Year	Increase/Decrease	
High Consumption with credit elect meter			2021/2022	2022/2023	Amount	%
Valuation		R3 500 000				
Rates			1 426.00	1 510.13	84.13	5.90
Sewer	**SE7A1+SE8A**		653.35	681.44	28.09	4.30
Infrastructure Basic Charge Water, Electricity & Sewer			53.54	53.54	0.00	0.00
Refuse	**1X Per Week**		201.59	213.48	11.89	5.90
Water	50 kl		1 246.73	1 307.82	61.09	4.90
VAT		15%	323.28	338.44	15.16	4.69
SUB TOTAL			**3 904.49**	**4 104.86**	**200.37**	**5.13**
Electricity Credit Meter	1500 kWh		4 074.73	4 495.65	420.92	10.33
VAT		15%	611.21	674.35	63.14	10.33
TOTAL			**8 590.43**	**9 274.86**	**684.43**	**7.97**
SRA Rate as might be applicable to be added						

High Consumption with prepaid elect meter			2021/2022	2022/2023	Amount	%
Valuation		R3 500 000				
Rates			1 426.00	1 510.13	84.13	5.90
Sewer	**SE7A1+SE8A**		653.35	681.44	28.09	4.30
Infrastructure Basic Charge Water, Electricity & Sewer			53.54	53.54	0.00	0.00
Refuse	**1X Per Week**		201.59	213.48	11.89	5.90
Water	50 kl		1 246.73	1 307.82	61.09	4.90
VAT		15%	323.28	338.44	15.16	4.69
SUB TOTAL			**3 904.49**	**4 104.86**	**200.37**	**5.13**
Electricity Prepaid Meter	1500 kWh		3 901.21	4 304.20	402.99	10.33
VAT		15%	585.18	645.63	60.45	10.33
TOTAL			**8 390.88**	**9 054.69**	**663.82**	**7.91**
SRA Rate as might be applicable to be added						

Medium Consumption with credit elect meter			2021/2022	2022/2023	Amount	%
Valuation		R2 500 000				
Rates			1 012.67	1 072.41	59.75	5.90
Sewer	**SE7A1+SE8A**		392.78	409.66	16.89	4.30
Infrastructure Basic Charge Water, Electricity & Sewer			53.54	53.54	0.00	0.00
Refuse	**1X Per Week**		201.59	213.48	11.89	5.90
Water	25 kl		476.08	499.41	23.33	4.90
VAT		15%	168.60	176.41	7.82	4.64
SUB TOTAL			**2 305.25**	**2 424.92**	**119.68**	**5.19**
Electricity Credit Meter	800 kWh		2 096.53	2 313.10	216.57	10.33
VAT		15%	314.48	346.97	32.49	10.33
TOTAL			**4 716.26**	**5 084.99**	**368.73**	**7.82**
SRA Rate as might be applicable to be added						

Medium Consumption with prepaid elect meter			2021/2022	2022/2023	Amount	%
Valuation		R2 500 000				
Rates			1 012.67	1 072.41	59.75	5.90
Sewer	**SE7A1+SE8A**		392.78	409.66	16.89	4.30
Infrastructure Basic Charge Water, Electricity & Sewer			53.54	53.54	0.00	0.00
Refuse	**1X Per Week**		201.59	213.48	11.89	5.90
Water	25 kl		476.08	499.41	23.33	4.90
VAT		15%	168.60	176.41	7.82	4.64
SUB TOTAL			**2 305.25**	**2 424.92**	**119.68**	**5.19**
Electricity Prepaid Meter	800 kWh		1 999.66	2 206.22	206.56	10.33
VAT		15%	299.95	330.93	30.98	10.33
TOTAL			**4 604.85**	**4 962.08**	**357.22**	**7.76**
SRA Rate as might be applicable to be added						

Low Consumption with credit meter			2021/2022	2022/2023	Amount	%
Valuation		R1 000 000				
Rates			392.67	415.83	23.17	5.90
Sewer	**SE7A1+SE8A**		288.55	300.95	12.41	4.30
Infrastructure Basic Charge Water, Electricity & Sewer			53.54	53.54	0.00	0.00
Refuse	**1X Per Week**		201.59	213.48	11.89	5.90
Water	15 kl		297.06	311.62	14.56	4.90
VAT		15%	126.11	131.94	5.83	4.62
SUB TOTAL			**1 359.51**	**1 427.37**	**67.85**	**4.99**
Electricity Credit Meter	600 kWh		1 531.33	1 689.52	158.19	10.33
VAT		15%	229.70	253.43	23.73	10.33
TOTAL			**3 120.54**	**3 370.31**	**249.77**	**8.00**
SRA Rate as might be applicable to be added						

Low Consumption with prepaid elect meter			2021/2022	2022/2023	Amount	%
Valuation		R1 000 000				
Rates			392.67	415.83	23.17	5.90
Sewer	SE7A1+SE8A		288.55	300.95	12.41	4.30
Infrastructure Basic Charge Water, Electricity & Sewer			53.54	53.54	0.00	0.00
Refuse	1X Per Week		201.59	213.48	11.89	5.90
Water	15 kl		297.06	311.62	14.56	4.90
VAT		15%	126.11	131.94	5.83	4.62
SUB TOTAL			**1 359.51**	**1 427.37**	**67.85**	**4.99**
Electricity Prepaid Meter	600 kWh		1 456.36	1 606.80	150.44	10.33
VAT		15%	218.45	241.02	22.57	10.33
SUB TOTAL			**3 034.32**	**3 275.18**	**240.86**	**7.94**
SRA Rate as might be applicable to be added						

Life-Line Consumption (ONE PART) (Indigent)			2021/2022	2022/2023	Amount	%
Valuation		R50 000				
Rates			0.00	0.00	0.00	0.00
Sewer	SE7A1		20.85	21.74	0.90	4.30
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	41.70	0.00	0.00
Refuse	1X Per Week		0.00	0.00	0.00	0.00
Water	8 kl		24.94	0.00	-24.94	-100.00
VAT		15%	13.12	9.52	-3.61	-27.48
SUB TOTAL			**100.61**	**72.96**	**-27.65**	**-27.48**
Electricity Pre-paid	300 kWh		438.72	484.04	45.32	10.33
VAT		15%	65.81	72.61	6.80	10.33
TOTAL			**605.14**	**629.60**	**24.47**	**4.04**
SRA Rate as might be applicable to be added						

Low Consumption with credit meter			2021/2022	2022/2023	Amount	%
Valuation		R500 000				
Rates			186.00	196.97	10.97	5.90
Sewer	SE7A1+SE8A		288.55	300.95	12.41	4.30
Infrastructure Basic Charge Water, Electricity & Sewer			53.54	53.54	0.00	0.00
Refuse	1X Per Week		201.59	213.48	11.89	5.90
Water	15 kl		297.06	311.62	14.56	4.90
VAT		15%	126.11	131.94	5.83	4.62
SUB TOTAL			**1 152.85**	**1 208.51**	**55.66**	**4.83**
Electricity Credit Meter	600 kWh		1 531.33	1 689.52	158.19	10.33
VAT		15%	229.70	253.43	23.73	10.33
SUB TOTAL			**2 913.87**	**3 151.45**	**237.57**	**8.15**
SRA Rate as might be applicable to be added						

Low Consumption with prepaid elect meter			2021/2022	2022/2023	Amount	%
Valuation		R500 000				
Rates			186.00	196.97	10.97	5.90
Sewer	SE7A1+SE8A		288.55	300.95	12.41	4.30
Infrastructure Basic Charge Water, Electricity & Sewer			53.54	53.54	0.00	0.00
Refuse	1X Per Week		201.59	213.48	11.89	5.90
Water	15 kl		297.06	311.62	14.56	4.90
VAT		15%	126.11	131.94	5.83	4.62
SUB TOTAL			**1 152.85**	**1 208.51**	**55.66**	**4.83**
Electricity Prepaid Meter	600 kWh		1 456.36	1 606.80	150.44	10.33
VAT		15%	218.45	241.02	22.57	10.33
SUB TOTAL			**2 827.65**	**3 056.32**	**228.67**	**8.09**
SRA Rate as might be applicable to be added						

Low Consumption with credit meter			2021/2022	2022/2023	Amount	%
Valuation		R170 000				
Rates			49.60	52.53	2.93	5.90
Sewer	SE7A1+SE8A		215.58	224.85	9.27	4.30
Infrastructure Basic Charge Water, Electricity & Sewer			53.54	53.54	0.00	0.00
Refuse	1X Per Week		201.59	213.48	11.89	5.90
Water	8 kl		209.77	220.05	10.28	4.90
VAT		15%	102.07	106.79	4.72	4.62
SUB TOTAL			**832.16**	**871.24**	**39.09**	**4.70**
Electricity Credit Meter	600 kWh		1 531.33	1 689.52	158.19	10.33
VAT		15%	229.70	253.43	23.73	10.33
SUB TOTAL			**2 593.19**	**2 814.19**	**221.00**	**8.52**
SRA Rate as might be applicable to be added						

Low Consumption with prepaid elect meter				2021/2022	2022/2023	Amount	%
	Valuation	**R170 000**					
Rates				49.60	52.53	2.93	5.90
Sewer	**SE7A1+SE8A**			215.58	224.85	9.27	4.30
Infrastructure Basic Charge Water, Electricity & Sewer				53.54	53.54	0.00	0.00
Refuse	**1X Per Week**			201.59	213.48	11.89	5.90
Water		8 kl		209.77	220.05	10.28	4.90
VAT			15%	102.07	106.79	4.72	4.62
SUB TOTAL				**832.16**	**871.24**	**39.09**	**4.70**
Electricity Prepaid Meter		600 kWh		1 456.36	1 606.80	150.44	10.33
VAT			15%	218.45	241.02	22.57	10.33
SUB TOTAL				**2 506.96**	**2 719.06**	**212.09**	**8.46**
SRA Rate as might be applicable to be added							

Conservancy Tanks							
If tariff SE7 is not applicable				2021/2022	2022/2023	Amount	%
Smaller than 6kl				608.14	634.29	26.15	4.30
Greater than 6kl				608.14	634.29	26.15	4.30
Outside urban area Plus	per km			17.83	18.60	0.77	4.30
Plus	Per hour			365.20	380.90	15.70	4.30
After hours							
Smaller than 6kl				1 216.28	1 268.58	52.30	4.30
Greater than 6kl				1 216.28	1 268.58	52.30	4.30

Sub-Economic Consumption (Indigent)				2021/2022	2022/2023	Amount	%
	Valuation		R50 000				
Rates				0.00	0.00	0.00	0.00
Sewer	**SE7A1**			0.00	0.00	0.00	0.00
Infrastructure Basic Charge Water, Electricity & Sewer				41.70	41.70	0.00	0.00
Refuse	**1X Per Week**			0.00	0.00	0.00	0.00
Water		6 kl		0.00	0.00	0.00	0.00
VAT			15%	6.26	6.26	0.00	0.00
SUB TOTAL				**47.96**	**47.96**	**0.00**	**0.00**
Electricity Prepaid Meter		150 kWh		216.99	239.41	22.42	10.33
VAT			15%	32.55	35.91	3.36	10.33
TOTAL				**297.49**	**323.27**	**25.78**	**8.66**

MONTHLY BASKET OF TARIFFS - BUSINESS 2018/2019

Business - Large (Time of Use)				2021/2022	2022/2023	Amount	%
	Valuation	R35 000 000					
Rates				27 387.50	29 003.36	1 615.86	5.90
Sewer	SE7D1+SE8A		30	10 130.46	10 566.07	435.61	4.30
Infrastructure Basic Charge Water, Electricity & Sewer				53.54	53.54	0.00	0.00
Refuse	Bins 2X Per Week		30	12 095.01	12 808.62	713.61	5.90
Water		460 kl		23 289.33	24 430.51	1 141.18	4.90
VAT			15%	6 835.25	7 178.81	343.56	5.03
SUB TOTAL				**79 791.09**	**84 040.90**	**4 249.81**	**5.33**
Electricity Credit Meter		108751 + 436kVA		181 162.59	199 876.69	18 714.10	10.33
VAT			15%	27 174.39	29 981.50	2 807.11	10.33
TOTAL				**288 128.07**	**313 899.09**	**25 771.02**	**8.94**
SRA Rate as might be applicable to be added							

Business - Medium (Three Phase)				2021/2022	2022/2023	Amount	%
	Valuation	R3 200 000					
Rates				2 504.00	2 651.74	147.74	5.90
Sewer	SE7D1+SE8A		1	668.24	696.97	28.73	4.30
Infrastructure Basic Charge Water, Electricity & Sewer				53.54	53.54	0.00	0.00
Refuse	1X Per Week		3	604.77	640.45	35.68	5.90
Water		40 kl		950.83	997.42	46.59	4.90
VAT			15%	341.61	358.26	16.65	4.87
SUB TOTAL				**5 122.99**	**5 398.38**	**275.39**	**5.38**
Electricity Credit Meter		7000 kWh		17 223.63	19 002.83	1 779.20	10.33
VAT			15%	2 583.54	2 850.42	266.88	10.33
TOTAL				**24 930.16**	**27 251.64**	**2 321.47**	**9.31**
SRA Rate as might be applicable to be added							

Business - Small (Three Phase)				2021/2022	2022/2023	Amount	%
	Valuation	R3 200 000					
Rates				2 504.00	2 651.74	147.74	5.90
Sewer	SE7D1+SE8A		1	668.24	696.97	28.73	4.30
Infrastructure Basic Charge Water, Electricity & Sewer				53.54	53.54	0.00	0.00
Refuse	1X Per Week		2	403.18	426.97	23.79	5.90
Water		40 kl		950.83	997.42	46.59	4.90
VAT			15%	311.37	326.24	14.87	4.77
SUB TOTAL				**4 891.16**	**5 152.87**	**261.72**	**5.35**
Electricity Credit Meter		4000 kWh		10 191.93	11 244.76	1 052.83	10.33
VAT			15%	1 528.79	1 686.71	157.92	10.33
TOTAL				**16 611.88**	**18 084.34**	**1 472.47**	**8.86**
SRA Rate as might be applicable to be added							

Business - Small (Three Phase)				2021/2022	2022/2023	Amount	%
	Valuation	R3 200 000					
Rates				2 504.00	2 651.74	147.74	5.90
Sewer	SE7D1+SE8A		1	668.24	696.97	28.73	4.30
Infrastructure Basic Charge Water, Electricity & Sewer				53.54	53.54	0.00	0.00
Refuse	1X Per Week		2	403.18	426.97	23.79	5.90
Water		40 kl		950.83	997.42	46.59	4.90
VAT			15%	311.37	326.24	14.87	4.77
SUB TOTAL				**4 891.16**	**5 152.87**	**261.72**	**5.35**
Electricity Credit Meter		1000 kWh		3 160.23	3 486.68	326.45	10.33
VAT			15%	474.03	523.00	48.97	10.33
TOTAL				**8 525.42**	**9 162.56**	**637.14**	**7.47**
SRA Rate as might be applicable to be added							

Business - Small (Three Phase) Prepaid Electricity				2021/2022	2022/2023	Amount	%
	Valuation	R3 200 000					
Rates				2 504.00	2 651.74	147.74	5.90
Sewer	SE7D1+SE8A		1	668.24	696.97	28.73	4.30
Infrastructure Basic Charge Water, Electricity & Sewer				53.54	53.54	0.00	0.00
Refuse	1X Per Week		2	403.18	426.97	23.79	5.90
Water		40 kl		950.83	997.42	46.59	4.90
VAT			15%	311.37	326.24	14.87	4.77
SUB TOTAL				**4 891.16**	**5 152.87**	**261.72**	**5.35**
Electricity Pre-paid		1000 kWh		3 025.13	3 337.63	312.50	10.33
VAT			15%	453.77	500.64	46.87	10.33
TOTAL				**8 370.06**	**8 991.14**	**621.09**	**7.42**
SRA Rate as might be applicable to be added							

MONTHLY BASKET OF TARIFFS - VACANT ERVEN 2017/2018

Valuation High			2021/2022	2022/2023	Amount	%
	Valuation	R780 000				
Rates			551.85	584.41	32.56	5.90
Sewer can connect	Availability		132.20	137.88	5.68	4.30
Refuse	Availability		100.79	106.73	5.95	5.90
Electricity	Availability		408.17	450.33	42.16	10.33
Water	Availability		148.35	155.62	7.27	4.90
Infrastructure Basic Charge Water, Electricity & Sewer			53.54	53.54	0.00	0.00
VAT		15%	126.46	135.62	9.16	7.24
TOTAL			**1 521.35**	**1 624.14**	**102.78**	**6.76**
SRA Rate as might be applicable to be added						

Valuation Average			2021/2022	2022/2023	Amount	%
	Valuation	R250 000				
Rates			176.88	187.31	10.44	5.90
Sewer can connect	Availability		132.20	137.88	5.68	4.30
Refuse	Availability		100.79	106.73	5.95	5.90
Electricity	Availability		408.17	450.33	42.16	10.33
Water	Availability		148.35	155.62	7.27	4.90
Infrastructure Basic Charge Water, Electricity & Sewer			53.54	53.54	0.00	0.00
VAT		15%	126.46	135.62	9.16	7.24
TOTAL			**1 146.38**	**1 227.04**	**80.66**	**7.04**
SRA Rate as might be applicable to be added						

Valuation Lower			2021/2022	2022/2023	Amount	%
	Valuation	R110 000				
Rates			77.83	82.42	4.59	5.90
Sewer can connect	Availability		132.20	137.88	5.68	4.30
Refuse	Availability		100.79	106.73	5.95	5.90
Electricity	Availability		408.17	450.33	42.16	10.33
Water	Availability		148.35	155.62	7.27	4.90
Infrastructure Basic Charge Water, Electricity & Sewer			53.54	53.54	0.00	0.00
VAT		15%	126.46	135.62	9.16	7.24
TOTAL			**1 047.33**	**1 122.14**	**74.82**	**7.14**
SRA Rate as might be applicable to be added						

Valuation Low			2021/2022	2022/2023	Amount	%
	Valuation	R15 000				
Rates			10.61	11.24	0.63	5.90
Sewer can connect	Availability		132.20	137.88	5.68	4.30
Refuse	Availability		100.79	106.73	5.95	5.90
Electricity	Availability		408.17	450.33	42.16	10.33
Water	Availability		148.35	155.62	7.27	4.90
Infrastructure Basic Charge Water, Electricity & Sewer			53.54	53.54	0.00	0.00
VAT		15%	126.46	135.62	9.16	7.24
TOTAL			**980.12**	**1 050.97**	**70.85**	**7.23**
SRA Rate as might be applicable to be added						

ANNEXURE E

CAPITAL BUDGET & HOUSING PROGRAMME

DRAFT CAPITAL BUDGET 2022/23-2024/25 MTREF

						2022/23 BUDGET			2023/24 BUDGET			2024/25 BUDGET		
Area	Local Area	Ward	Project Description	Project Manager	Funding Source	COUNCIL FUNDED	EXTERNAL (GRANTS)	TOTAL	COUNCIL FUNDED	EXTERNAL (GRANTS)	TOTAL	COUNCIL FUNDED	EXTERNAL (GRANTS)	TOTAL
			EXECUTIVE & COUNCIL			**5 000**		**5 000**						
Overstrand	Overstrand	Overstrand	MINOR ASSETS COUNCIL	D Arrison	Surplus	5 000		5 000						
			FINANCE AND ADMINISTRATION			**1 870 000**		**1 870 000**						
Overstrand	Overstrand	Overstrand	EMERGENCY AND OPERATIONAL DIGITAL RADIO SYSTEMS	C Johnson	Surplus	700 000		700 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS ICT ORGANIZATION WIDE	C Johnson	Surplus	600 000		600 000						
Overstrand	Overstrand	Overstrand	UPS REPLACEMENT	C Johnson	Surplus	500 000		500 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS FINANCE	S Reyneke	Surplus	60 000		60 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS MANAGEMENT SERVICES	D Arrison	Surplus	10 000		10 000						
			PUBLIC SAFETY			**1 300 000**		**1 300 000**						
Hermanus	Hermanus	Ward 03	GREATER HERMANUS TRAFFIC DEPT REMOVAL OF OBSOLETE OLD	R Fraser	Surplus 21-22-Nor	1 000 000		1 000 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS PROTECTION SERVICES	N Micheals	Surplus	300 000		300 000						
			PLANNING & DEVELOPMENT			**390 000**		**390 000**						
Overstrand	Overstrand	Overstrand	MINOR ASSETS LED	S Madikane	Surplus	45 000		45 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS INFRASTRUCTURE &PLANNING	S Muller	Surplus	345 000		345 000						
			COMMUNITY SERVICES			**735 000**		**735 000**						
Overstrand	Overstrand	Overstrand	MINOR ASSETS COMMUNITY SERVICES	R Williams	Surplus	735 000		735 000						
			LIBRARIES			**4 373 611**		**4 373 611**						
Hermanus	Zwelihle	Ward 12	ZWELIHLE LIBRARY	A Wyngaard	Surplus(Ins)21-22	4 373 611		4 373 611						
			SPORT & RECREATION			**400 000**		**400 000**		**10 868 000**	**10 868 000**		**13 297 000**	**13 297 000**
Hermanus	Hawston	Ward 08	UPGRADE HAWSTON SPORT COMPLEX STADIUM	D Hendriks	MIG					8 000 000	8 000 000		4 000 000	4 000 000
Hermanus	Mount Pleasa	Ward 04	UPGRADE MOUNT PLEASANT SPORT GROUNDS	D Hendriks	MIG								6 000 000	6 000 000
Hermanus	Hermanus	Ward 03	HERMANUS SPORT FACILITY IMPROVEMENT	R Kuchar	Surplus 21-22 R/O	400 000		400 000						
Kleinmond	Overhills	Ward 10	FLOODLIGHTS OVERHILLS SOCCERFIELD	D Hendriks	MIG					2 868 000	2 868 000		1 297 000	1 297 000
Hermanus	Hawston	Ward 08	UPGRADE HAWSTON SWIMMING POOL	D Hendriks	MIG								2 000 000	2 000 000
			HOUSING				**39 785 000**	**39 785 000**		**21 230 000**	**21 230 000**		**6 400 000**	**6 400 000**
Overstrand	Overstrand	Overstrand	LCH SERVICES CONSTRUCTION CONTRACTS	D Hendriks	Construction Contracts		39 785 000	39 785 000		21 230 000	21 230 000		6 400 000	6 400 000
			ROADS			**334 466**	**11 013 000**	**11 347 466**		**5 000 000**	**5 000 000**		**6 000 000**	**6 000 000**
Stanford	Stanford	Ward 01	STANFORD TAXI RANK UPGRADE ROOF FOR TRADING	F Myburgh	Surplus(Ins)	334 466		334 466						
Gansbaai	Masakhane	Ward 02	MASAKHANE HOUSING PROJECT BUS ROUTE(PHASE 1)	D Hendriks	MIG		11 013 000	11 013 000		5 000 000	5 000 000			
Gansbaai	Masakhane	Ward 02	MASAKHANE HOUSING PROJECT BUS ROUTE(PHASE 2)	D Hendriks	MIG								6 000 000	6 000 000
			ELECTRICITY			**33 358 000**	**32 031 000**	**65 389 000**	**15 000 000**	**7 000 000**	**22 000 000**	**17 000 000**	**7 314 000**	**24 314 000**
Gansbaai	Gansbaai	Multi-ward G	FKRAAL KBAAI BHEAD NEW 66 11KV SUBSTATION (F1/5)	D Maree	EL23/24	5 800 000		5 800 000	5 000 000		5 000 000			
Gansbaai	Gansbaai	Multi-ward G	FKRAAL KBAAI BHEAD NEW 66 11KV SUBSTATION (F2/5)	D Maree	EL 22-R/O	9 169 000		9 169 000						
Gansbaai	Gansbaai	Multi-ward G	FKRAAL KBAAI BHEAD NEW 66 11KV SUBSTATION (F3/5)	D Maree	DBSA-21-22 R/O		1 731 000	1 731 000						
Gansbaai	Gansbaai	Multi-ward G	FKRAAL KBAAI BHEAD NEW 66 11KV SUBSTATION (F4/5)	D Maree	BICL 21-22 R/O	6 500 000		6 500 000						
Gansbaai	Gansbaai	Multi-ward G	FKRAAL KBAAI BHEAD NEW 66 11KV SUBSTATION (F5/5)	D Maree	INEP		14 300 000	14 300 000						
Overstrand	Overstrand	Overstrand	ELECTRIFICATION OF LOW COST HOUSING AREAS (F1/2)	K d Plessis	INEP		7 031 000	7 031 000		7 000 000	7 000 000		7 314 000	7 314 000
Overstrand	Overstrand	Overstrand	ELECTRIFICATION OF LOW COST HOUSING AREAS (F2/2)	K d Plessis	DBSA-21-22 R/O		8 969 000	8 969 000						
Hermanus	Hermanus	Ward 03	HERMANUS MV LV UPGRADE REPLACEMENT(F1/2)	K d Plessis	EL23/24/25	3 000 000		3 000 000	4 500 000		4 500 000	8 000 000		8 000 000
Hermanus	Hermanus	Ward 03	HERMANUS MV LV UPGRADE REPLACEMENT(F2/2)	K d Plessis	EL 22-R/O	3 000 000		3 000 000						
Kleinmond	Kleinmond	Ward 09	KLEINMOND MV LV NETWORK UPGRADE(F1/2)	K d Plessis	EL 22-R/O	2 416 000		2 416 000						
Kleinmond	Kleinmond	Ward 09	KLEINMOND MV LV NETWORK UPGRADE(F2/2)	K d Plessis	EL24/25				2 000 000		2 000 000	2 500 000		2 500 000
Hermanus	Hawston	Ward 08	HAWSTON MV LV UPGRADE REPLACEMENT(F1/2)	K d Plessis	EL 22-R/O	2 415 000		2 415 000						
Hermanus	Hawston	Ward 08	HAWSTON MV LV UPGRADE REPLACEMENT(F1/2)	K d Plessis	EL24/25				2 000 000		2 000 000	2 500 000		2 500 000
Gansbaai	Gansbaai	Multi-ward G	GANSBAAI STANFORD MV LV UPGRADE REPLACEMENT	D Maree	EL24/25							2 000 000		2 000 000
Overstrand	Overstrand	Overstrand	ELECTRICITY TRANSFORMERS CAPITAL REPLACEMENT CONTINGEN	S Muller	EL23/24/25	1 058 000		1 058 000	1 500 000		1 500 000	2 000 000		2 000 000
			WATER			**26 675 201**	**12 615 000**	**39 290 201**	**19 000 000**		**19 000 000**	**23 400 000**		**23 400 000**
Overstrand	Overstrand	Overstrand	REFURBISHMENT OF BULK WATER INFRASTRUCTURE	H Blignaut	EL23/24	1 000 000		1 000 000	800 000		800 000			
Overstrand	Overstrand	Overstrand	FENCING AT WATER INSTALLATIONS	H Blignaut	EL23/24	700 000		700 000	550 000		550 000			
Overstrand	Overstrand	Overstrand	REPLACEMENT OF OVERSTRAND WATER PIPES(F1/2)	H Blignaut	EL23/24/25	13 642 000		13 642 000	3 000 000		3 000 000	10 000 000		10 000 000
Overstrand	Overstrand	Overstrand	REPLACEMENT OF OVERSTRAND WATER PIPES(F2/2)	H Blignaut	EL22 -R/O	2 830 000		2 830 000						

DRAFT CAPITAL BUDGET 2022/23-2024/25 MTREF

						2022/23 BUDGET			2023/24 BUDGET			2024/25 BUDGET		
Area	Local Area	Ward	Project Description	Project Manager	Funding Source	COUNCIL FUNDED	EXTERNAL (GRANTS)	TOTAL	COUNCIL FUNDED	EXTERNAL (GRANTS)	TOTAL	COUNCIL FUNDED	EXTERNAL (GRANTS)	TOTAL
Overstrand	Overstrand	Overstrand	WATER FACILITIES CONTINGENCY	H Blignaut	EL23/24/25	500 000		500 000	500 000		500 000	500 000		500 000
Kleinmond	Kleinmond	Multi-ward K	REFURBISHMENT OF KLEINMOND BUFFELS RIVER WTW	H Blignaut	EL24/25				11 000 000		11 000 000	9 000 000		9 000 000
Kleinmond	Kleinmond	Multi-ward K	ACCESS ROADS TO KLEINMOND BUFFELS RIVER WTW UPGRADE	H Blignaut	EL23	1 000 000		1 000 000						
Hermanus	Hermanus	Multi-ward H	UPGRADE HERMANUS WELL FIELDS PHASE 2(F1/2)	H Blignaut	EL23/24/25	2 600 000		2 600 000	2 000 000		2 000 000	3 100 000		3 100 000
Hermanus	Hermanus	Multi-ward H	UPGRADE HERMANUS WELL FIELDS PHASE 2(F2/2)	H Blignaut	EL21-R/O	2 203 201		2 203 201						
Gansbaai	Masakhane	Ward 02	UPGRADE WATER LINES & NEW BOOSTER PUMPSTATION VALVES	D Hendriks	MIG		7 000 000	7 000 000						
Stanford	Stanford	Ward 01	UPGRADE BULK WATER	D Hendriks	MIG		5 615 000	5 615 000						
Gansbaai	Gansbaai	Multi-ward G	REFURBISH KRAAIBOSCH PUMP STATION PANEL	H Blignaut	EL23	1 000 000		1 000 000						
Gansbaai	De Kelders	Ward 02	DE KELDERS WTW MEMBRANE REPLACEMENT	H Blignaut	EL23/25	800 000		800 000				800 000		800 000
Gansbaai	Pearly Beach	Ward 11	PEARLY BEACH WATER TOWER REFURBISH	H Blignaut	EL24				750 000		750 000			
Gansbaai	Gansbaai	Multi-ward G	FRANSKRAAL WTW FILTERS REFURBISH	H Blignaut	EL23	400 000		400 000						
Hermanus	Hermanus	Multi-ward H	PREEKSTOEL BIO PLANT FILTERS REFURBISH	H Blignaut	EL24				400 000		400 000			
			SEWERAGE			**18 500 000**	**27 439 000**	**45 939 000**	**16 000 000**		**16 000 000**	**13 100 000**	**6 000 000**	**19 100 000**
Overstrand	Overstrand	Overstrand	SEWERAGE FACILITIES CONTINGENCY	H Blignaut	EL23/24/25	500 000		500 000	700 000		700 000	700 000		700 000
Kleinmond	Kleinmond	Multi-ward K	KLEINMOND WWTW REFURBISH UPGRADE (F1/2)	H Blignaut	EL23/24	9 300 000		9 300 000	8 900 000		8 900 000			
Kleinmond	Kleinmond	Multi-ward K	KLEINMOND WWTW REFURBISH UPGRADE (F2/2)	H Blignaut	WSIG		10 900 000	10 900 000						
Overstrand	Overstrand	Overstrand	FENCING AT SEWERAGE INSTALLATIONS	H Blignaut	EL23/24/25	500 000		500 000	800 000		800 000	600 000		600 000
Overstrand	Overstrand	Overstrand	UPGRADING OF PUMPSTATIONS & RISING MAINS (F1/2)	H Blignaut	EL23/24/25	7 100 000		7 100 000	4 400 000		4 400 000	10 000 000		10 000 000
Overstrand	Overstrand	Overstrand	UPGRADING OF PUMPSTATIONS & RISING MAINS (F2/2)	H Blignaut	WSIG		16 539 000	16 539 000						
Hermanus	Hermanus	Multi-ward H	HERMANUS WWTW UPGRADE SCREENS RAS SLUDGE DEWATERING	H Blignaut	EL23/24	1 100 000		1 100 000	1 200 000		1 200 000			
Hermanus	Hawston	Ward 08	HAWSTON WWTW REFURBISH AND UPGRADE	H Blignaut	MIG								6 000 000	6 000 000
Hermanus	Hermanus	Multi-ward H	REROUTE HERMANUS WWTW TREATED EFFLUENT IRRIGATION PIPE	H Blignaut	EL25							1 800 000		1 800 000
			STORMWATER							**8 500 000**	**8 500 000**			
Gansbaai	Masakhane	Ward 02	MASAKHANE HOUSING PROJECT BULK STORMWATER (PHASE 2)	D Hendriks	MIG					4 500 000	4 500 000			
Kleinmond	Proteadorp	Ward 09	UPGRADE STORMWATER INFRASTRUCTURE- PROTEADORP, MOUNT	D Hendriks	MIG					4 000 000	4 000 000			
			WASTE MANAGEMENT			**241 342**	**1 742 378**	**1 983 720**				**6 500 000**		**6 500 000**
Stanford	Stanford	Ward 01	UPGRADE STANFORD DROP OFF(F1/2)	C Mitchell	DBSA-21-22 R/O		1 742 378	1 742 378						
Stanford	Stanford	Ward 01	UPGRADE STANFORD DROP OFF(F2/2)	C Mitchell	Surplus(Ins)	241 342		241 342						
Gansbaai	Gansbaai	Multi-ward G	TROMMEL SCREEN FOR GANSBAAI LANDFILL	C Mitchell	EL25							6 500 000		6 500 000
			GRAND TOTAL			**88 182 620**	**124 625 378**	**212 807 998**	**50 000 000**	**52 598 000**	**102 598 000**	**60 000 000**	**39 011 000**	**99 011 000**

FUNDING:

EXTERNAL LOAN 23/24/25(GENERAL CAPITAL)	50 000 000		50 000 000	50 000 000		50 000 000	60 000 000		60 000 000
EXTERNAL LOAN 21(ROLL OVER)	2 203 201		2 203 201						
EXTERNAL LOAN 22(ROLL OVER)	19 830 000		19 830 000						
SURPLUS	3 300 000		3 300 000						
SURPLUS 21/22 ROLL OVER	400 000		400 000						
SURPLUS NON TARIFF INFRASTRUCTURE 21/22 (ROLL OVER)	1 000 000		1 000 000						
SURPLUS INSURANCE	575 808		575 808						
SURPLUS INSURANCE 21-22(ROLL OVER)	4 373 611		4 373 611						
BULK CONTRIBUTIONS INFRASTRUCTURE LEVY 21-22(BCIL)(ROLL OVER)	6 500 000		6 500 000						
DBSA-PUBLIC CONTRIBUTION 21-22(ROLL OVER)		12 442 378	12 442 378						
CONSTRUCTION CONTRACTS		39 785 000	39 785 000		21 230 000	21 230 000		6 400 000	6 400 000
MIG		23 628 000	23 628 000		24 368 000	24 368 000		25 297 000	25 297 000
INEP		21 331 000	21 331 000		7 000 000	7 000 000		7 314 000	7 314 000
WATER SERVICES INFRASTRUCTURE GRANT		27 439 000	27 439 000						
GRAND TOTAL	**88 182 620**	**124 625 378**	**212 807 998**	**50 000 000**	**52 598 000**	**102 598 000**	**60 000 000**	**39 011 000**	**99 011 000**

PROPOSED 3 YEAR HOUSING BUDGET 2022-2025

Project	Budget 2022/2023	Budget 2023/2024	Budget 2024/2025
Hawston TS (378)			
Blompark TS (539)	R 22 360 000.00	R 20 190 000.00	R 13 000 000.00
Swartdamweg Site C1 TS (150)	R 195 000.00		
Housing Admin Refurbishment (125)			
Masakhane TS (295)	R 26 000 000.00	R 13 000 000.00	
Swartdam Road TS (131 + 48) - Transfers			
Stanford TS (783)	R 23 400 000.00	R 13 000 000.00	R 13 000 000.00
TOTAL OPEX	**R 71 955 000.00**	**R 46 190 000.00**	**R 26 000 000.00**
Masakhane UISP (1179)	R 19 933 000.00		
Masakhane UISP Wetcores (1179)	R 8 892 000.00	R 5 130 000.00	
Transit Camp Wetcores (150)			
Tambo Square & New Camp (82)		R 8 500 000.00	R 1 700 000.00
Mount Pleasant IRDP Infill (315)	R 8 260 000		
Kleinmond IRDP	R 800 000.00	R 1 000 000.00	R 1 500 000.00
Kleinmond Overhills UISP	R 600 000.00	R 1 000 000.00	R 1 200 000.00
Mnt Pleasant Erf 11472 Purchase			
Greater Hermanus (Hawston Seafarms)	R 1 000 000.00		
Schulphoek Professional Fees	R -		
Buffeljagsbaai	R 300 000.00	R 600 000.00	R 1 000 000.00
Afdaksrivier Purchase		R 5 000 000.00	R 1 000 000.00
TOTAL CAPEX	**R 39 785 000.00**	**R 21 230 000.00**	**R 6 400 000.00**
GRAND TOTAL	**R 111 740 000.00**	**R 67 420 000.00**	**R 32 400 000.00**

ANNEXURE F

SERVICE LEVEL STANDARDS

Province: Municipality(WC032) - Schedule of Service Delivery Standards	
Description	
Standard	**Service Level 2022/2023**
Solid Waste Removal	
Premise based removal (Residential Frequency)	WEEKLY
Premise based removal (Business Frequency)	UP TO 7 TIMES PER WEEK (AS PER REQUEST)
Bulk Removal (Frequency)	NO
Removal Bags provided(Yes/No)	NO
Garden refuse removal Included (Yes/No)	YES (1 bag)
Street Cleaning Frequency in CBD	DAILY
Street Cleaning Frequency in areas excluding CBD	DAILY ON ROTATIONAL BASIS
How soon are public areas cleaned after events (24hours/48hours/longer)	WITHIN 24 HRS
Clearing of illegal dumping (24hours/48hours/longer)	48 HOURS (from notification)
Recycling or environmentally friendly practices(Yes/No)	Yes
Licenced landfill site(Yes/No)	Yes
Water Service	
Water Quality rating (Blue/Green/Brown/N0 drop)	Programme discontinued by DWS
Is free water available to all? (All/only to the indigent consumers)	Indigent Consumers only
Frequency of meter reading? (per month, per year)	Monthly
Are estimated consumption calculated on actual consumption over (two month's/three month's/longer period)	Estimate consumption are calculated over a 12 months period (Estimates are only done in exceptional cases eg meter readers capacity challenges)
On average for how long does the municipality use estimates before reverting back to actual readings? (months)	1 Month
Duration (hours) before availability of water is restored in cases of service interruption (complete the sub questions)	
One service connection affected (number of hours)	4.00
Up to 5 service connection affected (number of hours)	4.00
Up to 20 service connection affected (number of hours)	8.00
Feeder pipe larger than 800mm (number of hours)	N/A
What is the average minimum water flow in your municipality?	Min 4 Bar pressure
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	Yes. Groundwater Monitoring Programs
How long does it take to replace faulty water meters? (days)	5 days
Do you have a cathodic protection system in place that is operational at this stage? (Yes/No)	No
Electricity Service	
What is your electricity availability percentage on average per month?	98,78% (Eskom Loadshedding included) 99.7% (Eskom Loadshedding excluded)
Do your municipality have a ripple control in place that is operational? (Yes/No)	YES
How much do you estimate is the cost saving in utilizing the ripple control system?	R 1 477 732.00 p/a
What is the frequency of meters being read? (per month, per year)	PER MONTH
Are estimated consumption calculated at consumption over (two month's/three month's/longer period)	N/A
On average for how long does the municipality use estimates before reverting back to actual readings? (months)	N/A
Duration before availability of electricity is restored in cases of breakages (immediately/one day/two days/longer)	IMMEDIATE
Are accounts normally calculated on actual readings? (Yes/no)	YES
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	NO
How long does it take to replace faulty meters? (days)	1

Description	
Standard	**Service Level 2022/2023**
Do you have a plan to prevent illegal connections and prevention of electricity theft? (Yes/No)	YES
How effective is the action plan in curbing line losses? (Good/Bad)	GOOD
How soon does the municipality provide a quotation to a customer upon a written request? (days)	7
How long does the municipality takes to provide electricity service where existing infrastructure can be used? (working days)	5
How long does the municipality takes to provide electricity service for low voltage users where network extension is not required? (working days)	5
How long does the municipality takes to provide electricity service for high voltage users where network extension is not required? (working days)	21
Sewerage Service	
Are your purification system effective enough to put water back in to the system after purification?	YES, effective to put water back into water resources in accordance with license conditions.
To what extent do you subsidize your indigent consumers?	Basic charges plus 7kl of sewer unit charges
How long does it take to restore sewerage breakages on average	
Severe overflow? (hours)	6.00
Sewer blocked pipes: Large pipes? (Hours)	6.00
Sewer blocked pipes: Small pipes? (Hours)	8.00
Spillage clean-up? (hours)	8.00
Replacement of manhole covers? (Hours)	4.00
Road Infrastructure Services	
Time taken to repair a single pothole on a major road? (Hours)	24.00
Time taken to repair a single pothole on a minor road? (Hours)	72.00
Time taken to repair a road following an open trench service crossing? (Hours)	72.00
Time taken to repair walkways? (Hours)	72.00
Property valuations	
How long does it take on average from completion to the first account being issued? (one month/three months or longer)	3 months
Do you have any special rating properties? (Yes/No)	yes
Financial Management	
Is there any change in the situation of unauthorised and wasteful expenditure over time? (Decrease/Increase)	Decrease
Are the financial statement outsources? (Yes/No)	No
Are there Council adopted business process tsructuing the flow and managemet of documentation feeding to Trial Balalnce?	Standard Operating Procedures
How long does it take for an Tax/Invoice to be paid from the date it has been received?	30 days
Is there advance planning from SCM unit linking all departmental plans quaterly and annualy including for the next two to three years procurement plans?	Yes
Administration	
Reaction time on enquiries and requests?	1 to 10
Time to respond to a verbal customer enquiry or request? (working days)	1 to 10
Time to respond to a written customer enquiry or request? (working days)	10
Time to resolve a customer enquiry or request? (working days)	10
What percentage of calls are not answered? (5%,10% or more)	1
How long does it take to respond to voice mails? (hours)	N/A
Does the municipality have control over locked enquiries? (Yes/No)	yes

Description	
Standard	**Service Level 2022/2023**
Is there a reduction in the number of complaints or not? (Yes/No)	no
How long does in take to open an account to a new customer? (1 day/ 2 days/ a week or longer)	1 day
How many times does SCM Unit, CFO's Unit and Technical unit sit to review and resolve SCM process delays other than normal monthly management meetings?	Weekly progress reports and monthly Demand Management Plan reports
Community safety and licensing services	
How long does it take to register a vehicle? (minutes)	30min
How long does it take to renew a vehicle license? (minutes)	10min
How long does it take to issue a duplicate registration certificate vehicle? (minutes)	72hours
How long does it take to de-register a vehicle? (minutes)	10min
How long does it take to renew a drivers license? (minutes)	30min
What is the average reaction time of the fire service to an incident? (minutes)	Varies monthly, as per Jan 2022 response time the average reaction time is overall 3.22 min
What is the average reaction time of the ambulance service to an incident in the urban area? (minutes)	The Emergency Control Room will activate the Ambulance Service as and when the need arise. Not a Cat B mun service, no record kept of their reaction time to an incident
What is the average reaction time of the ambulance service to an incident in the rural area? (minutes)	The Emergency Control Room will activate the Ambulance Service as and when the need arise. Not a Cat B mun service, no record kept of their reaction time to an incident
Economic development	
How many economic development projects does the municipality drive?	9
How many economic development programme are deemed to be catalytic in creating an enabling environment to unlock key economic growth projects?	6
What percentage of the projects have created sustainable job security?	39
Does the municipality have any incentive plans in place to create an conducive environment for economic development? (Yes/No)	No
Other Service delivery and communication	
Is a information package handed to the new customer? (Yes/No)	Yes - available on www.overstrand.gov.za Monthly news letters and Social Media
Does the municipality have training or information sessions to inform the community? (Yes/No)	Yes
Are customers treated in a professional and humanly manner? (Yes/No)	Yes

ANNEXURE G

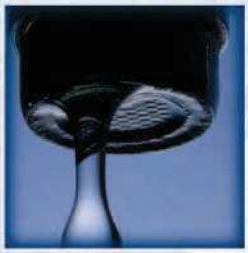
WATER & WASTE WATER QUALITY

2014 Blue Drop Report











water & sanitation
Department:
Water and Sanitation
REPUBLIC OF SOUTH AFRICA

blue drop
CERTIFICATION
drinking water quality
REGULATION

Blue Drop Requirements for 2014

2014 BLUE DROP REQUIREMENTS		
(1) WATER SAFETY PLANNING 35%	**(1.1) WATER SAFETY PLANNING PROCESS** (10%)	**a)** The Water Safety Planning Process is steered by a group of people which includes the technical, financial and management staff of the municipality. Where a Water Services Provider arrangement exist the WSA and Water Services Provider should partake in this process **b)** There should be clear indication that the Water Services Institution conducted a water safety planning process and not only drafted a document **c)** There should be clear reference to the specific water supply system at hand and not only global risk management measurements put in place
	(1.2) RISK ASSESSMENT (35%)	**a)** The Risk Assessment must cover catchment, treatment and reticulation **b)** The Water Services Institution (WSI) must provide information on findings of the Risk Assessment (and detail Risk Prioritisation method followed) for the specific water supply system including water resource quality. Format not important but it should be proven not to be a desktop study **c)** The Water Safety Planning process must include (adequate) Control Measures for each significant hazard or hazardous event identified **d)** A Water Quality Analyses conducted for at least 95% of the SANS 241 list of determinands (min 80%) (SANS 241). This is to verify whether treatment technology is adequate to treat the raw water to comply with national standard limits **e)** The WSI to proof implementation of mitigation measures from previous Water Safety Plans
	(1.3) MONITORING PROGRAMME (30%)	**a)** Prove **Operational Monitoring** is: i) Informed by the Risk Assessment ii) Required sites to monitor: Raw water, after filtration (per process unit) and final water iii) Determinands (minimum): pH, turbidity and disinfectant residual iv) Frequency of analyses: at least every 8 hours v) Equipment used + calibration records
		b) Prove **Compliance Monitoring** is: i) Informed by the Risk Assessment and SANS 241 compliant ii) Monitoring programme is registered on BDS iii) Actual monitoring occur according to registered BDS monitoring programme (>80%) iv) Required sites to monitor: Water works final & distribution network + Frequency of analyses: Water works final according SANS 241; distribution network according SANS 241 v) Coverage of population served must at least be 80%
	(1.4) CREDIBILITY of DWQ DATA (15%)	**a)** Certificate of Accreditation for applicable methods OR Z-scores results (z-scores must be ≥–2 & ≤ 2 are acceptable) in a recognised Proficiency Testing Scheme **b)** DWQ Data credibility on the BDS (Blue Drop Certified Data)
	(1.5) INCIDENT MANAGEMENT (10%)	**a) Protocol to specify:** 1) Alert levels 2) Response times 3) Required actions 4) Roles & responsibilities 5) Communication vehicles/methods and 6) Must include response on possible risks identified in the Risk Assessment of the Water Safety Planning process **b) Incident Register to include:** 7) Date, location and description of incident 8) Action taken and date of resolution 9) Outcome of cause investigation
	BONUS (1): Sampler's Training	**To be eligible for this bonus, WSI's must provide proof of training of samplers or Sampling Quality Control measures (Name the Sampling Training Course, Duration, Service Provider, and detail of Attendees)**

		1) Evidence of relevant sampling training that will ensure credibility of the sampling process; or **2) Evidence of control measures to ensure sampling credibility**
	BONUS (2): **Incident Management Protocol Communication**	**Communication on the Incident Management Protocol process with all relevant staff within the Municipality**
(2) **DWQ PROCESS MANAGE-MENT & CONTROL** **8%**	**(2.1)** **WORKS CLASSIFICATION COMPLIANCE** (15%)	Treatment works classified according the requirements of Regulation 2834- ONLY the classification as it appears on BDS will be used. Supporting evidence to allow the correct classification to be loaded on BDS, Water Services Institutions remains accountable for correctness of information / classification Certificate to be displayed at treatment works (*confirmed during on-site assessments*)
	(2.2) **PROCESS CONTROL REGISTRATION COMPLIANCE** (50%)	**a)** Process Control Staff must be Registered according to Regulation 2834 with the Department of Water Affairs. Water Services Institutions to prove per treatment works that Process Control Staff complies with the legislative requirements of: i) Number of Process Controllers' ii) Complying with the required Classification levels **b)** The Supervisor must comply with legislative requirements Information as it appears on BDS will be used ONLY, WSI's to ensure correct classification of all staff per treatment plant
	(2.3) **WATER TREATMENT WORKS' LOGBOOK** (35%)	**a)** A logbook is in place to record all incidents and observations at the water treatment works **b)** Evidence is presented that the logbook process is (i.e. communication medium between process controllers and shifts) being implemented (It is NOT required to be implemented for the entire assessment period)
	BONUS (1): **Process Control Training**	**Proof of Process Control staff being subjected to relevant training the past 12 months to allow Process Controllers to meet the education requirements towards higher level draft Regulation 813 Registration (Year 2013)**
	BONUS (2): **Process Control Excellence**	**a) Process Control Staff classified according the requirements of draft Regulation 813 on the Blue Drop System** **b) Process Control Staff and Supervisor compliance confirmed against draft Regulation 813 (must comply at least 75% in each of the shifts)- WSI must indicate shift patterns and Supervisor on BDS. WSI to explain measures in place when a shift does not comply with regulatory process control requirements** **c) WSI must indicate process controllers and/or supervisors that are 'shared' across different plants/sites**
Water Quality Data Period – 1 January 2013 – 31 December 2013		
(3) **DRINKING WATER QUALITY VERIFICATION** **30%**	**(3.1.1)** **MICROBIOLOGICAL DWQ COMPLIANCE** (50%)	The Microbiological Quality of the water supply must comply with the South African National Standard (specifically, the 2014 Blue Drop Limits which have been derived from SANS241: 2006 and 2011) as per the Excellent Requirements set by the Blue Drop Programme (*E coli*) - Excellent Compliance (97% for <100 000 population) & (99% for >100 000 population)
	(3.1.2) **CHEMICAL DWQ COMPLIANCE** (45%)	The Chemical Quality of the water supply must comply with the Excellent Requirements set by the Blue Drop Programme for all chemical-health determinands listed in the South African National Standard (the 2014 Blue Drop Limits, derived from SANS241: 2006 and 2011) Chemical – Health (Acute and Chronic): - Excellent Compliance (95% for <100 000 population) & (97% for >100 000 population) - Good Compliance (93% for <100 000 population) & (95% for >100 000 population)
	(3.1.3) **OPERATIONAL**	The compliance of operational determinands must comply with the 2014 Blue Drop Excellent Limits set by the Blue Drop Programme

	COMPLIANCE (5%)	- Excellent Compliance (93% for <100 000 population & 95% for >100 000 population) - Good Compliance (90% for <100 000 population & 93% for >100 000 population)
	BONUS (1): **Aesthetic DWQ Compliance**	The Aesthetic Quality of the water supply must comply with the Excellent Requirements set by the Blue Drop Programme for all aesthetic determinands listed in the 2014 Blue Drop Limits - Excellent Compliance (93% for <100 000 population & 95% for >100 000 population) - Good Compliance (90% for <100 000 population & 93% for >100 000 population)
	PENALTY (1): Data Difference	**Should there be a difference between data available on BDS and that which is presented in hardcopy for verification the penalty will apply**
	PENALTY (2): <11 Months' Data	**Less than 11 months data available to assess Microbiological and Chemical compliance**
	PENALTY (3): Notification of Failure	**If there is any significant (sustained) failure with no evidence of a Water Quality Alert Notice (Boil Water Notice) being issued, this penalty will apply. NB! This may have an implication on qualification for certification**
(4) MANAGE-MENT, ACCOUNTA-BILITY, & LOCAL REGULATION 10%	**(4.1) MANAGEMENT COMMITMENT** (30%)	Management's commitment to effective Drinking Water Quality Operations & Management should be portrayed by Proof of signature approval of the: **a)** Water Safety Plan **b)** DWQ Monitoring Programme **c)** Water Treatment Plant Logbook **d)** Operations and Maintenance Budget **e)** Water Services Development Plan
	(4.2) PUBLICATION OF PERFORMANCE (25%)	Evidence should be provided on the various means of drinking water quality information made public to the constituencies supplied with drinking water from this specific water supply system Forms of Publication: >Newspaper publication >Municipal Billing >Community Radio >Annual Report >Posters & Pamphlets >Population and Promotion of "My Water" >Electronic Webpage Water Services Institutions must provide evidence of adequate marketing of Existing Blue Drop Certified water supply systems
	(4.3) SERVICE LEVEL AGREEMENT/ PERFORMANCE AGREEMENT (15%)	Should there be an institutional arrangement between the Water Services Authority and the Water Services Provider, then it is essential that the legislatively required contract (Section 19 of the Water Services Act) stipulate the Service Level Agreements between the two entities. A copy of this document is required, **OR** Should the Water Services Authority fulfil the function of Water Services Provider as per Section 78 arrangements, then it is required that the responsible manager (official) have a Performance Agreement (Workplan) in place which stipulates Drinking Water Quality Management Responsibilities
	(4.4) SUBMISSION OF DWQ DATA (30%)	**a)** 12 months of data had been submitted on the Blue Drop System (BDS) (DWA will only consider data available on the BDS) **b) All** compliance monitoring test results are required to be submitted **c)** As per a requirement of the Water Services Act, compliance data submission occurred monthly (Section 62 of the Water Services Act, Section 9 Regulations) (measured as BDS submission compliance)
	BONUS (1): Publication of Performance	**Availing information on Drinking Water to relevant public in 3 or more forms listed**
	BONUS (2):	**Workplans of Process Controllers aligned to Operations and**

	Performance Agreement	**Maintenance Manual**
	BONUS (3): Procurement processes	**Proof that systems are in place to not run short of Chemicals & Consumables required for treatment**
	PENALTY: Submission of DWQ Data	Penalty will apply should the Department find proof during / post assessment that the WSI are guilty of an offence as per Section 82 of the Water Services Act, by only submitting partial information in order to present a false impression of DWQ Performance and/or compliance
(5) ASSET MANAGE-MENT 14%	**(5.1) ANNUAL PROCESS AUDIT** (20%)	Process Audit Report on technical inspection/assessment of treatment facility and evidence of implementation of findings This process assessment should've been done within the 12-month assessment period
	(5.2) ASSET REGISTER (15%)	The Institution must present a complete Asset Register. The asset register must: **a)** Detail relevant equipment and infrastructure **b)** Indicate asset description **c)** Location **d)** Condition (remaining life) **e)** Replacement value
	(5.3) AVAILABILITY & COMPETENCE of MAINTENANCE TEAM (15%)	**a)** The Institution must present evidence of a competent Maintenance Team (in form of Organogram; Contract or Invoice). Logbook with maintenance entries will serve as adequate evidence (for Mechanical, Electrical, Instrumentation and Civil work) **b)** Additional prove required on team competency (e.g. Qualification & Experience & Trade-test)
	(5.4) OPERATIONS & MAINTENANCE MANUAL (15%)	O&M manual to contain: **a)** Civil, mechanical, electrical detail / drawings of plant **b)** Design capacity of plant **c)** Operational schedules, maintenance schedules **d)** Process detail and control **e)** Mechanical and electrical equipment specification **f)** Fault finding **g)** Monitoring
	(5.5) OPERATIONS & MAINTENANCE BUDGET and EXPENDITURE (20%)	The Institution must present credible evidence of: **a)** Maintenance Budget (as part of Operations Budget) **b)** Maintenance Expenditure (as part of the Operations Expenditure) **c)** Maintenance Expenditure should be more than 5% of the Operations Expenditure in Total for the preceding Financial Year Financial expenditure to apply as per Municipal Budget Year: Jul 2012 to Jun 2013
	(5.6) DESIGN CAPACITY vs. OPERATIONAL CAPACITY (15%)	Proof to be submitted of the documented design capacity and documented daily operating capacity over the past 12 months Groundwater dependant systems must have an acceptable plan which stipulates abstraction patterns that will prevent aquifer damage Flow meters must be calibrated at least annually
Blue Drop Requirements= TOTAL 97%		

2014 NO DROP REQUIREMENTS (Water use efficiency)

(6) WATER USE EFFICIENCY & WATER LOSS MANAGE-MENT 3%

(6.1) WATER BALANCE (30%)

Provide MONTHLY and ANNUAL composite IWA water balance diagrams and supporting documents for the complete system as part of the water audit (as a component in the WSDP) as per Regulation 509 of 2001 Clause 10 of the Water Supply Regulations. Balance diagram to specify as a minimum the main components of the IWA balance including Water Losses broken down into:

a) System input volumes
b) Billed metered and unmetered usage
c) Unbilled Authorised Consumption
d) Water losses broken down into Real and Apparent Losses
e) Free Basic Water, and
f) Non Revenue Water

and to be supported by a schematic showing bulk meters, zones and main infrastructure components

Note: WSI's to ensure that units are clearly indicated against numeric values in water balance (e.g. 100 kl/annum, 50 m^3/day, etc)

(6.2) WDM STRATEGY and BUSINESS PLAN and IMPLEMENTATION (30%)

a) Evidence must be provided of a Council approved WDM strategy and business plan consisting of at least the following:
- Background and Context
- Situation Assessment including a Needs Statement
- Key Issues and Challenges
- Focus Areas of Intervention
- List of Proposed Interventions
- Set targets for demand, NRW, commercial and real losses
- Budget and Multi-year Implementation Timeline

b) Provide evidence of implementation against the above Plan in terms of:
- List of Interventions (Projects)
- Movement against targets for demand, NRW, commercial and real losses
- Budget and Multi-year Implementation Timeline

(Reg 509 of 2001 Clause 10)

(6.3) COMPLIANCE and PERFORMANCE (40%)

a) Provide historic data in order to calculate the following:
- Physical (real) water loss trend
- Commercial water loss trend
- Water use efficiency trend

b) Provide the following data (grey cells only) with supporting documentation, in order to calculate the WSI baseline profile for:
- Physical (real) water loss status
- Commercial water loss status
- Water use efficiency status

Population number served:		**SIV (System Input Volume) (kl/annum):**		**Average system pressure (m):**	
Households served:		**Authorised, Billed and Metered (kl/annum):**		**Usage (l/cap/day):**	
Total connections:		**Authorised, Billed and Unmetered (kl/annum):**		**Non-revenue (l/cap/day):**	
Metered connections:		**Authorised and Unbilled (kl/annum):**		**Real losses (l/cap/day):**	
Unmetered connections:		**Authorised Consumption (kl/annum):**		**% Metering**	
Households with deemed of flat rate billing:		**Revenue water (kl/annum):**		**Efficiency =**	
Number of metered		**Non-revenue water**			

		connections billed:		(kl/annum):				
		Proven Industrial use (kl/annum):		Water losses (kl/annum):				
		Length of mains installed :		Apparent or Commercial losses (kl/annum):		Water loss =		
		Assumed commercial losses :		Real or Physical water losses (kl/annum):				
	PENALTY: Inclusion in the IDP	Components listed under Criteria 1.2 were not included in the IDP						
	BONUS (1): Training in WDM	**a) The Institution must present evidence of a competent Water Loss Management Team (in form of an Organogram) with <20% vacancy ratio in accordance with Clause 66 (Staff matters) of the Municipal Systems Act 32 of 2000** **b) Proof required on team manager competency (Qualification & Experience) with the following additional requirement: Manager to have suitable tertiary qualification with suitable experience** **c) The Institution must present evidence of a competent structured Maintenance Team (in form of Organogram with well-defined positions and job descriptions; Contract or Invoice). Logbook with maintenance entries will serve as adequate evidence** **d) Additional proof required on team competency for the team presented under (c) above (e.g. Qualification & Experience & Trade-test)** **e) Indicate number of suitably qualified plumbers per 1000 connections**						
No Drop Requirements= TOTAL 3%								

Quality of Drinking Water

Quality of Drinking Water	
Colour Drop	**Indication of Drop**
	**Blue Drop Certified, water is safe to drink**
	**Micro > 97%** **Chemical > 95%**
	**Micro > 97%** **Chemical < 95% (or no Information)**
	**Micro < 97%** **Chemical > 95%**
	**Micro > 90% < 95%** **Chemical > 90% < 95%**
	**Micro < 90%** **Chemical < 90%**

Water Services Authority	Overstrand Local Municipality
Water Services Provider(s)	Overstrand LM, Overstrand LM

2014 Municipal Blue Drop Score	90.79%
2012 Municipal Blue Drop Score	96.82%
2011 Municipal Blue Drop Score	90.56%

Performance Area	Baardskeerdersbos	Buffeljags Bay	Buffels River	Greater Gansbaai
Water Services Provider(s)	Overstrand LM	Overstrand LM	Overstrand LM	Overstrand LM
Water Safety Planning (35%)	29.75	23.54	33.43	31.50
Treatment Process Management (8%)	4.28	5.60	4.00	6.80
DWQ Compliance (30%)	0.00	15.75	23.25	23.25
Management Accountability (10%)	8.95	8.20	9.25	9.25
Asset Management (14%)	8.72	9.24	11.03	10.50
Use Efficiency, Loss Management (3%)	3.00	3.00	3.00	3.00
Bonus Scores	9.17	6.50	3.25	4.00
Penalties	0.00	0.00	0.00	0.00
2014 BLUE DROP Score	63.87%	71.83%	87.20%	88.30%
2012 Blue Drop Score	91.6%	93.8%	95.0%	97.1%
2011 Blue Drop Score	93.7%	75.4%	95.1%	95.1%
System Design Capacity (Ml/d)	0.15	0.1	5.5	7.1
Operational Capacity (% ito Design)	100%	105%	44%	100%
Average daily Consumption (l/p/d)	655.0	310.3	803.4	445.9
Microbiological Compliance (%)	90.0%	95.5%	99.9%	99.9%
Chemical Compliance (%)	92.0%	99.9%	96.4%	96.1%
Blue Drop Risk Rating (2012)	75.5%	52.7%	72.1%	76.7%
Blue Drop Risk Rating (2013)	20.6%	12.2%	12.5%	12.7%
Blue Drop Risk Rating (2014)	47.2%	60.1%	57.3%	57.6%

Performance Area	Greater Hermanus	Kleinmond	Pearly Beach	Stanford
Water Services Provider(s)	Overstrand LM	Overstrand LM	Overstrand LM	Overstrand LM
Water Safety Planning (35%)	33.43	31.15	24.59	29.75
Treatment Process Management (8%)	8.00	6.40	6.80	4.70
DWQ Compliance (30%)	29.60	23.25	29.60	30.00
Management Accountability (10%)	9.25	9.25	9.25	9.25
Asset Management (14%)	11.90	10.29	10.29	11.38
Use Efficiency, Loss Management (3%)	3.00	3.00	3.00	3.00
Bonus Scores	1.27	3.25	3.83	2.86
Penalties	0.00	0.00	0.00	0.00
2014 BLUE DROP Score	96.44%	86.59%	87.35%	90.94%
2012 Blue Drop Score	97.9%	95.0%	95.2%	92.7%
2011 Blue Drop Score	87.2%	93.1%	94.3%	95.2%
System Design Capacity (Ml/d)	28.0	5.8	1.4	1.5
Operational Capacity (% ito Design)	29%	39%	100%	57%
Average daily Consumption (l/p/d)	192.4	230.1	1605.4	159.9
Microbiological Compliance (%)	98.9%	99.9%	99.9%	99.9%
Chemical Compliance (%)	96.4%	96.4%	99.9%	96.4%
Blue Drop Risk Rating (2012)	78.1%	72.1%	83.5%	64.9%
Blue Drop Risk Rating (2013)	13.5%	12.5%	12.7%	15.6%
Blue Drop Risk Rating (2014)	17.2%	57.3%	56.1%	27.1%

Regulatory Impression

The Overstrand Local Municipality team was well prepared and demonstrated their commitment to the Blue Drop assessment and water quality excellence. The Municipality is to be congratulated for obtaining Blue Drop status for the Greater Hermanus system. A decreased municipal score was however achieved during this assessment. The reason for the observed decrease in compliance includes:

- Full compliance with the requirements of SANS 241 with regard to monitoring and analysis could not be demonstrated. No chemical determinants have been analysed in the reticulation network to monitor the chemical quality of water provided to the consumer and identify any potential health impacts. In addition, the frequency of analysis does not comply with the requirements for the final water produced at treatment facilities receiving surface water or within the reticulation network. The Municipality however confirmed that subsequent to the assessment that a service provider has been appointed to implement a risk based monitoring programme that fully complies with the requirements of SANS 241, sampler training and uploading of analytical data to the BDS.
- Detailed annual process audits could not be demonstrated that assessed the performance of the treatment systems and each process unit with the design capacity of the plant. Recommendations should be incorporated into the review process of water safety plan.
- Poor microbiological compliance was observed in the Baardskeerdersbos system. This should be mitigated when the new plant to treat borehole water is commissioned in August 2014.

Significant progress has been made by the municipality with regard to WC/WDM and projects have been ongoing for the last three years. Good baseline information and a formal strategy are available that enables the municipality to make informed decisions regarding ongoing planning to minimise non-revenue water.

It is anticipated that the identified gaps will be addressed by the Overstrand Local Municipality and that an upward trend towards Blue Drop compliance will once again be achieved in the next assessment.

Based on the Audit results, the DWS has serious concerns on the poor microbiological drinking water quality and the resultant risk to consumers of the Baardskeerdersbos water supply system. These concerns have to be addressed as a matter of urgency and drinking water quality results and appropriate actions must be communicated to consumers should the water be found to be unfit for human consumption.

The overall **2014 Risk Rating** for Overstrand LM is 41% which translates into the 10th best performance in the Western Cape. Note that this value is based on the 3 specific areas indicated below and shows concerns (medium to critical risks) for

Process Control (which risks reflect compliance in terms of draft Regulation 813) in 6 of the 8 systems; Drinking Water Quality in 2 out of the 8 systems; and Risk Management in none of 8 systems.

Additional information regarding the Blue Drop Risk Rating			
Water Supply System	**Baardskeerdersbos**		
	2012	**2013**	**2014**
A: Process Control RR	77.8%	22.2%	55.6%
B: Drinking Water Quality RR	11.1%	55.6%	70.4%
C: Risk Management RR	13.0%	13.0%	17.4%

Additional information regarding the Blue Drop Risk Rating			
Water Supply System	**Buffeljags Bay**		
	2012	**2013**	**2014**
A: Process Control RR	76.5%	17.6%	71.1%
B: Drinking Water Quality RR	11.1%	11.1%	55.6%
C: Risk Management RR	13.0%	13.0%	26.1%

Additional information regarding the Blue Drop Risk Rating			
Water Supply System	**Buffels River**		
	2012	**2013**	**2014**
A: Process Control RR	79.5%	28.2%	64.1%
B: Drinking Water Quality RR	11.1%	11.1%	40.7%
C: Risk Management RR	13.0%	13.0%	13.0%

Additional information regarding the Blue Drop Risk Rating			
Water Supply System	**Greater Gansbaai**		
	2012	**2013**	**2014**
A: Process Control RR	79.5%	34.9%	74.4%
B: Drinking Water Quality RR	40.7%	11.1%	40.7%
C: Risk Management RR	13.0%	13.0%	26.1%

Additional information regarding the Blue Drop Risk Rating			
Water Supply System	**Greater Hermanus**		
	2012	**2013**	**2014**
A: Process Control RR	80.5%	31.7%	34.1%
B: Drinking Water Quality RR	11.1%	14.8%	25.9%
C: Risk Management RR	13.0%	17.4%	17.4%

Additional information regarding the Blue Drop Risk Rating			
Water Supply System	**Kleinmond**		
	2012	**2013**	**2014**
A: Process Control RR	79.5%	28.2%	64.1%
B: Drinking Water Quality RR	11.1%	11.1%	40.7%
C: Risk Management RR	13.0%	13.0%	13.0%

Additional information regarding the Blue Drop Risk Rating			
Water Supply System	**Pearly Beach**		
	2012	**2013**	**2014**
A: Process Control RR	78.9%	26.3%	71.1%
B: Drinking Water Quality RR	11.1%	11.1%	11.1%
C: Risk Management RR	13.0%	13.0%	26.1%

Additional information regarding the Blue Drop Risk Rating			
Water Supply System	**Stanford**		
	2012	**2013**	**2014**
A: Process Control RR	83.8%	29.7%	40.5%
B: Drinking Water Quality RR	11.1%	11.1%	11.1%
C: Risk Management RR	13.0%	13.0%	13.0%

Site Inspection Scores

The **Preekstoel and Buffels River Base WTWs**were inspected to verify the Overstrand Local Municipality Blue Drop findings.

Preekstoel WTW: **88%**
Buffels River WTW: **90%**

The site inspection impression at the **Preekstoel WTW** was considered to be good. A number of drinking water quality management practices still require attention, including:

- A flow chart was displayed of the incident management protocol that indicates roles and responsibilities but alert levels were not included.
- Records of the results of the jar tests that are routinely undertaken could not be provided.
- Emergency shower and eye wash facilities were not located at the chemical dosing room.
- Manual post dosing of lime was being undertaken at the time of the assessment due to equipment failure. This was to be repaired as part of the maintenance contract with an external service provider. Standby equipment was not installed.
- Standby chlorine dosing equipment is not installed.



Flocculent dosing at point of high turbulence tanks



Bunded area for chemical storage

The site inspection impression at the **Buffels River WTW** was considered to be good. A number of drinking water quality management practices still require attention, including:

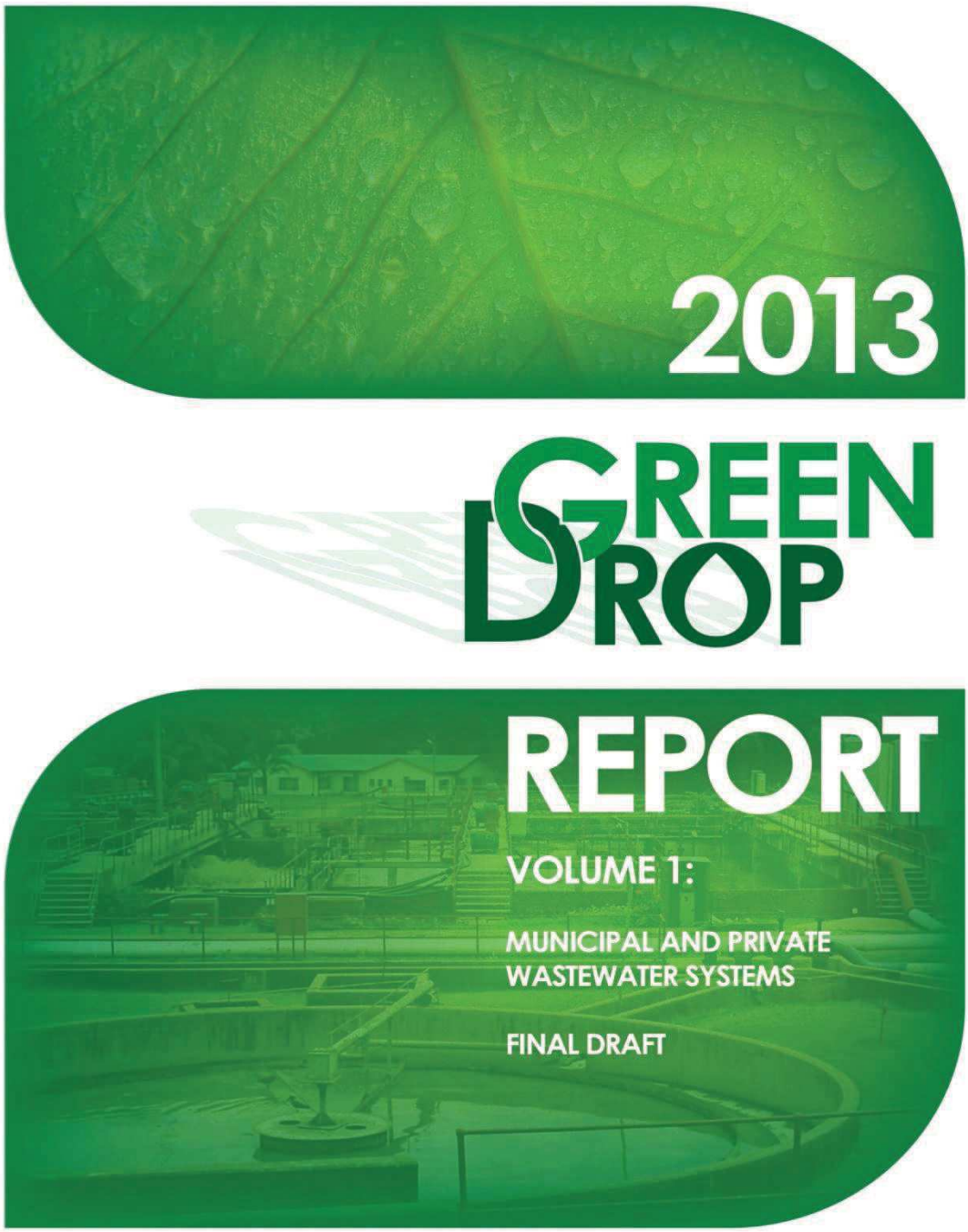
- A flow chart was displayed of the incident management protocol that indicates roles and responsibilities but alert levels were not included.
- The original O&M manual for the WTW is not available. Standard operating procedures have been compiled.
- Records of jar tests undertaken by the service provider could not be provided.
- Chemical tanks are not contained within a bunded area.
- Standby chlorine dosing equipment is not installed.
- Standby air compressor is not installed.



Gravity flow dosing system of flocculent



Chemical tanks not bunded



water affairs
Department:
Water Affairs
REPUBLIC OF SOUTH AFRICA

green drop
CERTIFICATION
waste water service
REGULATION

Together committed to excellent Water Quality for the future

ACRONYMS

ACRONYMS	DESCRIPTION
ADWF	Average Dry Weather Flow
CFO	Chief Financial Officer
COD	Chemical Oxygen Demand
CRR	Cumulative Risk Rating
DPW	Department of Public Works
DWA	Department of Water Affairs
GA	General Authorisation
GDC	Green Drop Certification
GDS	Green Drop System (www.dwa.gov.za/greendrop)
GWSA	Green Water Services Audit
IMP	Incident Management Protocol
KPA / KPI	Key Performance Area / Indicator
LM	Local Municipality
NA	[Not assessed]
NI	[No information]
O&M	Operation and Maintenance
RPMS	Service Level Agreement
SLA	Regulatory Performance Measurement System
SS	Suspended Solids
W_2RAP	Wastewater Risk Abatement Plan
WIN-SA	Water Information Network of South Arica
WRC	Water Research Commission
WSA	Water Services Authority
WSP	Water Services Provider
WSI	Water Services Institutions
WWTP/W	Wastewater Treatment Plant / Works
PROVINCES	
EC	Eastern Cape Province
FS	Free State Province
GP	Gauteng Province
LP	Limpopo Province
MP	Mpumalanga Province
NW	North West Province
NC	Northern Cape Province
KZN	Kwa-Zulu Natal Province
WC	Western Cape Province

How to Read the Report Card

The following is an example of a typical municipal report card that appears in the Green Drop Report 2013.
Results are provided in colour coded format – each colour has a specific meaning and performance reference.

Water Services Authority	ABC Local Municipality
Water Services Provider(s)	ABC WSP

2013 Municipal Green Drop Score	**81.63%**
2011 Municipal Green Drop Score	**63.80%**
2009 Municipal Green Drop Score	**75.00%**

The Municipal Green Drop score is a **Performance Indicator** of the overall municipal wastewater business (function of the available design capacity and the individual Green Drop scores).
Arrows: Depict the current Green Drop status of the plant. A ↑ arrow shows improvement upon the 2009situation, ↓ shows digress, → shows unchanged situation

Key Performance Area	Weight	System X
Process Control & Maintenance Skills	10%	**67**
Monitoring Programme	15%	**95**
Submission of Results	5%	**100**
Effluent Quality Compliance	30%	**16**
Risk Management	15%	**90**
Local Regulation	5%	**100**
Treatment Capacity	5%	**100**
Asset Management	15%	**94**
Bonus Scores		8.48
Penalties		1.90
Green Drop Score (2013)		**74.88%**
2011 Green Drop Score		**47.00%**
2009 Green Drop Score		**66.00%**
System Design Capacity	Ml/d	2.3
Capacity Utilisation (% ADWF ito Design Capacity)		112.0%
Resource Discharged into		Pienaars River (sensitive, special standard apply)
Microbiological Compliance	%	12.95%
Chemical Compliance	%	24.35%
Physical Compliance	%	20.69%
Overall Compliance	%	20.90%
Wastewater Risk Rating (2012)		**76.50%**
Wastewater Risk Rating (2013)		**76.47%**

Note: volumetric capacity refers to Average Dry Weather Flow

Colour codes	Appropriate action by institution
90-100%	Excellent situation, need to maintain via continued improvement
80-<90%	Good status, improve where gaps identified to shift to 'excellent'
50-<80%	Fair performance, ample room for improvement
31-<50%	Very poor performance, need targeted intervention towards gradual sustainable improvement
0-<31%	Critical state, need urgent intervention for all aspects of the wastewater services business

≥90% = Green Drop Certification
<30% = Purple Drop Status

Plant is receiving 12% more wastewater compared to its original design capacity (ADWF)

Effluent quality compliance to legislative standards carries a high (30%) weight in the GDC score

The CRR% Deviation (CRR/ CRRmax) score is specific to the wastewater "treatment" function of the service. This score indicates the actual risk as a % of the maximum risk that the plant potentially can reach. An **orange** and **red**block indicate that the plant is in high- or critical risk that warrants urgent attention. A higher value reflects a high risk state (undesirable). A lower value reflects a lower risk state.

CRR% Deviation	
	90 – 100% Critical risk WWTP
	70 - <90% High Risk WWTP
	50-<70% Medium risk WWTP
	<50% Low Risk WWTP

1. GREEN DROPSCORECARD 2012/13

The Stockdale paradox:
Confront the brutal truth of the situation, yet at the same time, never give up hope.

Green Water Services Audits are conducted by a panel consisting of a qualified wastewater professional as Lead Assessor, supported by 2 Assessors. The team selection is done based on the outcomes of a Green Drop Examination which tests the assessor's knowledge and competence in the subject field.

The following scorecard outlines the key requirements of the Green Drop assessment and indicates the Portfolio of Evidence that was required by each Water Services Institution to calculate a Green Drop score per wastewater system.

Green Water Services Audit Period : 1 July 2011 – 30 June 2012

Green Drop Key Performance Area	Requirements	Sub-Requirements
(1) Process Control and Maintenance **[10%]**	**(1.1)** **WORKS REGISTRATION**	**a)** The wastewater treatment facility is registered as per the Requirements of Regulation 2834/17.
	(1.2) **PROCESS CONTROLLER & SUPERVISOR REGISTRATION**	**a)** Copies of Registration Certificates of Process Controllers and Supervisor(s) **b)** Copies of the classification certificates of all process controllers/operators and supervisors/ superintendents must be uploaded on the GDS; **c)** Compliance with Regulation 2834 (must comply at least 50% in each of the shifts); WSI must indicate shift patterns or measures in place when a shift does not comply with Regulatory Process Control Requirements. **d)** WSI must indicate process controllers and/or supervisors that are 'shared' across different plants/sites.
	1.3) **MAINTENANCE TEAM**	**a)** Evidence of Maintenance Team used for general maintenance work at the plant & pump-stations(both mechanical and electrical) **b)** Information on in-house staff (or organogram) or external contractor/s **c)** Provide additional proof of competency of team (e.g. Qualification & Experience & Trade-test) **d)** Provide a site specific operation and maintenance schedule (routine / scheduled) **e)** Contract or Logbook with maintenance entries to serve as evidence of the above aspects
	1.4) **OPERATIONS & MAINTENANCE MANUAL**	**a)** Proof of a 'site-specific' Operation & Maintenance Manual O&M manual to contain: *1. structural,* *2. mechanical,* *3. electrical detail of plant,* *4. design specifications of plant,* *5. reference to drawings,* *6. operational schedules,* *7. maintenance schedules,* *8. process detail and control,* *9. instrumentation specification/type,* *10. fault finding,* *11. monitoring,* *12. pump curves,* *13. supportive appendices*
	(1.5) **OPERATIONAL LOGBOOK**	**a)** A logbook is in place to record all incidents at the wastewater treatment works. **b)** Evidence is presented that the logbook process is being implemented.

	BONUS **(Process Control)**	**BONUS**: Proof of Process Controller staff being subjected to relevant training the past 24 months 1. Names of trainees and signature of attendance / Certificate 2. Date and training subject field 3. Training provider and content of training
(2) **Wastewater Monitoring Programme** **[15%]**	**(2.1)** **OPERATIONAL MONITORING**	Details of Operational Monitoring: **a)** Proof of Operational Monitoring sites, determinands and frequency; **b)** Samples must include: i) *inflow* *ii) outflow* *iii) process flows* *iv) industrial* *v) sludge* **c)** Determinands monitored; **d)** as per Authorisation / as per best practice per technology type; **e)** Frequency: as per Authorisation /as per best practice (1/month for micro & small plants, 1 /week for medium plants, and 1/day for large & macro plants)
	(2.2) **COMPLIANCE MONITORING**	Details of Compliance Monitoring (For ALL Effluent Discharges). **a)** Sampling Sites as per Authorisation; **b)** Determinands as per Authorisation (This would include determinands not categorised as Microbiological, Chemical or Physical, e.g. SAR) ; **c)** Sampling frequency occurs as Authorisation Requirements Note 1: For zero-effluent treatment systems - still need to monitor for impact on catchment / environment (for both lined and unlined systems). Where oxidation ponds are producing effluent for irrigational purposes then General Limits apply. Note 2: A monitoring programme alone will not be sufficient to obtain full score; Analyses results should proof implementation of the monitoring programme.
	(2.3) **LABORATORY USED**	**a)** Name lab(s) for operational analysis (in-house or on-site) and lab for compliance analysis/checks (in-house or external) **b)** Provide the turnaround in laboratory analysis (in hours: from time of submission to time of results dissemination)
	(2.3) **LABORATORY CREDIBILITY**	**a)** Certificate of Accreditation for applicable methods, **b)** Or Z-scores results following participation a recognised Proficiency Testing Scheme (–2 ≥ z-score ≥ 2 are unacceptable) **c)** Or Proof of Intra- and Inter-laboratory proficiency (quality assurance as prescribed in Standard Methods)
	(2.4) **PROCESS CONTROL / MONITORING RESULTS**	**a)** Explain how monitoring results are used to amend/improve process controlling *[The assessor will select at random analytical parameter/s from the presented analytical results to present an audit question. This might be checked during on-site assessment.]*
(3) **Submission of Wastewater Quality Results** **[5%]**	**(3.1)** **DATA SUBMISSION**	1. 12 months of data submitted to DWA on the GDS **2.** WSA must ensure that 12 months' sets of results are submitted and recorded on the GDS prior to the assessment. Note: All compliance results' data required
	PENALTY (1): Data Not Captured **OR**	Penalty will apply should Wastewater results be available but not captured on GDS.
	PENALTY (2): Section 82	Penalty will apply should the Department find proof during / post assessment that the WSI is guilty of an offence as per Section 82 of the Water Services Act, by only submitting partial information (on GDS) in order to present a false impression of WWQ Performance and/or compliance.

(4)Wastewater Effluent Quality Compliance	**(4.1) WATER USE AUTHORISATION**	**a)** Copy of authorisation, detailing Effluent Quality Standards. **NOTE**: List Standards to comply with.
[30%]	**(4.2)** **EFFLUENT QUALITY COMPLIANCE**	**a)** 90% **Microbiological Compliance** (e.g. E Coli; Faecal Coliforms) **b)** 90% **Chemical Compliance** (e.g. COD, Ammonia, Nitrogen, Nitrate, Nitrite, Residual Chlorine, Ortho-Phosphates, Fluoride, Arsenic, Cadmium, Copper, Manganese, Iron, Selenium, Zinc, Boron, etc.) **c)** 90% **Physical Compliance** (e.g. pH, Suspended Solids, Electrical Conductivity, Soap, Oil or Grease, etc)
	BONUS **(GDIP)**	**a)** A practical Green Drop Improvement Plan (GDIP) in place – with baseline (current) score, tasks, responsible person, completion date, budget, target GDC score; **b)** Implementation evidence and proof of management of process
	PENALTY: **(Sludge Management)**	a) Sludge treatment not managed / monitored. (Monitoring records must be produced); b) In case of ponds systems, provide schedule for desludging of system.
(5) **Wastewater Quality Risk Management**	**(5.1)** **WASTEWATER RISK ABATEMENT PLAN (W_2RAP)**	**a)** A practical and site specific Wastewater Risk Abatement Plan (W_2RAP) is in place which identify and prioritise risks, with measures to mitigate inefficiencies/inadequacies that result in non-compliance **b)** Implementation evidence and proof of management commitment
[15%]	**(5.2)** **INCIDENT REGISTER**	**a)** Provide evidence of implementation of Protocol **b)** Wastewater Quality Failure Incident and Sewer Spillage Incident register.
	(5.3) **WASTEWATER INCIDENT MANAGEMENT PROTOCOL**	**a)** Evidence of a documented Wastewater Incident Management Protocol **b)** Protocol to specify alert levels, response times, required actions, roles & responsibilities and communication measures/vehicles. **c)** NB. Include Pumpstation failure (sewer collector system spillages)
	BONUS **(Energy)**	WSI is able to provide DWA with: a) Electricity consumption over last financial year (in KWh/day) and Rand value (R/year) of treatment plant; b) Energy demand projections over next >3 years (in KWh/day) and in Rand value (R/year); and c) Calculate cost of energy (KWh/kl wastewater treated)
(6) **Local Regulation**	**(6.1)** **BYLAWS**	Proof of the Bylaws providing for the regulation of: *1. industrial (trade) influent (volumes & quality) discharged into municipal system,* *2. package plants,* *3. decentralized systems,* *4. vacuum tank discharges and* *5. Spillages into the environment.* *6. Storm-water connections to sewer system.*
[5%]	**(6.2)** **ENFORCEMENT**	1. Proof of application of Bylaw clause in practice, supported by written notice/s to offender **OR** 2. Proof of adequate enforcement (informing relevant sectors and means of monitoring industrial or other sewer influent.) 3. Records of Package Plants in area of jurisdiction (where development was approved by the Authority (Local Government).

	PENALTY: **(Industrial Monitoring)**	No evidence of any Industrial influent monitoring. 1. There must be proof in form of results to indicate WSA is performing its local regulation function as per Wastewater Services.
	BONUS **(Publication)**	1. Annual Publication of wastewater management performance against the requirements of the site-specific License conditions or General Authorisations 2. Name and date of publication, copy of information pertaining to audit question. 3. Note: Communication must include compliance summary
(7) **Wastewater Treatment Capacity**	**(7.1)** **DESIGN CAPACITY**	**a)** Documented design capacity (hydraulic and organic) of the wastewater treatment facility 1. Design capacity as Average Dry Weather Flow (ADWF) and COD load to the plant and **b)** Documented daily receiving flows over the 12 months of assessed period (ideally ≤ than design capacity) 1. Evidence of daily flows and subsequent calculated averages. Measurement method to be explained 2. Evidence of peak wet weather flow to plant during rain events (record rain event and flow to plant) 3. Evidence of minimum night flow (minimum monitoring: monthly) 4. Water services institution is required to provide motivation/proof of accuracy of meter readings. **c)** Monitoring of outflow volumes (available records) - provide proof of verification system and/or calibration of meters)
[5%]	**(7.2)** **WWTW CAPACITY PLANNING**	Medium to long term planning to ensure sufficient capacity for treatment system and to ensure effluent quality compliance; 1. Detailed Work-plan which stipulates: i*) type of work,* *ii) associated budget,* *iii) projected timeframe* *iv) planned output of this work.*
	(7.3) **COLLECTOR CAPACITY PLANNING**	Medium to long term planning to ensure sufficient capacity for collecting system1. Detailed Work-plan which stipulates: *i) type of work,* *ii) associated budget* *iii) projected timeframe* *iv) iv) the planned output of this work* Note for 7.2 and 7.3: When the WSI is motivating that 'no work' is needed, then provide basis for such standpoint (i.e. quantified design versus operational capacity, usage of system, expected housing developments, condition of treatment system)
	PENALTY	**CapacityUtilisation <40%, >90%, >100%**
(8) **Wastewater Asset Management**	**(8.1)** **PROCESS AUDIT**	**a)** Process Audit reporting (evidence required of audit findings and recommendations) on treatment facility efficacy. The audit to include the (design) capability of the plant to meet compliance standards, as well as actual performance of plant. Should've been done between July 2010 and June 2012. **b)** Evidence/plan of implementation of findings during year following Audit Report required.
[15%]	**(8.2)** **SEWER MAIN INSPECTION**	**c)** Site inspection of sewer reticulation network and pump-station/s. Provide evidence in form of capacity and condition assessment and recommendations of system. Report to include flow balance that provides evidence which % of total sewage is received at treatment plant. Note: both the process audit and sewer network report could serve as baseline to the W_2RAP (may run concurrently with "system description and risk identification/rating)

	(8.3) **WASTEWATER ASSET REGISTER**	**d)** Updated sanitation / wastewater Infrastructure Asset Register 1. Proof of Asset Register, evidence to be submitted. Asset register to include movable equipment and immovable infrastructure / assets with matching detail. The asset register must detail : a) relevant equipment and infrastructure b) indicate asset description c) location d) condition (remaining life) e) replacement value
	(8.4) **O&M BUDGET &EXPENDITURE**	**e)** Operation and maintenance budget and comparative expenditure detail for: 1. *wastewater treatment (in cents/m^3), and* *2. collection system (R/m^3)* The assessor will require the WSI to explain how these figures compare or are benchmarked to determine whether budget is (in)sufficient NOTE: Indicate whether WSI could only provide global figures or system specific figures.
	(8.5) **PUMPSTATION MAINTENANCE**	Proof of maintenance work done on mechanical, electrical, civil per pumpstation
Additional Bonuses	**(AB 1)** **CROSS-POLLINATION**	WSI is able to provide evidence of improvement partnership initiatives with smaller municipalities (Cross-pollination). Green Drop scores will serve as good evidence to measure the outcomes of such initiative/s.
	(AB 2) **STORMWATER MANAGEMENT**	Proof of a Storm-water management plan detailing how storm-water entry is quantified, managed and monitored to prevent entry to sewer systems. Plan should also include measures to prevent sewage from entering stormwater systems. Evidence of implementation required
	(AB 3) **WATER DEMAND MANAGEMENT**	Water Demand Management Plan which provides a strategy and/or work plan that identify, quantify, monitor and manage leakages and water losses of any kind that (may) create an artificial water demand due to higher hydraulic loading of wastewater collection and treatment infrastructure. The bonus will be maximised should a wastewater flow balance be provided.

Green Drop Certification status = ≥90% score against the above criteria.

Purple Drop status = <30% against the above criteria.

"If you are going to achieve excellence in big things, you develop the habit in little matters. Excellence is not an exception, it is a prevailing attitude."

Colin Powell

1. Overstrand Local Municipality

Water Services Authority	**Overstrand Local Municipality**
Water Services Provider(s)	Overstrand Local Municipality

2013 Municipal Green Drop Score	**89.14%** ↑
2011 Municipal Green Drop Score	**88.80%**
2009 Municipal Green Drop Score	**63.00%**

Key Performance Area	Weight	Hermanus	Hawston	Stanford	Gansbaai
Process Control & Maintenance Skills	10%	**84**	**100**	**100**	**100**
Monitoring Programme	15%	**93**	**95**	**95**	**100**
Submission of Results	5%	**100**	**100**	**100**	**100**
Effluent Quality Compliance	30%	**68**	**69**	**85**	**77**
Risk Management	15%	**96**	**73**	**73**	**73**
Local Regulation	5%	**100**	**100**	**100**	**100**
Treatment Capacity	5%	**100**	**100**	**100**	**96**
Asset Management	15%	**96**	**93**	**96**	**93**
Bonus Scores		4.86	5.48	3.55	4.43
Penalties		0.20	0.23	0.30	0.37
Green Drop Score (2013)		**91.17%**	**90.03%**	**93.39%**	**91.76%**
2011 Green Drop Score		**92.10%**	**87.90%**	**83.00%**	**75.80%**
2009 Green Drop Score		**66.00%**	**57.00%**	**61.00%**	**66.00%**
System Design Capacity	Ml/d	7.3	1	0.5	2
Capacity Utilisation (% ADWF ito Design Capacity)		56.89%	30.00%	79.20%	55.00%
Resource Discharged into		Sea outfall (shallow)	Natural Wetland to Dunes	Kleinrivier	Lined wetlands, sportsfield irrigate
Microbiological Compliance	%	91.67%	91.67%	91.67%	100.00%
Chemical Compliance	%	87.50%	81.25%	90.00%	93.75%
Physical Compliance	%	66.67%	91.67%	94.44%	80.56%
Overall Compliance	%	80.21%	86.46%	91.67%	89.58%
Wastewater Risk Rating (2012)		**34.70%**	**33.30%**	**44.40%**	**38.90%**
Wastewater Risk Rating (2013)		**45.45%**	**29.41%**	**29.41%**	**35.29%**

Key Performance Area	Weight	Kleinmond
Process Control & Maintenance Skills	10%	**80**
Monitoring Programme	15%	**95**
Submission of Results	5%	**100**
Effluent Quality Compliance	30%	**29**
Risk Management	15%	**73**
Local Regulation	5%	**100**
Treatment Capacity	5%	**56**
Asset Management	15%	**100**
Bonus Scores		8.84
Penalties		0.91
Green Drop Score (2013)		**77.61%**
2011 Green Drop Score		**82.50%**

2009 Green Drop Score		**66.00%**
System Design Capacity	Ml/d	2
Capacity Utilisation (% ADWF ito Design Capacity)		44.90%
Resource Discharged into		Sea (shallow outfall)
Microbiological Compliance	%	83.33%
Chemical Compliance	%	77.08%
Physical Compliance	%	100.00%
Overall Compliance	%	86.46%
Wastewater Risk Rating (2012)		**44.40%**
Wastewater Risk Rating (2013)		**47.06%**

Regulatory Impression



The Overstrand Local Municipality is to be congratulated with an outstanding performance and able presentation of their Portfolio of Evidence. The Inspection team were impressed with "*... the team's enthusiasm, expertise and knowledge of the wastewater business.*" As result, Overstrand is awarded **with four Green Drop Certificates**. The overall management of all five systems is consistent and indicative of the personnel's dedication and discipline to wastewater management. Regrettable, the Kleinmond system did not perform on par with the other 3 systems, which weakened the **municipal Green Drop score to 89.14%,** just short of overall Green Drop award.

The points of strength include the high overall compliance of effluent quality, prominent risk abatement, and technical skilled staff with strong management support and involvement. The presence of the Finance department contributed to the positive score received for asset management and ringfenced costing. The Hermanus WWTW is currently in the process of upgrading the works to 12ML/d. Monitoring programs should be revised to include sludge monitoring at all systems and to ensure sufficient sampling frequency where process upgrades have occurred.

Overall, Overstrand has managed to produce a polished Green Drop Performance. Overstrand is also one of very few municipalities that were using the opportunity to score against all the bonus criteria. ***Well done***. The absolute consistency displayed in keeping all systems in **low risk zones** using the W_2RAP process, is commendable. Overstrand is an accomplished service provider in wastewater management, and deserves to be mentioned amongst the top performers in the Province.





Green Drop findings:

1. Regulation 17 compliance need to receive attention
2. Sea outfall monitoring frequency need to be revised for Hermanus
3. Sludge monitoring and handling could improve going forward
4. Some shortcomings are evident on process assessment which might possibly resolve some of the lower compliance to ammonia, EC, O-PO_4, SS/COD at some plants, given that ample capacity exist at all plants.

Site Inspection Report

Kleinmond **75%**



The Kleinmond plant was inspected to verify the Green Drop findings:

- The plant is beautifully set, with notices, PFD, manuals and signage in place
- Process control logbooks can be improved, as well as instrumentation
- Flows recorded, except nightflow, 60% tankered, daily pumpstations checks
- Aeration of wastewater well maintained, goo process control, lime slightly slug dosed, MLSS used along temperature
- Disinfection via ultraviolet radiation, clear overflows to reed beds (Phragmites) for polishing. UV performance questioned.

ANNEXURE H

NT & PT BUDGET CIRCULARS & FINANCIAL RATIOS AND NORMS

NATIONAL TREASURY

MFMA Circular No. 112

Municipal Finance Management Act No. 56 of 2003

Municipal Budget Circular for the 2022/23 MTREF

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Introduction

The purpose of the annual budget circular is to guide municipalities with their compilation of the 2022/23 Medium Term Revenue and Expenditure Framework (MTREF). This circular is linked to the Municipal Budget and Reporting Regulations (MBRR) and the municipal Standard Chart of Accounts *(m*SCOA), and strives to support municipalities' budget preparation processes so that the minimum requirements are achieved.

Among the objectives of this budget circular is to demonstrate how municipalities should undertake annual budget preparation in accordance with the budget and financial reform agenda by focussing on key "game changers". These game-changers include ensuring that municipal budgets are funded, revenue management is optimised, assets are managed efficiently, supply chain management processes are adhered to, *m*SCOA is implemented correctly and that audit findings are addressed.

Municipalities are reminded to refer to the annual budget circulars of the previous years for guidance in areas of the budget preparation that is not covered in this circular.

1. The South African economy and inflation targets

The National Treasury projects real economic growth of 5.1 per cent in 2021, following an expected contraction of 6.4 per cent in 2020. Real GDP growth is expected to moderate to 1.8 per cent in 2022,1.6 per cent in 2023 and 1.7 per cent in 2024.

South Africa experienced its largest recorded decline in economic output in 2020 due to the strict COVID-19 lockdown. Real GDP contracted by 7.2 per cent in 2020 compared to 0.1 per cent increase in 2019. It is expected to increase by 6.2 per cent in 2021/22 and moderate by an average increase of 1.7 per cent over the 2022/23 MTEF.

Manufacturing production grew by 17 per cent in the first six months of 2021 compared with the same period in 2020. Production has not recovered to pre-pandemic levels, although the Absa Purchasing Managers' Index remains above the neutral 50-point mark. Electricity disruptions, raw material shortages and rising input costs will continue to limit output in the short to medium term.

The main risks to the economic outlook are slowdown in economic growth. The evolution of COVID-19 and slow progress in vaccine rollout reinforces uncertainty and poses risks to economic recovery.

Slow implementation of structural reforms continues to weigh on business confidence and private investment. Electricity supply constraints, which could worsen over the short term, are a drag on economic growth. In contrast, progress on energy reforms poses upside risks to fixed investment and the overall economic outlook.

A further deterioration in the public finances due to various spending pressures and the materialisation of contingent liabilities could trigger further credit rating downgrades. Pressures on the government wage bill ceiling, including the implementation of the non-pensionable salary increases undermine fiscal consolidation measures.

The fiscal framework does not include any additional support to state-owned companies, but the poor financial condition and operational performance of several of these companies remains a large contingent risk. A number of entities may request further bailouts.

Government is strictly enforcing minimum criteria before guaranteeing the debt of state-owned companies, as outlined in the 2021 Budget, which has led to a decline in guarantee requests. Nonetheless, the broader context of financial distress, weak governance and unsustainable operations in many of these companies remains unaddressed.

Since the 2008 global financial crisis, economic growth has trended downwards, resulting in persistent shortfalls in tax revenue that have not been matched by adjustments to spending growth. This in turn has led to wider budget deficits, higher borrowing and a rapid increase in the ratio of debt to GDP. The reason that the debt servicing costs are growing at a pace that is faster than the rate of GDP growth, and this ratio will continue to increase until government runs a sufficiently large primary budget surplus.

To maximise the value of spending, government needs to contain costs, more especially consumption related spending, exercise prudent and compliant financial management, and eradicate wasteful treatment of public funds and resources. Compensation of employees remains a major cost pressure. It remains critical for municipalities to adhere to compensation ceilings, manage headcounts proactively and conduct staff audit to ensure the staff complement is aligned to the approved organogram. This will assist government is to improve its fiscal position.

Medium-term priorities include: reindustrialising through implementation of the master plans; growing exports through the African Continental Free Trade Area; implementing the Tourism Sector Recovery Plan; supporting township and rural economies; and promoting localisation, inclusive economic growth and job creation.

In 2021/22, gross tax revenue is expected to be R120.3 billion higher than projected in the 2021 Budget, with corresponding improvements of R69.8 billion and R59.5 billion expected in 2022/23 and 2023/24 respectively. This is still well below pre-pandemic revenue estimates, but it provides space for government to deal with immediate fiscal pressures while continuing to stabilise the public finances.

Headline inflation is expected to remain between 3 to 6 per cent target range over the 2022/23 MTEF.

In summary, the tax revenue in 2021/22 was higher than projections and this was mainly due to commodity price rally. However, these are projected to be short term, and as such long-term spending commitments should not be made based on short term revenue benefits. There are measures in place to reduce expenditure to narrow the budget deficit.

The following macro-economic forecasts must be considered when preparing the 2022/23 MTREF municipal budgets.

Table 1: Macroeconomic performance and projections, 2020 - 2025

Fiscal year	2020/21	2021/22	2022/23	2023/24	2024/25
	Actual	Estimate		Forecast	
CPI Inflation	2.9%	4.9%	4.0%	4.4%	4.5%

Source: Medium Term Budget Policy Statement 2021.

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

2. Key focus areas for the 2022/23 budget process

2.1 Local government conditional grants allocations

Over the 2022 MTEF period, transfers to municipalities will grow below inflation. Over the next three years, local government resources increase by 4.1 per cent.

Transfers to local government will be increased by R17.8 billion, including R9.3 billion from the local government equitable share, R1.5 billion from the general fuel levy and R6.9 billion in direct conditional grants over the 2022 MTEF period. The local government equitable share formula has been updated to account for projected household growth, inflation and estimated increases in bulk water and electricity costs over the 2022 MTEF period.

The annual Division of Revenue Bill will be published in February 2022 after the Minister of Finance's budget speech. The Bill will specify grant allocations and municipalities must reconcile their budgets to the numbers published herein.

Municipalities are advised to use the indicative numbers presented in the 2021 Division of Revenue Act to compile their 2022/23 MTREF. In terms of the outer year allocations (2023/24 financial year), it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as presented in the 2021 Division of Revenue Act for 2021/22. The DoRA is available at:
http://www.treasury.gov.za/documents/national%20budget/2021/default.aspx

Division of Revenue Amendment Bill, 2021: changes to local government allocations

Budget Facility for Infrastructure Funding – R81 million is added to the direct regional bulk infrastructure grant for George Local Municipality for the implementation of the potable water security and remedial works project. Due to delays in the implementation of projects approved through Budget Facility for Infrastructure (BFI), the projects sponsors have requested funding to be reduced to align with the planned project rollout.

R1.3 billion is reduced from the public transport network grant for City of Cape Town to align to its revised implementation plan of myCiti phase 2A.

Neighbourhood Development Partnership Grant – R841 million is added to the direct neighbourhood development partnership grant for local government to create 32 663 jobs through precinct management, community safety, place-making, greening, integrated waste management and digitalisation, with special focus on poor and marginalised areas and economic nodes.

Roll-over of indirect regional bulk infrastructure grant – R582 million is rolled over in the indirect regional bulk infrastructure grant to fund the operational payments for the Vaal River pollution remediation project in Emfuleni Local Municipality. This change is shown in Schedule 6, Part B of this Bill.

Reprioritisation in the neighbourhood development partnership grant – In the neighbourhood development partnership grant, R90 million is shifted from the direct component to the indirect component of the grant, to fund project preparation, planning and implementation for municipalities facing implementation challenges. The affected municipalities are City of Johannesburg, Mogale City, Kwa-Dukuza, West Rand, Sol Plaatje, Ray Nkonyeni and City of Cape Town. These changes are shown in Schedule 5, Part B and Schedule 6, Part B of this Bill.

Changes to gazetted frameworks and allocations

Neighbourhood development partnership grant – The grant framework for the neighbourhood development partnership grant is amended to remove reference to Built

Environment Performance Plans and include the conditions attached to the approval of funds from the Presidential Youth Employment Initiative. The conditions require cities to expand the existing Expanded Public Works Programme projects and enter into new partnerships with the private sector and civil society.

Regional bulk infrastructure grant – The grant framework for the regional bulk infrastructure grant is amended to include the conditions attached to the approval of funding from the BFI for the implementation of the potable water security and remedial works project in George Local Municipality. The conditions require that the municipality submit a business plan, a cost-benefit analysis report and enter into a co-financing agreement with the Department of Water and Sanitation and the Department of Cooperative Governance.

Integrated urban development grant – The grant framework for the integrated urban development grant is amended to include a provision for purchasing special vehicles for waste management. This correction is needed to ensure alignment with conditions in the municipal infrastructure grant as municipalities can move between the two grants.

Municipal infrastructure grant – The grant framework for the municipal infrastructure grant is amended to correct for the omission of the baseline allocation of R14.8 billion in 2019/20 in the past performance section of the framework. The amount was erroneously not captured. This correction is needed to show the audited past financial performance of the grant.

3. IDP Consultation Process Post 2021 Local Government Elections

Municipalities are advised to refer to the guidance (refer to the email sent by CoGTA to all municipalities on 20 October 2021) provided through the joint National Treasury/ Department of Cooperative Governance/ South African Local Government Association (NT/DCoG/SALGA) Joint Circular No.1 on the transitional measures in relation to the IDP consultation process. This circular indicates that the previous municipal councils had an obligation to ensure that the legislative stipulations were complied with. Therefore, they were expected to continue the process of the development of the IDP starting with the development and adoption of the process plans as provided for in section 28 of the Municipal Systems Act. Municipalities should then implement the adopted budget process plan and conduct the public engagements as per dates they have indicated in the process plan.

4. Municipalities unable to pass the annual budget after 1 July

The provincial executive council must urgently request the Mayor to submit a report outlining detailed reasons and or circumstances that led to failure to approve the annual budget by the 1 July.

The provincial executive council must intervene in terms of section 139(4) of the Constitution and take appropriate steps by issuing a directive to the municipal council to approve a budget and any revenue raising measures necessary to give effect to the budget within a reasonable period.

Section 26(4) and (5) of the MFMA provides for how the expenses can be met pending the approval of a budget through a directive. Provincial Treasuries should establish clear internal processes for reviewing and recommending the approval of withdrawals by their MEC (templates can be obtained from National Treasury).

The provincial executive council must upon issuing of a directive to the Municipal Council conduct an assessment of the budget tabled by the Mayor against the norms and standards, approved budget process plan, and the outcome of public participation processes.

In the event the Municipal Council fails to approve a budget due to walk out or individual misconduct by a majority of councillors, the Speaker must immediately investigate the conduct of those identified councillors in terms of the Code of Conduct for councillors as provided for in the Municipal Systems Act, 2000.

If in terms of the assessment by the provincial executive council of the tabled budget, it is found that there are no justifiable grounds for not approving the budget, the former must submit/ present the outcome of the assessment to the Municipal Council with a directive to consider the assessment and adopt the budget. If the assessment of the provincial executive council of the tabled budget finds that it does not adhere to the required norms and standards, the directive from the provincial executive council should instruct the council to first amend the budget to remedy this before adopting the budget.

The provincial executive council must, if necessary give the municipal council a further 14 days to approve a tabled budget that complies with norms and standards and incorporates the outcome of public participation, failing which the provincial executive council must consider dissolution of municipal council, approval of a temporary budget and appointment of an administrator as a last resort.

5. Municipal Standard Chart of Accounts (*m*SCOA)

5.1 Release of Version 6.6 of the Chart

On an annual basis, the *m*SCOA chart is reviewed to address implementation challenges and correct chart related errors. Towards this end, Version 6.6 is released with this circular.

Version 6.6 of the chart will be effective from 2022/23 and must be used to compile the 2022/23 MTREF and is available on the link below:
http://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChartOfAccountsFinal/Pages/default.aspx

The Project Summary Document (PSD) on the National Treasury webpage will be aligned to the chart changes in version 6.6 where applicable. The PSD is also available on the above link.

*m*SCOA chart changes are issued annually in December. For the National Treasury to consider a new chart change, the issue must be logged with all relevant background and details on the Frequently Asked Questions (FAQ) database. The FAQ database can also be accessed on the above link.

The matter will then be further investigated by the FAQ committee of the National Treasury. If it is found that a chart change is required in the next chart version, then the matter will be elevated to the *m*SCOA Technical Committee and if in agreement, it will be recommended for approval to the *m*SCOA Steering Committee. Requests for chart changes in the next version of the chart must be logged for consideration by 31 August of each year.

5.2 Credibility of *m*SCOA data strings

The credibility of the *m*SCOA data strings remains a concern although we have observed a marked improvement in some areas. At the core of the problem is:

- The incorrect use of the *m*SCOA chart and segments, balance sheet budgeting, movement accounting and basic municipal accounting practices by municipalities;
- Some municipalities are not budgeting, transacting and reporting directly in/ from their core financial systems; have not purchased all the modules of the core financial system or have not upgraded to the Enterprise Resource Planning (ERP) (*m*SCOA enabling) version of their financial systems;
- A number of municipalities are still transacting on their legacy systems that are not *m*SCOA enabling or they are using Ms Excel spreadsheets that are not incorporated in the functionality of their financial systems, while they are paying for maintenance and support for the *m*SCOA enabling system that was procured. This constitute fruitless and wasteful expenditure; and
- Municipalities are not locking their adopted budgets and their financial systems at month-end to ensure prudent financial management. To enforce municipalities to lock their budgets and close their financial system at month-end in 2022/23, the Local Government Database and Reporting System will lock all submission periods within the reporting period at the end of each quarter. The published period will NOT be opened again to ensure consistency between publications. System vendors were also requested to build this functionality into their municipal financial systems.

Municipalities should refer to the guidance provided in the *m*SCOA circulars issued by the National Treasury to classify their transactions correctly.

The credibility and accuracy of the data strings must be verified by municipalities before submission as the data strings submitted will be used as the single source for all analysis and publications in the 2022/23 municipal financial year.

5.3 Regulation of Minimum Business Processes and System Specifications

One of the key objectives of the *m*SCOA reform is to ensure that municipalities are planning, budgeting, transacting and reporting directly on and from integrated ERP systems to have one version of the truth in terms of the reported financial performance. The manual correction of data strings by municipal officials or system vendors are not allowed in terms of the *m*SCOA Regulations.

All municipalities and municipal entities had to comply with the *m*SCOA Regulations by 1 July 2017. MFMA Circular No. 80 (Annexure B) provided guidance on the minimum business processes and system specifications for all categories of municipalities (A, B and C). A number of Regulations and best practices as per the MFMA Circulars have been introduced since the issuing of MFMA Circular No. 80 in 2016.

The National Treasury will expand and regulate the business processes and system specifications in 2022/23 to these new developments. If your municipality has not yet achieved the minimum required level of *m*SCOA implementation, then a detailed action plan (road map) must be developed to indicate how the municipality will fast track the implementation of *m*SCOA. The action plan should include the following focus areas, as applicable to the municipality:

- **System landscape** – does the municipality has access to updated ICT hardware, software and licences that is sufficient to run the chosen financial management systems solution;
- **Governance and institutional arrangements** – is there a functional *m*SCOA steering committee or equivalent structure consisting of representatives from all business units, that meet regularly to monitor and report on *m*SCOA related issues to Management Committee (MANCO), Executive Committee (EXCO) and Council. Furthermore, did the

municipality appoint a suitably qualified System Administrator and the required IT securities are in place;

- **System functionality** – is the functionality of the system complying with the minimum business processes and system specifications articulated in MFMA Circular No 80; is the municipality utilising the core financial system solution and its modules optimally; and are 3rd party sub-systems seamlessly integrating with the *m*SCOA enabling financial system; and
- **Proficiency of municipal officials to use the financial system** – are the relevant municipal officials sufficiently capacitated on all system modules and functionalities to use the financial systems solution; are relevant officials in the organisation familiar with the *m*SCOA chart, balance sheet budgeting and movement accounting; and have change management taken place to ensure that *m*SCOA is institutionalised as an organisational reform and not only a financial reform.

It should be emphasised that the onus to ensure compliance with the *m*SCOA Regulations and minimum system specifications as per MFMA Circular No. 80 and its Annexure B rests with the municipality and not the system vendor. Municipalities should ensure that they budget sufficiently to become and remain *m*SCOA compliant.

The progress against the action plan must be monitored by the municipality's *m*SCOA Project Steering Committee and should also be reported at the 2021/22 Mid-year Budget and Performance engagements and the Budget and Benchmark engagements with the National and the respective provincial treasury. Copies of the action plan and progress reports should also be shared with the National and the respective provincial treasury.

5.4 Extension of RT25-2016 Service Level Agreements (SLA) for Financial Systems

The National Treasury has received numerous queries about the extension of the SLA for the transversal contract for the procurement of municipal systems of financials management and internal control (RT25-2016).

The RT25-2016 contract has expired in May 2019. Therefore, the RT25-2016 cannot be utilised to procure financial systems and Service Level Agreements (SLAs) entered into through the transversal contract cannot be extended when they expire. Municipalities that procured systems through the RT25-2016 transversal tender must approach the market to procure a new service provider for system support and maintenance. Due to the high financial investment in procuring financial systems, it is not cost effective to change financial systems every 3 to 5 years. Also, the expiry of the SLA does not necessitate the procurement of a new financial system - unless the system that is being used is not complying with the required business processes and system specifications.

Furthermore, the Municipal SCM Regulations does not prohibit the use of long-term contracts as long as the needs analysis and market analysis are done to justify the continuous need for the service. Municipalities may utilise Section 33 of the MFMA, taking into account the municipality's specific circumstances, provided that the decision is legally sound and there is evidence to support the municipality's decision.

Where a municipality has entered into a SLA for the provision of system support and maintenance through an open procurement process, the SLA may be extended in terms of Section 116(3) of the MFMA.

Notwithstanding the above, since the ICT environment changes very quickly the municipal needs must be re-evaluated to ensure that the IT systems in place are still 1) compatible with the needs and systems of the municipality, 2) aligned to modern technology and new legislative requirements and 3) cost effective prior to concluding long-term maintenance and support agreements in the event that there are other financial management solutions or

systems that may be better or even more cost effective as opposed to the current ones that may be outdated.

5.5 *m*SCOA Monthly Trial Balance

Municipalities are required to submit the following documents to GoMuni Upload portal on a monthly basis in PDF format:

1. C Schedule
2. Primary Bank Statement
3. Bank Reconciliation
4. Quality certificate
5. Monthly budget statement (Section 71 Report)
6. Trial balance

To date, the trial balances were submitted in various formats with varying levels of detail – some of them unreadable, making it difficult to identify the submission of the trial balances. From 1 July 2022, the trial balance must include the following minimum information:

- *m*SCOA item description
- Balance brought forward (i.e. opening balance)
- Movement Debit
- Movement Credit
- Balanced closing balance at the end of the document

The name of the municipality, municipal code and relevant period (year and month) must be clearly identified in the submission. Municipalities should ensure that the monthly data string aligns to the trail balance submitted to the GoMuni Upload portal.

5.6 Budgeting for the COVID-19 pandemic

In terms of *m*SCOA Circular No. 9 municipalities are reminded to record and ring fence all funding and expenditure pertaining to the COVID-19 pandemic when budgeting and transacting.

It is evident from the *m*SCOA data strings that were submitted by municipalities in terms of the monthly Section 71 reporting that not all municipalities are budgeting and reporting on COVID-19 related allocations and expenditure as per the guidance provided. Therefore, the National Treasury is not able to draw complete COVID-19 reports from the *m*SCOA data strings inclusive of the data for all municipalities as yet and the weekly manual reporting is still required.

Once the National Treasury is able to draw COVID-19 reports from the *m*SCOA data strings for the majority of municipalities and the Covid-19 restrictions is lifted as per the Disaster Management Act, 2002 (Act 57 of 2002) and its regulations, the weekly manual reporting will be stopped.

5.7 Costing Segment

The purpose of the costing segment in *m*SCOA is to provide for the recording of the full cost for the four core municipal functions, namely: electricity, water, waste water and waste management as a minimum requirement. These four services are the most significant revenue generating functions within municipalities and essential for setting cost reflective tariffs.

The costing segment does not impact on the financial statements and will be recorded as a 'below the line cost' and are recorded in the management accounts to make decisions in

formulating tariffs and cost control. Municipalities must refer to the PSD for the detailed application of the costing segment.

5.8 Classification of the Skills Development Levy

Employers must pay 1 per cent of their employees pay to the skills development levy. This is a contribution of 1 per cent of the total amount paid in respect of salaries to employees, which includes overtime payments, leave pay, bonuses etc. Therefore, this does not constitute employee related cost because it is not a compensation to employees, nor social contributions. Skills Development levy must be classified as operational costs as indicated in the *m*SCOA Project Summary Document (PSD).

5.9 Revised Municipal Property Rates Act Categories

Reference is made to paragraph 4.3 of MFMA Circular No. 107. Municipalities are reminded that section 8 of the Municipal Property Rates Act on the determination of categories of **rateable** properties has been revised through the Local Government Municipal Property Rates Amendment Act, 2014 ("the Amendment Act").

Municipalities were required to implement the new property categorisation framework by not later than 1 July 2021. The *m*SCOA chart Version 6.6 makes provision for the new and the old framework. However, the old framework will be retired in the next version of the chart and municipalities are advised to implement the new property categorisation framework as legislated. Therefore, municipalities cannot use both frameworks to avoid duplication and overstatement of revenue from property rates.

6. The revenue budget

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

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

- Decisively address unfunded budgets by reducing non-priority spending and improving revenue management processes to enable collection; and
- Address service delivery failures by ensuring adequate maintenance, upgrading and renewal of existing assets to enable reliable service delivery.

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

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation is forecasted to be within the lower limit of the 3 to 6 per cent target band; therefore,

municipalities are required to ***justify all increases in excess of the*** **projected inflation target for 2022/23** in their budget narratives and pay careful attention to tariff increases across all consumer groups. In addition, municipalities should include a detail of their revenue growth assumptions for the different service charges in the budget narrative.

6.1 Maximising the revenue generation of the municipal revenue base

Reference is made to MFMA Circulars No. 93, paragraph 3.1 and No. 98, paragraph 4.1. The emphasis is on municipalities to comply with Section 18 of the MFMA and ensure that they fund their 2022/23 MTREF budgets from realistically anticipated revenues to be collected. Municipalities are cautioned against assuming collection rates that are unrealistic and unattainable as this is a fundamental reason for municipalities not attaining their desired collection rates.

It is essential that municipalities reconcile their most recent valuation roll data to that of the billing system to ensure that revenue anticipated from property rates are accurate. Municipalities should undertake this exercise annually as a routine practice during the budget process. The list of exceptions derived from this reconciliation will indicate where the municipality may be compromising its revenue generation in respect of property rates. A further test would be to reconcile this information with the Deeds Office registry. In accordance with the MFMA Circular No. 93, municipalities are once more requested to submit their annual reconciliation of the valuation roll to the billing system to the National Treasury by no later than **04 February 2022**.

The above information must be uploaded by the municipality's approved registered user(s) using the GoMuni Upload Portal at: https://lguploadportal.treasury.gov.za/. If the municipality experience any challenge uploading the information a request for an alternative arrangement may be emailed to linda.kruger@treasury.gov.za.

6.2 Setting cost-reflective tariffs

Reference is made to MFMA Circular No. 98, paragraph 4.2. The setting of cost-reflective tariffs is a requirement of Section 74(2) of the Municipal Systems Act which is meant to ensure that municipalities set tariffs that enable them to recover the full cost of rendering the service. This forms the basis of compiling a credible budget. A credible budget is one that ensures the funding of all approved items and is anchored in sound, timely and reliable information on expenditure and service delivery (Financial and Fiscal Commission (FFC), 2011). Credible budgets are critical for local government to fulfil its mandate and ensure financial sustainability.

A credible expenditure budget reflects the costs necessary to provide a service efficiently and effectively, namely:

- A budget adequate to deliver a service of the necessary quality on a sustainable basis; and
- A budget that delivers services at the lowest possible cost.

Municipalities are encouraged to utilise the tariff setting tool referenced in MFMA Circular No. 98, item 4.2. This tool will assist in setting tariffs that are cost-reflective and would enable a municipality to recover costs to fulfil its mandate. The National Treasury Municipal Costing Guide is available on the link below on the National Treasury website.

http://mfma.treasury.gov.za/Guidelines/Documents/Forms/AllItems.aspx?RootFolder=%2fGuidelines%2fDocuments%2fMunicipal%20Costing%20Guide&FolderCTID=0x0120004720FD2D0551AE409361D6CB3E122A08

It is also imperative that every municipality is utilising the *m*SCOA cost segment correctly.

6.3 Bulk Account Payments and Concessions

During 2018/19, intense work was undertaken to resolve systemic and structural issues pertaining to the electricity function in municipalities. Core to this work was addressing the escalating Eskom debt that threatened the sustainability of Eskom as well as that of municipalities.

During the process, Eskom agreed to provide relieve in certain areas. Municipalities are reminded of the following concessions that remain in place:

- The interest rate charged on overdue municipal bulk accounts were reduced from prime plus 5 per cent to prime plus 2.5 per cent;
- Payment terms were extended from 15 days to 30 days for municipal bulk accounts; and
- Eskom allocation of municipality payments to capital first and then to interest.

These concessions align to the MFMA and are meant to curb municipal growing debt levels by allowing a more conducive payment regime than what was previously employed. In addition, municipalities are urged to budget for and ring-fence their payment of bulk services. Bulk current account payments must be honoured religiously to avoid stringent application of the bulk suppliers' credit control policy.

Municipalities are also advised to enforce a culture of payment for services through their normal credit control processes. In this regard it should be noted that municipalities are only compensated for free basic services based on an indigent user component calculation through the equitable share. As such, a municipality's allocation of free basic services to all of the municipality's consumers is not funded in the equitable share. Every municipality, during the budget process, must consider the affordability to the municipality when allocating free basic services above the national norm and to consumers other than indigent consumers. **If a municipality has any arrears on any of its bulk supplier's accounts, it must limit its provision of free basic services to registered indigent consumers only**.

In this regard municipalities are reminded to take note of the Constitutional Court decision in **Mazibuko and Others vs City of Johannesburg and Others (CCT 39/09) [2009] ZACC 28; 2010 (3) BCLR 239 (CC); 2010 (4) SA 1 (CC) (8 October 2009)**. The Constitutional Court confirmed that a municipality has the right to disconnect the water service in the event of non-payment. In the case of registered indigent users, water may not be disconnected but can and should be restricted to the national policy limit of 6 kilolitres of water monthly.

6.4 Timeous allocations and clearing of the control accounts

Municipalities are encouraged to clear the control accounts on a monthly basis and to allocate trade and other receivable payments in these suspense accounts to the relevant debtor accounts regularly before the monthly submissions as required by the MFMA. Implementing and enforcing the credit control policy of the municipality whilst payments are not cleared in the control account is negligent and irresponsible. Municipalities are warned against this bad practice, and this must be avoided at all costs.

6.5 Smart Prepaid Meters Solution

The Inter-Ministerial Task Team (IMTT) of the 5th administration appointed a panel to investigate the electricity function to better understand what is causing the non-payment to Eskom. Cabinet subsequently endorsed the panel's recommendation that a smart prepaid solution for all municipalities must be explored. Municipalities are advised that the National Treasury, through the Office of the Chief Procurement Officer (OCPO), will soon facilitate a

transversal contract to standardise prepaid smart meter solutions for electricity that align to minimum and critical technical specifications for local government.

If your municipality or entity is currently in the process of procuring any smart meter solution or is planning to, you are cautioned:

- Against proceeding prior to the OCPO having issued and awarded the transversal prepaid smart meter Terms of Reference (ToR); and
- That, with immediate effect, you must obtain the National Treasury's input prior to proceeding with any current procurement or proposed procurement for any smart meter solution or similar system solution. This is to prevent unnecessary and wasteful expenditure on such solutions. Any request for National Treasury's input on the current or planned procurement of any smart meter solution or similar system solution or component thereof, must be directed to the National Treasury for the attention of the Local Government Budget Analysis Unit (Mr. Sadesh Ramjathan) Sadesh.Ramjathan@treasury.gov.za.

Your assistance in proactively ensuring that the municipality and/ or its entities are not adversely affected by these processes will be appreciated.

6.6 Completeness and credibility of revenue related information in the Budget

The Municipal Budget and Reporting Regulations (MBRR) regulates the minimum level of information required from municipalities when compiling, implementing, monitoring, and evaluating the municipality's financial management situation. Failure to include the minimum required information hampers the municipal council, the public and stakeholders' ability to make informed decisions and engage on the matter. It also limits research, studies, and benchmarking undertaken for local, provincial, and national purposes.

The National Treasury would like to take this opportunity to caution municipalities that the MBRR prescribe the minimum level of information municipalities must include as part of their legal reporting obligations.

Going forward the Treasuries will place increased attention and focus on the adequacy of municipalities' submissions. The National Treasury regards this non-compliance to include the minimum level of information as serious and if persistent will consider applying the available legal sanctions, including recourse in terms of section 216(2) of the Constitution. In this context, National Treasury will particularly focus on the completeness of asset management related information as well as the statistical information required in the A, B and C schedules during the 2022/23 MTREF.

6.7 Eskom Bulk Tariff increases

The National Energy Regulator of South Africa (NERSA) is responsible for price determination of the bulk costs for electricity. Bulk electricity costs are consistently much higher than inflation, having gone as high as 17.8 per cent in the 2021/22 municipal financial year. Eskom's need for increased funding means that over the period ahead they are applying for much higher tariff increases. In their Multi-Year Price Determination (MYPD 5) application Eskom requested approval for municipal bulk tariff increases of 20.5 per cent in 2022/23, 15 per cent in 2023/24 and 10 per cent in 2024/25. NERSA rejected this revenue application at the end of September 2021 and in October 2021 ESKOM filed an application in the High Court to review NERSA's decision. The matter is still in court with a decision anticipated to be made shortly. If Eskom succeeds, the court will compel NERSA to process the rejected application for tariffs for the year starting 1 April 2022 in terms of the existing MYPD methodology. NERSA will then be expected to immediately publish Eskom's application for public comment.

6.8 Long Term Financial Strategies

National Treasury is supporting municipalities to develop and implement long-term financial models and strategies. This reform seeks to develop more sustainable, and integrated infrastructure development programmes over the longer term, informed by strategic plans, and financed in the most effective and efficient manner.

Although some municipalities have long-term financial models (LTFM), they are not always integrated with municipal plans, or based on actual cash flow analysis and investment programmes, or able to consider alternative financial scenarios and outcomes in relation to the ability to borrow and the structuring of market transactions.

Municipalities need to develop LTFM that support decisions on investment selection and assesses the financial impact of policy choices, by forecasting future financial performance and the impact of infrastructure projects on borrowing capacity. The LTFM needs to inform the municipality's long-term financial strategy, which must articulate a sustainable, efficient and effective borrowing strategy and practices for the municipality and provide a clear statement of intent for lenders and other stakeholders.

National Treasury has initiated this reform in the metropolitan municipalities and some of the Intermediate City municipalities and will continue with this reform in the next financial year. Based on the piloting of this reform, guidance will be provided to all municipalities to develop and implement LTFM's and strategies.

7. Funding choices and management issues

Municipalities are under pressure to generate revenue as a result of the economic landscape, the COVID-19 pandemic, weak tariff setting and increases in key cost drivers to provide basic municipal services. The ability of customers to pay for services is declining and this means that less revenue will be collected. Therefore, municipalities must consider the following when compiling their 2022/23 MTREF budgets:

- Improving the effectiveness of revenue management processes and procedures;
- Cost containment measures to, amongst other things, control unnecessary spending on nice-to-have items and non-essential activities as highlighted in the Municipal Cost Containment Regulations read with MFMA Circular No. 82;
- Ensuring value for money through the procurement process;
- The affordability of providing free basic services to all households;
- Not taking on unfunded mandates;
- Strictly control the use of costly water tankers and fix the water infrastructure to enable the sustainable provision of water;
- Prioritise the filling of critical vacant posts, especially linked to the delivery of basic services; and
- Curbing the consumption of water and electricity by the indigents to ensure that they do not exceed their allocation.

Accounting officers are reminded of their responsibility in terms of section 62(1)(a) of the MFMA to use the resources of the municipality effectively, efficiently and economically. Failure to do this will result in the accounting officer committing an act of financial misconduct which will trigger the application of chapter 15 of the MFMA, read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

7.1 Employee related costs

The Salary and Wage Collective Agreement for the period 01 July 2021 to 30 June 2024 dated 15 September 2021 through the agreement that was approved by the Bargaining Committee of the Central Council in terms of Clause 17.3 of the Constitution should be used when budgeting for employee related costs for the 2022/23 MTREF. In terms of the agreement, all employees covered by this agreement shall receive with effect from 01 July 2022 and 01 July 2023 an increase based on the projected average CPI percentages for 2022 and 2023. The forecasts of the Reserve Bank, in terms of the January 2022 and January 2023, shall be used to determine the projected average CPI. Municipalities are encouraged to perform an annual head count and payroll verification process by undertaking a once-a-year manual salary disbursement, in order to root out ghost employees.

7.2 Remuneration of Councillors

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. It is anticipated that this salary determination will also take into account the fiscal constraints. Municipalities should also consider guidance provided above on salary increases for municipal officials during this process. Any overpayment to councilors contrary to the upper limits as published by the Minister of Cooperative Governance and Traditional Affairs will be irregular expenditure in terms of Section 167 of the MFMA and must be recovered from the councilor(s) concerned.

8. TRANSFERS TO MUNICIPALITIES

8.1 Criteria for the release of the Equitable Share

Section 216(2) of the Constitution of South Africa requires that the National Treasury must enforce compliance with the measures established to ensure both transparency and expenditure control in each sphere of government and may stop the transfer of funds to an organ of state if that organ of state commits a serious or persistent material breach of those measures.

The criteria for the release of the Equitable Share Instalments for the 2022/23 municipal financial year are as follows:

- The 2022/23 adopted budget must be funded and adopted by Council as per the legal framework, as required in terms of section 18 of the MFMA and consistent with the Budget Council and Budget Forum resolutions;
    a. The adopted budget must include budget allocations for bulk suppliers current account payments;
    b. Should the adopted budget still be unfunded, then a funding plan will be required to show how the municipality intends moving progressively out of this position into a funded state, if this plan has been adopted in the past, then a progress report must be submitted on the framework previously shared to guide municipalities which is aligned to the rescue phase of the new approach to Municipal Financial Recovery Service (MFRS);
    c. Those municipalities that adopted an unfunded budget must work with their respective Provincial Treasuries to rectify this position in the lead up to the main adjustments budget process in February 2023; and
    d. A council resolution showing commitment to address the unfunded position must be submitted by these municipalities to the National Treasury by 01 July 2022.

- Credible *m*SCOA data strings and source documents for the 2022/23 MTREF and 2021/22 audits must be generated directly from the core municipal financial system and successfully uploaded to the Local Government GoMuni Portal. Source documents must be submitted in PDF and no excel based spreadsheet/ templates will be accepted;
- The report submitted by bulk suppliers in terms of section 41 of the MFMA must indicate that the current account has been paid timeously in terms of section 65(2)(e) of the MFMA. In addition, where the municipality has a repayment plan with Eskom and/ or the water boards, proof that the current accounts have been paid and a copy of the agreed upon payment plan (or evidence of negotiations underway with creditors) must be submitted to the National and provincial treasuries;
- Municipalities must provide evidence that SARS, pension and other staff benefits deducted from municipal officials have been paid over the appropriate Funds and/ or institutions;
- The information requested in MFMA Circulars No. 93, 98 and 107 on the reconciliation of the valuation roll have been submitted to the National Treasury as per the required timeframes;
- The Competency Regulations reporting requirements have been complied with;
- Provide a copy of the Unauthorised, Irregular, Fruitless and Wasteful (UIF&W) expenditure register, the latest copy of the Municipal Public Accounts Committee (MPAC) recommendations, Council Resolution on UIFW as well as council approved UIFW Reduction Strategy, proof of establishment of the Disciplinary Committee Board (or evidence of progress towards their establishment) and updated audit action plan (where the audit has been completed);
- Those municipalities that received an adverse or disclaimed opinions for the 2020/21 financial year will not receive their funding allocation unless there is a council resolution committing to address these opinions with an implementable plan. The resolution must be signed by each member of the Council and submitted to National Treasury by 1 October 2022;
- The Municipal Financial Recovery Service progress reporting framework for financial recovery plans must be complied with by municipalities under intervention in terms of S139 of the Constitution;
- Additionally, those municipalities that have outstanding audits for both the 2019/20 and 2020/21 financial years as well as municipalities with outstanding 2020/21 audit opinions that also received an adverse or disclaimer opinion in 2019/20, will also not receive their allocation; and
- Any other outstanding documents as per the legal framework have been submitted including the AFS submission (municipality only and consolidated AFS).

Failure to comply with the above criteria will result in National Treasury invoking section 38 of the MFMA which empowers National Treasury to withhold a municipality's equitable share if the municipality commits a serious or persistent breach of the measures established in terms of Section 216(2) of the Constitution which includes reporting obligations set out in the MFMA and National Treasury requests for information in terms of Section 74 of the MFMA.

9. The Municipal Budget and Reporting Regulations

9.1 Schedule A - version to be used for the 2022/23 MTREF

National Treasury has released Version 6.6 of the Schedule A1 (the Excel Formats) which is aligned to Version 6.6 of the *m*SCOA classification framework and must be used when compiling the 2022/23 MTREF budget.

All municipalities must prepare their 2022/23 MTREF budgets in their financial systems and produce the Schedule A1 directly from their financial system.

Municipalities must start early enough to capture their tabled budget (and later the adopted budget) in the budget module in the financial system and must ensure that they produce their Schedule A1 directly out of the budget module. **Manual capturing on A1 schedule version 6.6 is not allowed** in terms of the *m*SCOA Regulations.

National Treasury has protected the A1 schedule version 6.6 in order to ensure that the Schedule A1 generated directly from the financial system and not populated manually.

The budget, adjustments budget and Section 71 monthly reporting Schedules that have been regulated in terms of the MBRR have also been aligned to the *m*SCOA chart version 6.6. The revised MBRR Schedules for the 2022/23 MTREF and its linkages to the financial and non-financial data string are available on the link below:

http://mfma.treasury.gov.za/RegulationsandGazettes/Municipal%20Budget%20and%20Reporting%20Regulations/Pages/default.aspx

9.2 Assistance with the compilation of budgets

If municipalities require advice with the compilation of their respective budgets, specifically the budget documents or Schedule A1, they should direct their enquiries to their respective provincial treasuries or to the following National Treasury officials:

Province	Responsible NT officials	Tel. No.	Email
Eastern Cape	Matjatji Mashoeshoe	012-315 5553	Matjatji.Mashoeshoe@treasury.gov.za
	Abigail Maila	012-395 6737	Abigail.Maila@Treasury.gov.za
Buffalo City	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
	Abigail Maila	012-395 6737	Abigail.Maila@Treasury.gov.za
Johannesburg and Tshwane	Willem Voigt	012-315 5830	WillemCordes.Voigt@treasury.gov.za
Ekurhuleni	Kgomotso Baloyi	012-315 5866	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
eThekwini	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
	Phumelele Gulukunqu	012-315 5539	Phumelele.Gulukunqu@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
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 with Excel formats	Sephiri Tlhomeli	012-406 9064	lgdataqueries@treasury.gov.za

National and provincial treasuries will analyse the credibility of the data string submissions.

9.3 Assessing the 2022/23 MTREF budget

National and provincial treasuries will assess the 2022/23 MTREF budgets to determine if it is complete, funded and complies with the *m*SCOA requirements. The *m*SCOA data strings for the tabled (TABB) and adopted (ORGB) budgets will be used for this assessment.

The **assessment period** of all municipal budget will therefore be from **01 April to 30 June 2022 for both the tabled and adopted budgets**. In this period, the National and provincial treasuries will evaluate all municipal budgets for completeness and for being fully funded. Any adjustment that need to be made must be done before the start of the municipal financial year on 1 July.

Importantly, in order to generate an adopted budget (ORGB) data string, the budget must be locked on the financial system by the 10th working day of July each year. Therefore, once the ORGB data string has been generated, errors in the ORGB can only be corrected via an adjustments budget in February of each year. In terms of the design principles of *m*SCOA, municipalities are not allowed to open the budget on the system for corrections after it has been locked. This means that the tabled budget data string (TABB) should in fact be verified and errors in the TABB should be corrected in the ORGB **before the adopted budget is locked on the financial system and the ORGB data string is generated**.

Amending an unfunded, incomplete and erroneous budget through an adjusted budget is also not encouraged as the National Treasury only considers an adjusted budget in the third and fourth quarter of the financial year for analysis and publication purposes. This will result in overspending and unauthorised expenditure not been monitored in the first six months of the financial year.

The National Treasury would like to emphasise that ***where municipalities have adopted an unfunded budget without a* credible funding plan*, they will be required to correct the funding plan and ensure that it is credible. The credible funding plan must be immediately adopted by the Municipal Council, and the changes to the budget must be effected in the mid-year adjustments budget to ensure compliance with Section 18 of the MFMA***.

Municipalities with municipal entities are once again reminded to prepare consolidated budgets and in-year monitoring reports for both the parent municipality and its entity or entities. The following must be compiled:

- An annual budget, adjustments budget and monthly financial reports for the parent municipality in the relevant formats;
- An annual budget, adjustments budget and monthly financial reports for the entity in the relevant formats; and
- A consolidated annual budget, adjustments budget and monthly financial reports for the parent municipality and all its municipal entities in the relevant formats.

The budget and data strings that the municipality submits to National Treasury must be a consolidated budget for the municipality (including entities). The budget of each entity must be submitted on the D Schedule in pdf format.

In the past it was noted that municipalities have challenges to align the audited outcomes on the financial system to A1 Schedule. Municipalities must ensure that the audited figures and

adjusted budget figures captured on the A1 Schedule aligns to the annual financial statements and Schedule B respectively.

10. Submitting budget documentation and A1 schedules for 2022/23 MTREF

To facilitate oversight of compliance with the Municipal Budget and Reporting Regulations, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that, ***immediately*** after an annual budget is tabled in a municipal council, it must be submitted to the National Treasury and the relevant provincial treasury in electronic formats. If the annual budget is tabled to council on **31 March 2022**, the final date of submission of the electronic budget documents and corresponding *m*SCOA data strings is **Friday, 01 April 2022**; and
- Section 24(3) of the MFMA, read together with regulation 20(1) of the MBRR, requires that the approved annual budget must be submitted to both National Treasury and the relevant provincial treasury within ten working days after the council has approved the annual budget. However, given that municipalities are generating the annual budgets directly from the financial system as required by the *m*SCOA Regulations and that the budgets must be verified before it is locked on the financial system and transacted against, municipalities must submit the approved budget to the National Treasury and the relevant provincial treasury in electronic formats ***immediately*** after approval by the municipal council. Therefore, if the annual budget is tabled to council **on 31 May 2022**, the final date of submission of the electronic budget documents and corresponding *m*SCOA data strings is **Wednesday, 01 June 2022.**

Since the 2020/21 MTREF, municipalities are no longer required to submit hard copies of all required documents including budget related, Annual Financial Statements and Annual Reports to National Treasury via post or courier services. Electronic copies must be submitted in pdf format to the GoMuni Upload portal.

10.1 Expected submissions for 2022/23 MTREF

The following information should be submitted for the 2022/23 MTREF:

- The budget documentation as set out in the MBRR. The budget document must include the main A1 Schedule Tables (A1 - A10);
- The non-financial supporting tables (A10, SA9, SA11, SA12, SA13, SA22, SA23, SA24 etc. and any other information not contained in the financial data string) in the A1 schedule must be submitted in the prescribed *m*SCOA data string in the format published with Version 6.6 of the A1 schedule;
- The draft and final service delivery and budget implementation plan (SDBIP) in electronic PDF format;
- The draft and final IDP;
- The council resolution for the tabled and adopted budgets;
- Signed Quality Certificate as prescribed in the MBRR for the tabled and adopted budgets;
- D Schedules specific for the entities; and
- A budget locking certificate immediately at the start of the new municipal financial year on 1 July.

10.2 Go Muni Upload Portal

The National Treasury is in the process of finalising the development work on the GoMuni Upload portal. Municipalities, provincial treasuries, system vendors and sector departments should ensure that the names and contact details of the data uploaders or users of the data, as reflected on the LG Database, for their respective institutions are correct and updated as and when changes occur.

10.3 Portals for the submission of information

Municipalities must ensure that the documents are submitted to the correct portals/ mailboxes. These portals/ mailboxes are:

https://lguploadportal.treasury.gov.za (GoMuni Upload Portal) – All documents required in terms of legislation, including:

- *m*SCOA Data Strings by approved registered users;
- Budget-related and in-year documents and schedules (A, B and C) by approved registered users; and
- Reconciliation of the valuation roll to the financial system (as per MFMA Circular No. 93).

Budget related documents and schedules must be uploaded by approved registered users using the GoMuni Upload Portal at: https://lguploadportal.treasury.gov.za/. The GoMuni Upload Portal does not have the same size restrictions encountered with lgdocuments@treasury.gov.za, but requires all documents to:

- Be in PDF format only; and
- Each PDF file must NOT contain multiple document e.g. council resolution and quality certificate within the budget document. Each document type must be identified clearly and uploaded separately.

Municipalities may ***only*** send electronic versions of the above documents to lgdocuments@treasury.gov.za when experiencing problems with the GoMuni Upload Portal.

lgdataqueries@treasury.gov.za – Database related and submission queries and the grant rollover templates.

lgdocuments@treasury.gov.za – Any additional information required by National Treasury that is not listed under the GoMuni Upload portal such as the manual COVID-19 reports.

Please do not submit the same document to ALL the platforms listed above as it means that our Database Team must register the same documents three times which slows down the process. ***Any document/ queries that are submitted to the incorrect portal/ mailbox will be deleted and not processed***.

10.4 Publication of budgets on municipal websites

In terms of section 75 of the MFMA, all municipalities are required to publish their tabled budgets, adopted budgets, annual reports (containing audited annual financial statements) and other relevant information on the municipality's website. This will aid in promoting public accountability and good governance.

All relevant documents mentioned in this circular are available on the National Treasury website, http://mfma.treasury.gov.za/Pages/Default.aspx. Municipalities are encouraged to visit it regularly as documents are regularly added / updated on the website.

10.5 Communication by municipal entities to National Treasury

Municipal entities should not request meetings directly from National Treasury. National Treasury will only engage the entities through the parent municipalities. This includes all communications apart from the legislative reporting requirements.

Contact

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Post Private Bag X115, Pretoria 0001
Phone 012 315 5009
Fax 012 395 6553
Website http://www.treasury.gov.za/default.aspx

JH Hattingh
Chief Director: Local Government Budget Analysis
06 December 2021

NATIONAL TREASURY

MFMA Circular No. 115

Municipal Finance Management Act No. 56 of 2003

Municipal Budget Circular for the 2022/23 MTREF

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Introduction

This budget circular is a follow-up to MFMA Circular No. 112 that was issued on 06 December 2021. It aims to provide further guidance to municipalities with the preparation of their 2022/23 Medium Term Revenue and Expenditure Framework (MTREF) budgets and should be read together with the budget circulars that have been issued previously.

The grant allocations as per the 2022 Budget Review and the 2022 Division of Revenue Bill are also key focus areas in this circular. Municipalities are reminded to refer to the annual budget circulars of the previous years for guidance in areas of the budget preparation that is not covered in this circular.

1. The South African economy and inflation targets

The world economy is expected to grow by 4.4 per cent this year. This is lower than the 4.9 per cent that was anticipated when tabling the medium-term budget policy statement (MTBPS). The Omicron variant of the coronavirus caused many countries to impose restrictions to manage its spread. In addition, continued imbalances in global value chains have limited the pace of the world's economic recovery.

The South African economy has not been shielded from these global developments. National Treasury has revised South Africa's economic growth estimate for 2021 to 4.8 per cent, from 5.1 per cent at the time of the MTBPS.

This revision reflects a combination of the impact of changes in the global environment, along with South Africa's own unique challenges. Commodity prices, which have supported South Africa's economic recovery, slowed in the second half of 2021.

Also, violent unrest in July, and restrictions imposed to manage the third wave of COVID-19 further eroded the gains South Africa made in the first half of the year.

Industrial action in the manufacturing sector, and the re-emergence of loadshedding, also slowed the pace of the recovery.

Real Gross Domestic Product (GDP) growth of 2.1 per cent is projected for 2022. Over the next three years, GDP growth is expected to average 1.8 per cent.

Headline inflation is expected to remain between 3 to 6 per cent target range over the 2022/23 MTEF.

In summary, the tax revenue in 2021/22 was higher than projections and this was mainly due to commodity price rally. However, these are projected to be short term, and as such long-term spending commitments should not be made based on short term revenue benefits. There are measures in place to reduce expenditure to narrow the budget deficit.

The following macro-economic forecasts must be considered when preparing the 2022/23 MTREF municipal budgets.

Table 1: Macroeconomic performance and projections, 2020 - 2025

Fiscal year	2020/21	2021/22	2022/23	2023/24	2024/25
	Actual	Estimate	Forecast		
CPI Inflation	2.9%	4.5%	4.8%	4.4%	4.5%

Source: Budget Review 2022.

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

2. Key focus areas for the 2022/23 budget process

2.1 Local government conditional grants allocations

Over the 2022 MTEF period, direct transfers to municipalities will grow above inflation, at an annual average rate of 7.9 per cent. Direct conditional grants grow at an annual average rate of 5.3 per cent over the MTEF, while the Local Government Equitable Share (LGES) grows faster, at an annual average rate of 10.3 per cent over the same period.

The higher than inflation growth of allocations to local government is due to additional allocations over the medium term as follows:

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

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

In terms of the outer year allocations (2023/24 and 2024/25), it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as presented in the 2022 Division of Revenue Act. The DoRB is available at:
http://www.treasury.gov.za/documents/national%20budget/2022/dor.aspx

2.2 Division of Revenue Bill, 2022: changes to local government allocations

Budget Facility for Infrastructure (BFI) Funding – There are reductions of R754 million in 2022/23 and R105 million in 2023/24; and an increase of R621 million in 2024/25 in the *Public Transport Network Grant* to align to the revised implementation plan and cash flow projections for the City of Cape Town's MyCiTi public transport network.

Neighbourhood Development Partnership Grant – R1.7 billion is added to the direct component of the *Neighbourhood Development Partnership Grant* for the eight metropolitan municipalities to fund the continuation of the upscaling of city-led public employment programmes that contribute to informal settlement upgrading, public space and asset maintenance, development and management, greening and cleaning, food security, innovative service delivery, local knowledge and information sharing and management, community safety, environmental services and management and community tourism. This is part of the Presidential Youth Employment Intervention and is a continuation of government's response to job losses due to COVID-19, introduced as part of the stimulus package to respond to the impact of the COVID-19 pandemic during 2020.

Regional Bulk Infrastructure Grant – R1 billion is added to the *Regional Bulk Infrastructure Grant,* funded from the BFI, to fund the continuation of the implementation of the Potable Water Security and Remedial Works project in George Local Municipality.

Integrated National Electrification Programme (Eskom) Grant – R50 million is reprioritised from the *Integrated National Electrification Programme (Eskom) Grant* to finance the operational requirements of the Independent Power Producer Office in 2022/23.

Energy Efficiency and Demand Side Management Grant – R8 million in 2022/23 and 2023/24, respectively is reprioritised from the *Energy Efficiency and Demand-Side Management Grant* to finance the operational requirements within the vote of the Department of Mineral Resources and Energy.

R10 million is shifted from the sport component of the ***Municipal Infrastructure Grant*** **(MIG)** to the ***Integrated Urban Development Grant*** **(IUDG)** in 2022/23, to fund a sport project in Polokwane Local Municipality.

The ***Municipal Disaster Recovery Grant*** is introduced to fund infrastructure recovery in municipalities in KwaZulu-Natal. This grant is allocated R347 million between 2022/23 and 2024/25.

2.3 Changes to gazetted frameworks and allocations

Infrastructure Skills Development Grant (ISDG) – The grant framework for the infrastructure skills development grant is amended to include a condition that municipalities must have a capacitated Project Management Units with qualified people to act as supervisors in terms of the relevant statutory council requirements.

Municipal Infrastructure Grant (MIG) – Over the 2022 MTEF, the Department of Cooperative Governance (DCoG) will introduce an indirect component to the MIG. This is to improve efficiency in grant expenditure to develop more and better-quality infrastructure. The conversion will be done in-year. The criteria as determined by DCoG includes indicators related to expenditure and reliability of infrastructure.

Municipal Systems Improvement Grant – Over the MTEF, a portion of the grant will be utilised to continue to support institutionalisation of the district development model.

Municipal Disaster Relief Grant – The name of the *Municipal Disaster Relief Grant* is changed to the *Municipal Disaster Response Grant*. The objective of the grant remains the same and the change aligns to existing National Disaster Management Centre (NDMC) processes in responding to disasters that have occurred.

Local Government Financial Management (FMG) Grant – Over the 2022 MTEF, the grant framework for the FMG will make provision for the preparation of asset registers.

3. IDP Consultation Process Post 2021 Local Government Elections

Municipalities are advised to refer to the guidance (refer to the email sent by the Department of Cooperative Governance and Traditional Affairs (CoGTA) to all municipalities on 20 October 2021) provided through the joint South African Local Government Association (SALGA)/ Department of Cooperative Governance (DCoG) and National Treasury (NT) Joint Circular No.1 on the transitional measures in relation to the integrated development plan (IDP) consultation process. This circular indicates that the previous municipal councils had an obligation to ensure that the legislative stipulations were complied with. Therefore, they were expected to continue the process of the development of the IDP starting with the development and adoption of the process plans as provided for in section 28 of the Municipal Systems Act,

2000. Municipalities should then implement the adopted budget process plan and conduct the public engagements as per dates they have indicated in the process plan.

4. Municipalities unable to pass the annual budget after 1 July

The provincial executive council must urgently request the Mayor to submit a report outlining detailed reasons and or circumstances that led to failure to approve the annual budget by the 1 July.

The provincial executive council must intervene in terms of section 139(4) of the Constitution and take appropriate steps by issuing a directive to the municipal council to approve a budget and any revenue raising measures necessary to give effect to the budget within a reasonable period.

Section 26(4) and (5) of the MFMA provides for how the expenses can be met pending the approval of a budget through a directive. Provincial Treasuries should establish clear internal processes for reviewing and recommending the approval of withdrawals by their MEC for Finance (templates can be obtained from National Treasury).

The provincial executive council must upon issuing of a directive to the Municipal Council conduct an assessment of the budget tabled by the Mayor against the norms and standards, approved budget process plan, and the outcome of public participation processes.

In the event the Municipal Council fails to approve a budget due to walk out or individual misconduct by a majority of councillors, the Speaker must immediately investigate the conduct of those identified councillors in terms of the Code of Conduct for councillors as provided for in the Municipal Systems Act, 2000.

If in terms of the assessment by the provincial executive council of the tabled budget, it is found that there are no justifiable grounds for not approving the budget, the former must submit/ present the outcome of the assessment to the Municipal Council with a directive to consider the assessment and adopt the budget. If the assessment of the provincial executive council of the tabled budget finds that it does not adhere to the required norms and standards, the directive from the provincial executive council should instruct the council to first amend the budget to remedy this before adopting the budget.

The provincial executive council must, if necessary give the municipal council a further 14 days to approve a tabled budget that complies with norms and standards and incorporates the outcome of public participation, failing which the provincial executive council must consider dissolution of municipal council, approval of a temporary budget and appointment of an administrator as a last resort.

5. Municipal Standard Chart of Accounts (*m*SCOA)

5.1 Release of Version 6.6.1 of the Chart

Version 6.6.1 of the chart will be released through a patch to accommodate the following changes/conditions published in the 2022 Division of Revenue (DoR) Bill:

- The capital leg of the Local Government Financial Management (FMG) grant that was retired in chart version 6.2 of the chart. As per the conditions published in the 2022 DoR Bill, the grant may be used, inter alia, for the acquisition, upgrade and maintenance of financial management systems to produce multi-year budgets, in-year reports, service

delivery and budget implementation plans, annual financial statements, annual reports and automated financial management practices including the *m*SCOA;

- Allocation-in-kind for the MIG grant to make provision for the indirect grant portion of the grant; and
- The name change from Municipal Disaster relief grant to Municipal Disaster Response Grant. Municipalities should take note of this change when they report on COVID-19 in terms of *m*SCOA Circular No. 9.

Version 6.6.1 of the chart will be effective from 01 July 2022 and must be used to compile the 2022/23 MTREF. The patch is available on the link below:
http://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChartOfAccountsFinal/Pages/default.aspx

5.2 Funding Depreciation

From the analysis of the *m*SCOA data strings it is evident that a number of municipalities are allocating non-funding as the funding source in the fund segment for depreciation charges. Depreciation charges must be funded from operational funds such as service charges for electricity if assets are utilised for electricity purposes, service charges water for water management purposes, waste and wastewater management in the same manner and property rates for services like roads that is primarily funded from property rates.

When deprecation is funded, it will assist the municipalities to accumulate sufficient surpluses that must be transferred to cash backed reserves. Depreciation is the method to provide for the replacement of the assets. If depreciation remains a journal without the funds being ring-fenced, municipalities will not be in a financial position to fund future infrastructure assets.

5.3 Application of Costing

The mapping for Table A2 on Financial Performance of the regulated Schedule A was updated to include the costing segment. The costing segment in *m*SCOA provides for the recording of the full cost for the four core municipal functions, namely: electricity, water, wastewater and waste management. It also allows for the charge out of costs between functions and projects. Costing: recoveries was previously recorded as 'revenue: default' in the item segment. However, as the charge out of cost does not present revenue, municipalities must use 'expenditure: default' in the item segment to record the debit and credit of all costing transactions where the charges increase cost and the recoveries decrease the cost per function or project.

Municipalities are also reminded that one of the validation rules that are applied when *m*SCOA data strings are submitted is that costing transactions for charges and recoveries must balance to zero.

5.4 Change in calculation of consumer deposits

The addition of consumer deposits as a funding source in version 6.6 of the *m*SCOA chart impacts on the population of Tables SA30 and A7 in the Schedule A. The calculation will be changed in the 6.6 chart version to the following:

CASH FLOWS FROM FINANCING ACTIVITIES	
Increase in consumer deposits	Consumer deposits FD001001001014 linked to IA001 Deposits
(Decrease) in consumer deposits	Consumer deposit IL001002 :Withdrawals

All payments received in respect of consumer deposits will be picked up utilising the consumer deposit fund source linked to the bank: deposits posting level. The payment of consumer

deposits will be picked up from item liability: consumer deposits: withdrawals posting levels, which represent the outflow of cash.

5.5 NERSA reporting

Municipalities are reminded to complete the D-Forms that the National Energy Regulator of South Africa (NERSA) requires. The National Treasury is currently looking into ways of how the *m*SCOA data strings can be used to populate the NERSA reports and will provide guidance in this regard during 2022.

5.6 Restructuring of the Long-Term Component of Trade Payables

In an effort to assist municipalities to get to a funded budget position, the National Treasury have requested municipalities to negotiate with their major trade creditors like Eskom, Water Boards and the Department of Water Affairs to restructure their outstanding trade creditors. Where the debt owed by a municipality was restructured, in terms of a debt repayment agreement, and the repayment period exceeds a period of 12 months, the debt will remain under *current liabilities trade payables* as per the version 6.6 of the *m*SCOA chart.

The restructuring of debt in the Statement of Financial Position to include the non-current portion through the reclassification of the debt to a *non-current liability of trade payables* under non-current liabilities has a major impact on the working capital requirement disclosure in the funding compliance assessment on Table A8 of the Schedule A and on the entire funding methodology of the National Treasury. The restructuring of debt also affects a number of liquidity measurement ratios such as the Current Ratio, Liquidity Ratio and Creditors to Cash Ratio.

Detailed analysis and careful consideration of the appropriate accounting treatment to ensure that future adjustments to the chart will not compromise the funding methodology of the National Treasury is required. Therefore, any changes required to the *m*SCOA Chart to accommodate the restructuring of the long-term component of trade payables will only be considered for inclusion in version 6.7 of the chart.

The restructuring of the non-current portion should not only impact on the Statement of Financial Position as it requires that municipalities include additional cost in the operation budget for the repayment of the non-current liability, including any finance charges that may be payable as per the repayment agreement. The restructuring of the trade payables without the inclusion of the interest and redemption payments of the non-current liability on the cash flow statement will significantly misstate the funding position of the municipality.

The Budget Funding Assessment Tool used by the National and provincial treasuries to assess the funding position of municipal budgets has been enhanced to include a *Restructuring of Trade Payables Module* to assess the full impact of the restructuring on both the Statement of Financial Position and the impact of interest charges and repayment of the non-current liability on the cash flow position of the municipality. Municipalities that have restructured their trade payables should:

- Indicate this to the respective National and provincial treasuries when submitting their tabled and adopted 2022/23 MTREF budget; and
- Submit the approved agreement with the supplier to the respective National and provincial treasuries with their budget documentation.

The necessary restructuring will then be taken into account in the funding assessment by the respective National and provincial treasuries prior to determining the funding position of the municipality.

5.7 *m*SCOA eLearning

A web-based eLearning course on *m*SCOA will available on the National School of Government (NSG) website from April 2022. This is a self-paced course aimed at all government and municipal officials, especially new employees and interns to on-board them on *m*SCOA.

The course is structured as follows:

Module 1 – The fundamentals of mSCOA (for financial and non-financial officials)
- An overview of the Local Government Budget and Financial Management Reform Agenda and *m*SCOA Legislative Framework;
- *m*SCOA implementation oversight (including the role of internal audit, risk management and councilors); and
- Understanding the *m*SCOA segments.

Module 2 – System and reporting requirements (for financial and non-financial officials)
- An overview of the reporting requirements in a *m*SCOA environment;
- Key business processes that underpins *m*SCOA;
- Minimum system specifications required to comply with the *m*SCOA Regulations;
- Submission of documents and data strings to the National Treasury (i.e. registration process and upload process); and
- Period Control and how to transact and report in period 13, 14 and 15.

Module 3 – Budgeting and transacting on the mSCOA chart (for financial officials)
An understanding of accounting principles and GRAP is required to complete this module.

Municipalities are reminded to budget for the course in their 2022/23 MTREF. For further information, contact the NSG on their website link: https://www.thensg.gov.za.

6. The revenue budget

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

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

- Decisively address unfunded budgets by reducing non-priority spending and improving revenue management processes to enable collection; and
- Address service delivery failures by ensuring adequate maintenance, upgrading and renewal of existing assets to enable reliable service delivery.

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

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation is forecasted to be within the lower limit of the 3 to 6 per cent target band; therefore, municipalities are required to ***justify all increases in excess of the*** **projected inflation target for 2022/23** in their budget narratives and pay careful attention to tariff increases across all consumer groups. In addition, municipalities should include a detail of their revenue growth assumptions for the different service charges in the budget narrative.

6.1 Maximising the revenue generation of the municipal revenue base

Reference is made to MFMA Circulars No. 93, paragraph 3.1 and No. 98, paragraph 4.1. The emphasis is on municipalities to comply with Section 18 of the MFMA and ensure that they fund their 2022/23 MTREF budgets from realistically anticipated revenues to be collected. Municipalities are cautioned against assuming collection rates that are unrealistic and unattainable as this is a fundamental reason for municipalities not attaining their desired collection rates.

It is essential that municipalities reconcile their most recent valuation roll data to that of the billing system to ensure that revenue anticipated from property rates are accurate. Municipalities should undertake this exercise as a routine practice during the budget process so that supplementary adjustments to the valuation roll are kept up to date. The list of exceptions derived from this reconciliation will indicate where the municipality may be compromising its revenue generation in respect of property rates. A further test would be to reconcile this information with the Deeds Office registry. In accordance with the MFMA Circular No. 93, municipalities are once more requested to submit their reconciliation of the valuation roll to the billing system to the National Treasury on a quarterly basis.

The above information must be uploaded by the municipality's approved registered user(s) using the GoMuni Upload Portal at: https://lguploadportal.treasury.gov.za/. If the municipality experience any challenge uploading the information a request for an alternative arrangement may be emailed to linda.kruger@treasury.gov.za.

6.2 Setting cost-reflective tariffs

Reference is made to MFMA Circular No. 98, paragraph 4.2. The setting of cost-reflective tariffs is a requirement of Section 74(2) of the Municipal Systems Act, 2000 which is meant to ensure that municipalities set tariffs that enable them to recover the full cost of rendering the service. This forms the basis of compiling a credible budget. A credible budget is one that ensures the funding of all approved items and is anchored in sound, timely and reliable information on expenditure and service delivery (Financial and Fiscal Commission (FFC), 2011). Credible budgets are critical for local government to fulfil its mandate and ensure financial sustainability.

A credible expenditure budget reflects the costs necessary to provide a service efficiently and effectively, namely:

- A budget adequate to deliver a service of the necessary quality on a sustainable basis; and
- A budget that delivers services at the lowest possible cost.

Municipalities are encouraged to utilise the tariff setting tool referenced in MFMA Circular No. 98, item 4.2. This tool will assist in setting tariffs that are cost-reflective and would enable a municipality to recover costs to fulfil its mandate. The National Treasury Municipal Costing Guide is available on the link below on the National Treasury website.

http://mfma.treasury.gov.za/Guidelines/Documents/Forms/AllItems.aspx?RootFolder=%2fGuidelines%2fDocuments%2fMunicipal%20Costing%20Guide&FolderCTID=0x0120004720FD2D0551AE409361D6CB3E122A08

It is also imperative that every municipality is utilising the *m*SCOA cost segment correctly.

6.3 Bulk Account Payments and Concessions

During 2018/19, intense work was undertaken to resolve systemic and structural issues pertaining to the electricity function in municipalities. Core to this work was addressing the escalating Eskom debt that threatened the sustainability of Eskom as well as that of municipalities.

During the process, Eskom agreed to provide relieve in certain areas. Municipalities are reminded of the following concessions that remain in place:

- The interest rate charged on overdue municipal bulk accounts were reduced from prime plus 5 per cent to prime plus 2.5 per cent;
- Payment terms were extended from 15 days to 30 days for municipal bulk accounts; and
- Eskom allocation of municipality payments to capital first and then to interest.

These concessions align to the MFMA and are meant to curb municipal growing debt levels by allowing a more conducive payment regime than what was previously employed. In addition, municipalities are urged to budget for and ring-fence their payment of bulk services. Bulk current account payments must be honoured religiously to avoid stringent application of the bulk suppliers' credit control policy.

Municipalities are also advised to enforce a culture of payment for services through their normal credit control processes. In this regard it should be noted that municipalities are only compensated for free basic services based on an indigent user component calculation through the equitable share. As such, a municipality's allocation of free basic services to all of the municipality's consumers is not funded in the equitable share. Every municipality, during the budget process, must consider the affordability to the municipality when allocating free basic services above the national norm and to consumers other than indigent consumers. **If a municipality has any arrears on any of its bulk supplier's accounts, it must limit its provision of free basic services to registered indigent consumers only**.

In this regard municipalities are reminded to take note of the Constitutional Court decision in **Mazibuko and Others vs City of Johannesburg and Others (CCT 39/09) [2009] ZACC 28; 2010 (3) BCLR 239 (CC); 2010 (4) SA 1 (CC) (8 October 2009)**. The Constitutional Court confirmed that a municipality has the right to disconnect the water service in the event of non-payment. In the case of registered indigent users, water may not be disconnected but can and should be restricted to the national policy limit of 6 kilolitres of water monthly.

6.4 Timeous allocations and clearing of the control accounts

Municipalities are encouraged to clear the control accounts on a monthly basis and to allocate trade and other receivable payments in these suspense accounts to the relevant debtor accounts regularly before the monthly submissions as required by the MFMA. Implementing and enforcing the credit control policy of the municipality whilst payments are not cleared in the control account is negligent and irresponsible. Municipalities are warned against this bad practice, and this must be avoided at all costs.

6.5 Smart Prepaid Meters Solution

The Inter-Ministerial Task Team (IMTT) of the 5th administration appointed a panel to investigate the electricity function to better understand what is causing the non-payment to Eskom. Cabinet subsequently endorsed the panel's recommendation that a smart prepaid solution for all municipalities must be explored. Municipalities are advised that the National Treasury, through the Office of the Chief Procurement Officer (OCPO), will soon facilitate a transversal contract to standardise prepaid smart meter solutions for electricity that align to minimum and critical technical specifications for local government.

If your municipality or entity is currently in the process of procuring any smart meter solution or is planning to, you are cautioned:

- Against proceeding prior to the OCPO having issued and awarded the transversal prepaid smart meter Terms of Reference (ToR); and
- That, with immediate effect, you must obtain the National Treasury's input prior to proceeding with any current procurement or proposed procurement for any smart meter solution or similar system solution. This is to prevent unnecessary and wasteful expenditure on such solutions. Any request for National Treasury's input on the current or planned procurement of any smart meter solution or similar system solution or component thereof, must be directed to the National Treasury for the attention of the Local Government Budget Analysis Unit (Mr. Sadesh Ramjathan) Sadesh.Ramjathan@treasury.gov.za.

Your assistance in proactively ensuring that the municipality and/ or its entities are not adversely affected by these processes will be appreciated.

6.6 Critical Notice Affecting STS Meters

Municipalities are alerted that there is a pending business risk to the prepayment metering industry that requires urgency of action. The token identifiers (TID) used to identify each credit token will run out of available numbers in November 2024, at which point all STS meters will stop accepting credit tokens. The remedy is to visit each meter and enter a special set of key change tokens in order to reset the meter memory. Municipalities are advised that the National Treasury, through the Office of the Chief Procurement Officer (OCPO), will soon facilitate a transversal contract for the provision of auditing, re-calibration and re-configuration services for standard transfer specification compliant prepayment meters that align to minimum and critical technical specifications for local government.

If your municipality or entity is currently in the process of procuring for a solution or is planning to, you are cautioned:

- Against proceeding prior to the OCPO having issued and awarded the transversal contract for the provision of auditing, re-calibration and re-configuration services for standard transfer specification compliant prepayment meters Terms of Reference (ToR); and
- That, with immediate effect, you must obtain the National Treasury's input prior to proceeding with any current procurement or proposed procurement for this purpose or any related solution or similar. This is to prevent unnecessary and wasteful expenditure on such solutions. Any request for National Treasury's input on the current or planned procurement of any related solution or similar or component thereof, must be directed to the National Treasury for the attention of the Local Government Budget Analysis Unit (Mr. Sadesh Ramjathan) Sadesh.Ramjathan@treasury.gov.za.

In this regard, municipalities will have two options to choose from:

- Firstly, to pursue the route of auditing, re-calibrating and re-configuring services for standard transfer specification compliant prepayment meters; and
- Secondly, to replace the old meter with a new smart prepaid meter.

For both options, the municipality will have to budget accordingly as no additional funding will be available through the national fiscus.

Your assistance in proactively ensuring that the municipality and/ or its entities are not adversely affected by these processes will be appreciated.

6.7 Completeness and credibility of revenue related information in the Budget

The Municipal Budget and Reporting Regulations (MBRR) regulates the minimum level of information required from municipalities when compiling, implementing, monitoring, and evaluating the municipality's financial management situation. Failure to include the minimum required information hampers the municipal council, the public and stakeholders' ability to make informed decisions and engage on the matter. It also limits research, studies, and benchmarking undertaken for local, provincial, and national purposes.

The National Treasury would like to take this opportunity to caution municipalities that the MBRR prescribe the minimum level of information municipalities must include as part of their legal reporting obligations.

Going forward the Treasuries will place increased attention and focus on the adequacy of municipalities' submissions. The National Treasury regards this non-compliance to include the minimum level of information as serious and if persistent will consider applying the available legal sanctions, including recourse in terms of section 216(2) of the Constitution. In this context, National Treasury will particularly focus on the completeness of asset management related information as well as the statistical information required in the A, B and C schedules during the 2022/23 MTREF.

6.8 Eskom Bulk Tariff increases

The National Energy Regulator of South Africa (NERSA) is responsible for price determination of the bulk costs for electricity. Bulk electricity costs are consistently much higher than inflation, having gone as high as 17.8 per cent in the 2021/22 municipal financial year. Eskom's need for increased funding means that over the period ahead they are applying for much higher tariff increases. In their Multi-Year Price Determination (MYPD 5) application Eskom requested approval for municipal bulk tariff increases of 20.5 per cent in 2022/23, 15 per cent in 2023/24 and 10 per cent in 2024/25. NERSA rejected this revenue application at the end of September 2021 and in October 2021 ESKOM filed an application in the High Court to review NERSA's decision. Following the deliberations, NERSA has approved a 9.6 per cent tariff increase for Eskom starting from April 2022 and this figure accounts for a 3.49 per cent increase in 2022/23.

6.9 Long Term Financial Strategies

National Treasury is supporting municipalities to develop and implement long-term financial models and strategies. This reform seeks to develop more sustainable, and integrated infrastructure development programmes over the longer term, informed by strategic plans, and financed in the most effective and efficient manner.

Although some municipalities have long-term financial models (LTFM), they are not always integrated with municipal plans, or based on actual cash flow analysis and investment programmes, or able to consider alternative financial scenarios and outcomes in relation to the ability to borrow and the structuring of market transactions.

Municipalities need to develop LTFM that support decisions on investment selection and assesses the financial impact of policy choices, by forecasting future financial performance and the impact of infrastructure projects on borrowing capacity. The LTFM needs to inform the municipality's long-term financial strategy, which must articulate a sustainable, efficient

and effective borrowing strategy and practices for the municipality and provide a clear statement of intent for lenders and other stakeholders.

National Treasury has initiated this reform in the metropolitan municipalities and some of the Intermediate City municipalities and will continue with this reform in the next financial year. Based on the piloting of this reform, guidance will be provided to all municipalities to develop and implement LTFM's and strategies.

6.10 Water management

Reference is made to the 2011, Chapter 8 of the Local Government Budget and Expenditure Review (LGBER) which emphasizes the importance of water management.

It has been observed recently in various platforms where municipalities engage with treasuries and the sector deportments that there is no uniformity in reporting water and electricity losses. These are material items and need to be disclosed in planning, budgeting, reporting and in the annual report and Annual Financial Statements in uniform ways in order to track performance. In order to ensure consistency of reporting, the following information must be provided:

Accounting for water sold, non-revenue water and water losses:

- System input volume (kl)
- Water Billings (sum of accounts issued) – volume in kl and rand value
- Free basic water allowance (not included in billings) - volume in kl and rand value
- Physical water losses (estimated): volume in kl and rand value
- Water revenue collected (Rand value)

Accounting for electricity sold and electricity losses:

- Electricity purchased and generated (Electricity input) (kWh)
- Electricity Billings (sum of accounts issued) (KWh and Rand value)
- Free basic electricity allowance (not included in billings) (KWh and Rand value)
- Technical losses (estimated) (KWh and Rand value)
- Electricity revenue collected (Rand value)

In addition, the norms articulated in MFMA Circular No. 71 should also be taken into consideration.

6.11 Unauthorised, Irregular, Fruitless and Wasteful Expenditure (UIFW)

Cabinet adopted the Medium-Term Strategic Framework (MTSF) for 2019-2024 wherein it amongst others, committed that government will reduce irregular expenditure by 75 per cent and fruitless and wasteful expenditure by 100 per cent by 2024. It is important to note that these targets are applicable to each sphere of government. To this end, the Minister of Finance approved the UIFW Reduction Strategy for municipalities which was issued through MFMA Circular No. 111 in November 2021. The latter strategy advocated for municipalities to develop UIFW reduction plans that is approved by the municipal council, with the aim being for municipalities to utilize their 2018/19 UIFW figures as contained in their audited annual financial statements for that financial year as a baseline to develop the reduction plans. Whilst progress has been slow in terms of municipalities developing and submitting these plans to the National Treasury, some municipalities has made strides in this regard.

National Treasury would like again to encourage municipalities to develop the UIFW reduction plans and have it approved by the municipal councils through a council resolution for submission to the National Treasury to the MFMA helpdesk at mfma@treasury.gov.za for the attention of Mr. Wayne McComans on wayne.mccomans@treasury.gov.za. Municipalities are also advised to report progress against these UIFW reduction plans as part of their monthly

section 71 reporting to enable the necessary monitoring and oversight by the National Treasury on the implementation of these plans.

Going forward the Treasuries will place increased attention and focus on the processing of UIFW by municipalities as required by section 32(2) of the MFMA read with MFMA Circular No. 68. The National Treasury regards this consistent non-compliance for failure to adequately process and investigate UIFW as serious and if persistent will consider applying the available legal sanctions, including recourse in terms of section 216(2) of the Constitution.

7. Funding choices and management issues

Municipalities are under pressure to generate revenue as a result of the economic landscape, the COVID-19 pandemic, weak tariff setting and increases in key cost drivers to provide basic municipal services. The ability of customers to pay for services is declining and this means that less revenue will be collected. Therefore, municipalities must consider the following when compiling their 2022/23 MTREF budgets:

- Improving the effectiveness of revenue management processes and procedures;
- Cost containment measures to, amongst other things, control unnecessary spending on nice-to-have items and non-essential activities as highlighted in the Municipal Cost Containment Regulations read with MFMA Circular No. 82;
- Ensuring value for money through the procurement process;
- The affordability of providing free basic services to all households;
- Not taking on unfunded mandates;
- Strictly control the use of costly water tankers and fix the water infrastructure to enable the sustainable provision of water;
- Prioritise the filling of critical vacant posts, especially linked to the delivery of basic services; and
- Curbing the consumption of water and electricity by the indigents to ensure that they do not exceed their allocation.

Accounting officers are reminded of their responsibility in terms of section 62(1)(a) of the MFMA to use the resources of the municipality effectively, efficiently and economically. Failure to do this will result in the accounting officer committing an act of financial misconduct which will trigger the application of chapter 15 of the MFMA, read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

7.1 Employee related costs

The Salary and Wage Collective Agreement for the period 01 July 2021 to 30 June 2024 dated 15 September 2021 through the agreement that was approved by the Bargaining Committee of the Central Council in terms of Clause 17.3 of the Constitution should be used when budgeting for employee related costs for the 2022/23 MTREF. In terms of the agreement, all employees covered by this agreement shall receive with effect from 01 July 2022 and 01 July 2023 an increase based on the projected average CPI percentages for 2022 and 2023. The forecasts of the Reserve Bank, in terms of the January 2022 and January 2023, shall be used to determine the projected average CPI. Municipalities are encouraged to perform an annual head count and payroll verification process by undertaking a once-a-year manual salary disbursement, in order to root out ghost employees.

7.2 Remuneration of Councillors

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of

Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. It is anticipated that this salary determination will also take into account the fiscal constraints. Municipalities should also consider guidance provided above on salary increases for municipal officials during this process. Any overpayment to councilors contrary to the upper limits as published by the Minister of Cooperative Governance and Traditional Affairs will be irregular expenditure in terms of Section 167 of the MFMA and must be recovered from the councilor(s) concerned.

7.3 Equitable Share allocation

As highlighted in Minister Enoch Godongwana's 2022 Budget Speech, municipalities must be mindful that the Equitable Share is meant to fund basic municipal services to the indigent. Municipalities must ensure that monies are used for the purpose they were allocated for.

8. Transfers to Municipalities

The circular reiterates the requirements of the rollover and unspent conditional grants process in line with conditions outlined in the annual Division of Revenue Act. Municipalities are required to request for a rollover approval against any unspent conditional grants that were allocated through the annual Division of Revenue Act, therefore this section provides guidance to municipalities with regard to the preparation for the 2021/22 unspent conditional grants and roll-over process and should be referenced against previous annual budget circulars.

8.1 Criteria for the rollover of conditional grant funds

In terms of Section 21 of the Division of Revenue Act, 2021 (Act No.9 of 2021) (DoRA) read in conjunction with the Division of Revenue Amendment Act, 2021 (Act No. 17 of 2021) (DoRAA), the Act requires that any conditional allocation or a portion thereof that is not spent at the end of the 2021/22 financial year reverts to the National Revenue Fund (NRF), unless the rollover of the allocation is approved in terms of subsection (2). Furthermore, the receiving officer, provincial treasury and transferring national officer is required to prove to National Treasury that the unspent allocation is committed to identifiable projects, in which case the funds may be rolled over.

When requesting a rollover in terms of section 21(2) of the 2021 DoRA, municipalities must include the following information with their submission to National Treasury:

- A formal letter, signed by the accounting officer addressed to the National Treasury requesting the rollover of unspent conditional grants in terms of section 21(2) of the 2021 DoRA;
- A list of all the projects that are linked to the unspent conditional grants and a breakdown of how much was allocated and spent per project;
- The following evidence indicating that work on each of the projects has commenced, as applicable to the specific rollover(s):

    a) Proof that a contractor or service provider was appointed for delivery of the project before 31 March 2022; or
    b) Proof of project tender and tender submissions published and finalised before 31 March 2022 with the appointment of contractor or service provider for delivery of the service before 30 June 2022 in cases where additional funding was allocated during the course of the final year of the project. Further, municipalities must note the letters issued by National Treasury dated 25 February and 03 March 2022 respectively regarding the Preferential Procurement Regulation, 2017;
    c) Incorporation of the Appropriation Statement; and

d) Evidence that all projects linked to an allocation will be fully utilised by 30 June 2022 (attach cash flow projection for the applicable grant).

- A progress report (also in percentages) on the status of each project's implementation that includes an attached legible implementation plan);
- The value of the committed project funding, and the conditional allocation from the funding source;
- Reasons why the grants were not fully spent during the year of original allocation per the DoRA;
- Rollover of rollovers will not be considered therefore municipalities must not include previous year's unspent conditional grants as rollover request;
- An indication of the time-period within which the funds are to be spent if the roll-over is approved; and
- Proof that the Municipal Manager and Chief Financial Officer are permanently appointed.

No rollover requests will be considered for municipalities with vacant or acting Chief Financial Officers and Municipal Managers for a period exceeding 6 months from the date of vacancy, this also includes acting appointments as a result of suspensions of either MM or CFO that are more than 12 months.

If any of the above information is not provided or the application is received by National Treasury (Intergovernmental Relations Division) after 31 August 2022, the application will not be considered.

In addition, National Treasury will also consider the following information when assessing rollover applications; and reserves the right to decline an application should there be non-performance by the municipality in any of these areas:

- Compliance with the in-year reporting requirements in terms of sections 71 and 72 of the MFMA and section 12 of the 2021 DoRA, including the municipal manager and Chief Financial Officer signing-off on the information sent to National Treasury;
- Submission of the pre-audited Annual Financial Statements to National Treasury by 31 August 2022;
- Accurate disclosure of grant performance in the 2021/22 pre-audited Annual Financial Statements, (i.e. correct disclosure of grant receipts and spending in the notes to the AFS);
- Despite the fact that local government is required to comply to different norms and standards prescribed by different legislations, municipalities are expected to fully comply with the provisions of DoRA that relates to rollover processes and disclose conditional grant performance in the 2021/22 pre-audited Annual Financial Statements in order to verify grant expenditure; and
- Cash available in the bank (net position including short-term investments) as at 30 June 2022 is equivalent to the amount that is unspent as at the end of the financial year. If the amount that is requested for roll-over is not entirely cash backed, such a roll-over will not be approved. National Treasury will also not approve portions of rollover requests.

It should be noted that under no circumstances will the National Treasury consider requests to roll-over:

- The entire 2021/22 allocation to the municipality, in cases whereby the rollover request is more than 50 per cent of the total allocation, National Treasury will approve the rollover amount up to 50 per cent of the 2021/22 allocation;
- Rollover request of the same grant for the third consecutive time;

- Funding for projects constituted through Regulation 32 of the Municipal Supply Chain Management Regulations (Gazette No.27636). Projects linked to additional funding and disasters are exempted; and
- A portion of an allocation where the proof of commitment for the rollover application is linked to invoices that were issued before or on 31 May 2022.

8.2 Unspent conditional grant funds for 2021/22

The 2021/22 unspent conditional process will be managed in accordance with section 21 of DoRA, in order to ensure that the unspent conditional grants against the 2021/22 financial year return to the National Revenue Fund (NRF). In addition to the previous MFMA Circulars, the following practical arrangements will apply:

Step 1: Municipalities must submit their 30 June 2022 conditional grant expenditure reports according to section 71 of the MFMA reflecting all accrued expenditure on conditional grants and further ensure that expenditure reported to both National Treasury and national transferring officers reconcile;

Step 2: When preparing the Annual Financial Statements, a municipality must determine the portion of each national conditional grant allocation that remained unspent as at 30 June 2022. These amounts MUST exclude all interest earned on conditional grants, retentions and VAT related to conditional grant spending that has been reclaimed from SARS, which must be disclosed separately; and

Step 3: If the receiving officer wants to motivate in terms of section 21(2) of the 2021 DoRA that the unspent funds are committed to identifiable projects, the rollover application pack must be submitted to National Treasury by no later than 31 August 2022.

National Treasury will not consider any rollover requests that are incomplete or received after this deadline.

Step 4: National Treasury will confirm in writing whether or not the municipality may retain any of the unspent funds as a rollover based on criteria outlined above by 21 October 2022;

Step 5: National Treasury will communicate the unspent conditional grants amount by 08 November 2022. A municipality must return the remaining unspent conditional grant funds that are not subject to a specific repayment arrangement to the National Revenue Fund (NRF) by 18 November 2021; and

Step 6: Any unspent conditional grant funds that should have, but has not been repaid to the National Revenue Fund (NRF) by 18 November 2021, and for which a municipality has not requested a repayment arrangement, these funds will be offset against the municipality's 07 December 2022 equitable share allocation.

Annexure to MFMA Circular No. 86 addresses all the issues pertaining to Appropriation Statement and reporting on approved roll-overs.

8.3 Importance of section 16 of the Division of Revenue Act

The circular again reiterates the importance of compliance to section 16 of DoRA in relation to the allocation or transfer of funds by municipalities to other organs of state in order to implement projects on behalf of the municipalities.

Section 16 (3) of DoRA states that a receiving officer may not allocate any portion of a schedule 5 allocation to any other organ of state for the performance of a function, unless the receiving officer and the organ of the state agree on the obligation of both parties and a payment schedule, the receiving officer has notified the transferring officer, the relevant provincial treasury and National Treasury of the agreed payment schedule and:

- The allocation
  - i) Is approved in the budget for the receiving provincial department or municipality; or
  - ii) If not already approved;
    - aa) the receiving officer notifies the National Treasury that the purpose of the allocation is not to artificially inflate the expenditure estimates of the relevant municipality and indicates the reasons for the allocation; and
    - bb) the National Treasury approves the allocation; or
- The allocation is for the payment for goods or services procured in accordance with the procurement prescripts applicable to the relevant province or municipality and, if it is an advance payment, paragraph (a) (ii) applies with the necessary changes.

Further, section 16 (4) states that the receiving officer must submit a copy of the agreement envisaged in subsection (3) to the transferring officer and the National Treasury before payment is made.

This section requires municipalities to comply with section 16 (3) before any DoRA allocated funds that are allocated or transferred to any organ of state and the municipality should first seek approval from National Treasury. The allocation includes transfers made to any organ of state in order to perform a function using conditional grants allocated through the DoRA.

Note that National Treasury considers the following when assessing the request from the municipality for approval:

- If the municipality is benefitting and utilising from the five per cent from capital grants that may be utilized for Project Management Unit (PMU). In terms of the capital grant framework (i.e. MIG and the Integrated Urban Development Grant (IUDG) and three per cent for the Urban Settlements Development Grant (USDG) municipalities are allowed to utilise a certain per cent of the grant for PMU or capacity support in order to implement capital projects. Therefore, if municipalities are benefiting from this initiative the PMU should be capacitated enough to implement capital project;
- Municipalities that are benefiting from the added technical support from Municipal Infrastructure Support Agent (MISA) will not be granted approval because MISA would assist with providing support and develop technical capacity towards sustained accelerated municipal capacity and service delivery. This implies that the municipality would be capacitated and be in a better position to implement capital projects; and
- If the request does not comply to the grant conditions, framework and if the transfer artificially inflates the expenditure estimates.

The following information must be submitted to National Treasury before approval is granted to municipalities to transfer funds to other organs of the state:

- In consultation with the relevant transferring officer municipalities must submit their request to National Treasury for approval;
- Provide the time frames regarding the duration of this arrangement between the municipality and the organ of the state;
- Provide the Service Level Agreement (SLA) between the municipality and the organ of state in consultation with the relevant transferring officer;
- Provide the agreed payment schedule reflecting the disbursement of the funds;
- Must provide the reasons why such a decision has been taken by the municipality;
- If amongst the reasons for the request is related to capacity challenges the municipality must therefore prove beyond reasonable doubt that there are capacity challenges and the reasons thereof; and
- Upon approval the municipality must submit the approved budget that includes the allocation.

Note that once the allocation or transfer has been approved the payment for goods or services must be procured in accordance with or in compliance to the procurement prescripts applicable to the relevant municipality. If there is an agreement for an advancement, subsection (a) (ii) will apply in order to determine if the payment does not artificially inflate the expenditure estimates. Further, before funds are transferred, the transferring national officer and National Treasury must agree on the payment schedule.

Therefore, if any expenditure incurred which emanates from such an arrangement while there was non-compliance with section 16, grant conditions and framework, such expenditure will not be recognised by both National Treasury and relevant transferring officer and will be classified as unauthorised expenditure.

9. The Municipal Budget and Reporting Regulations

9.1 Schedule A - version to be used for the 2022/23 MTREF

National Treasury has released Version 6.6.1 of the Schedule A1 (the Excel Specimen) which is aligned to Version 6.6.1 of the *m*SCOA classification framework and must be used when compiling the 2022/23 MTREF budget.

All municipalities **must** prepare their 2022/23 MTREF budgets in their financial systems and produce the Schedule A1 directly from their financial system.

Municipalities must start early enough to capture their tabled budget (and later the adopted budget) in the budget module in the financial system and must ensure that they produce their Schedule A1 directly out of the budget module. **Manual capturing on A1 schedule version 6.6.1 is not allowed** in terms of the *m*SCOA Regulations.

National Treasury has protected the A1 schedule version 6.6 in order to ensure that the Schedule A1 generated directly from the financial system and not populated manually.

The budget, adjustments budget and Section 71 monthly reporting Schedules that have been regulated in terms of the MBRR have also been aligned to the *m*SCOA chart version 6.6.1. The revised MBRR Schedules for the 2022/23 MTREF and its linkages to the financial and non-financial data string are available on the link below:

http://mfma.treasury.gov.za/RegulationsandGazettes/Municipal%20Budget%20and%20Reporting%20Regulations/Pages/default.aspx

9.2 Assistance with the compilation of budgets

If municipalities require advice with the compilation of their respective budgets, specifically the budget documents or Schedule A1, they should direct their enquiries to their respective provincial treasuries or to the following National Treasury officials:

Province	Responsible NT officials	Tel. No.	Email
Eastern Cape	Matjatji Mashoeshoe	012-315 5553	Matjatji.Mashoeshoe@treasury.gov.za
	Abigail Maila	012-395 6737	Abigail.Maila@Treasury.gov.za
Buffalo City	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
	Abigail Maila	012-395 6737	Abigail.Maila@Treasury.gov.za
Johannesburg and Tshwane	Willem Voigt	012-315 5830	WillemCordes.Voigt@treasury.gov.za
Ekurhuleni	Kgomotso Baloyi	012-315 5866	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
eThekwini	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
	Phumelele Gulukunqu	012-315 5539	Phumelele.Gulukunqu@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
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 with Excel formats	Sephiri Tlhomeli	012-406 9064	lgdataqueries@treasury.gov.za

National and provincial treasuries will analyse the credibility of the data string submissions.

9.3 Assessing the 2022/23 MTREF budget

National and provincial treasuries will assess the 2022/23 MTREF budgets to determine if it is complete, funded and complies with the *m*SCOA requirements. The *m*SCOA data strings for the tabled (TABB) and adopted (ORGB) budgets will be used for this assessment.

The **assessment period** of all municipal budget will therefore be from **01 April to 30 June 2022 for both the tabled and adopted budgets**. In this period, the National and provincial treasuries will evaluate all municipal budgets for completeness and for being fully funded. Any adjustment that need to be made must be done before the start of the municipal financial year on 1 July.

Importantly, in order to generate an adopted budget (ORGB) data string, the budget must be locked on the financial system by the 10th working day of July each year. Therefore, once the ORGB data string has been generated, errors in the ORGB can only be corrected via an adjustments budget in February of each year. In terms of the design principles of *m*SCOA, municipalities are not allowed to open the budget on the system for corrections after it has been locked. This means that the tabled budget data string (TABB) should in fact be verified and errors in the TABB should be corrected in the ORGB **before the adopted budget is locked on the financial system and the ORGB data string is generated**.

Amending an unfunded, incomplete and erroneous budget through an adjusted budget is also not encouraged as the National Treasury only considers an adjusted budget in the third and fourth quarter of the financial year for analysis and publication purposes. This will result in overspending and unauthorised expenditure not been monitored in the first six months of the financial year.

The National Treasury would like to emphasise that ***where municipalities have adopted an unfunded budget without a* credible funding plan*, they will be required to correct the funding plan and ensure that it is credible. The credible funding plan must be***

***immediately adopted by the Municipal Council, and the changes to the budget must be effected in the main adjustments budget to ensure compliance with Section 18 of the MFMA**.*

Municipalities with municipal entities are once again reminded to prepare consolidated budgets and in-year monitoring reports for both the parent municipality and its entity or entities. The following must be compiled:

- An annual budget, adjustments budget and monthly financial reports for the parent municipality in the relevant formats;
- An annual budget, adjustments budget and monthly financial reports for the entity in the relevant formats; and
- A consolidated annual budget, adjustments budget and monthly financial reports for the parent municipality and all its municipal entities in the relevant formats.

The budget and data strings that the municipality submits to National Treasury must be a consolidated budget for the municipality (including entities). The budget of each entity must be submitted on the D Schedule in pdf format.

In the past it was noted that municipalities have challenges to align the audited outcomes on the financial system to A1 Schedule. Municipalities must ensure that the audited figures and adjusted budget figures captured on the A1 Schedule aligns to the annual financial statements and Schedule B respectively.

10. Submitting budget documentation and A1 schedules for 2022/23 MTREF

To facilitate oversight of compliance with the Municipal Budget and Reporting Regulations, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that, ***immediately*** after an annual budget is tabled in a municipal council, it must be submitted to the National Treasury and the relevant provincial treasury in electronic formats. If the annual budget is tabled to council on **31 March 2022**, the final date of submission of the electronic budget documents and corresponding *m*SCOA data strings is **Friday, 01 April 2022**; and
- Section 24(3) of the MFMA, read together with regulation 20(1) of the MBRR, requires that the approved annual budget must be submitted to both National Treasury and the relevant provincial treasury within ten working days after the council has approved the annual budget. However, given that municipalities are generating the annual budgets directly from the financial system as required by the *m*SCOA Regulations and that the budgets must be verified before it is locked on the financial system and transacted against, municipalities must submit the approved budget to the National Treasury and the relevant provincial treasury in electronic formats ***immediately*** after approval by the municipal council. Therefore, if the annual budget is tabled to council **on 31 May 2022**, the final date of submission of the electronic budget documents and corresponding *m*SCOA data strings is **Wednesday, 01 June 2022.**

Since the 2020/21 MTREF, municipalities are no longer required to submit hard copies of all required documents including budget related, Annual Financial Statements and Annual Reports to National Treasury via post or courier services. Electronic copies must be submitted in pdf format to the GoMuni Upload portal.

10.1 Expected submissions for 2022/23 MTREF

The following information should be submitted for the 2022/23 MTREF:

- The budget documentation as set out in the MBRR. The budget document must include the main A1 Schedule Tables (A1 - A10);
- The non-financial supporting tables (A10, SA9, SA11, SA12, SA13, SA22, SA23, SA24 etc. and any other information not contained in the financial data string) in the A1 schedule must be submitted in the prescribed *m*SCOA data string in the format published with Version 6.6 of the A1 schedule;
- The draft and final service delivery and budget implementation plan (SDBIP) in electronic PDF format;
- The draft and final IDP;
- The council resolution for the tabled and adopted budgets;
- Signed Quality Certificate as prescribed in the MBRR for the tabled and adopted budgets;
- D Schedules specific for the entities; and
- A budget locking certificate immediately at the start of the new municipal financial year on 1 July.

10.2 GoMuni Upload Portal

The development work on the GoMuni Upload portal has been concluded and municipalities must submit all documents required for the 2022/23 MTREF in terms of legislation, as per the guidance provided in MFMA Circular No 112 dated 06 December 2021, via the GoMuni Upload Portal. The upload portal can be accessed on https://lguploadportal.treasury.gov.za from 01 April 2022.

All municipal officials that currently have access to the LG Upload portal will be granted access to the GoMuni Upload portal. New users will have to complete and submit a *Request for Access* to lgdataqueries@treasury.gov.za. The request form will be available on the GoMuni login page under new registrations.

10.3 Additional validation rules applicable to data string submissions

To ensure that credible data strings are submitted to the GoMuni Upload portal, additional validation rules will be introduced in the 2022/23 MTREF. The credibility and accuracy of the data strings must be verified by municipalities before submission on the GoMuni Upload. The additional validation rules will be implemented on the stage 1 validation. In other words, a data strings that fails the validation will be rejected. The additional rules are as follows:

1. A balanced data string must be submitted. This means that the data strings that is submitted must always be in balance. All the transactions should be included for Revenue, Expenditure, Gains and Losses, Assets, Liabilities and Net Assets;
2. All secondary cost data strings may only be linked to Item: Expenditure: Default. All costing transactions must be linked to Item: Expenditure default as it refers to the reallocation of cost from one function to another or one operational project to another operational project. Where cost is capitalised the costing segment is not used;
3. Inventory for water must be linked to the Function: Water Management. Bulk purchases of Water must only be recorded against the Water management function; and
4. Opening balances must be linked to Project default and Fund: non funding. All opening balances that are not linked to Project default and Non funding will not be valid.

The new validation rules will come into effect from 01 July 2022.

10.4 Publication of municipal documents

Going forward, the following municipal documents will be published on the GoMuni/ Go Public portal:

- Integrated Development Plans;
- Budget Documentation;
- Service Delivery and Budget Implementation Plans;
- Annual Financial Statements;
- Annual Reports; and
- Audit Reports.

Municipal documents submitted to the National Treasury prior to 2022 will be available on the MFMA webpage and can be accesses via the MFMP Share Point Documents option on GoMuni/ Go Public.

GoMuni/ Go Public can be accessed on the following link: https:/lg.treasury.gov.za

10.5 Communication by municipal entities to National Treasury

Municipal entities should not request meetings directly from National Treasury. National Treasury will only engage the entities through the parent municipalities. This includes all communications apart from the legislative reporting requirements.

Contact

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Post	Private Bag X115, Pretoria 0001
Phone	012 315 5009
Fax	012 395 6553
Website	http://www.treasury.gov.za/default.aspx

JH Hattingh
Chief Director: Local Government Budget Analysis
04 March 2022

Western Cape Government

Provincial Treasury
Dian Cronje
Local Government Budget Office
Dian. Cronje@westerncape.gov.za | Tel: 021 483 0390

Reference: RCS/C.5

Private Bag X9165
CAPE TOWN
8000

TREASURY CIRCULAR MUN. NO. 7/2022

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THE MAYOR, WEST COAST DISTRICT MUNICIPALITY: MR R STRYDOM
THE MAYOR, MATZIKAMA MUNICIPALITY: MR J VAN DER HOVEN
THE MAYOR, CEDERBERG MUNICIPALITY: DR R RICHARDS
THE MAYOR, BERGRIVIER MUNICIPALITY: MR R VAN ROOY
THE MAYOR, SALDANHA BAY MUNICIPALITY: MR A TRUTER
THE MAYOR, SWARTLAND MUNICIPALITY: MR H CLEOPHAS
THE MAYOR, CAPE WINELANDS DISTRICT MUNICIPALITY: DR H VON SCHLICHT
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THE MAYOR, DRAKENSTEIN MUNICIPALITY: MR C POOLE
THE MAYOR, STELLENBOSCH MUNICIPALITY: ADV. G VAN DEVENTER
THE MAYOR, BREEDE VALLEY MUNICIPALITY: MS A STEYN
THE MAYOR, LANGEBERG MUNICIPALITY: MR S VAN EEDEN
THE MAYOR, OVERBERG DISTRICT MUNICIPALITY: MR A FRANKEN
THE MAYOR, THEEWATERSKLOOF MUNICIPALITY: MR K PAPIER
THE MAYOR, OVERSTRAND MUNICIPALITY: DR A RABIE
THE MAYOR, CAPE AGULHAS MUNICIPALITY: MR P SWART
THE MAYOR, SWELLENDAM MUNICIPALITY: MR F DU RAND
THE MAYOR, GARDEN ROUTE DISTRICT MUNICIPALITY: MR M BOOYSEN
THE MAYOR, KANNALAND MUNICIPALITY: MR N VALENTYN
THE MAYOR, HESSEQUA MUNICIPALITY: MR G RIDDLES
THE MAYOR, MOSSEL BAY MUNICIPALITY: MR D KOTZE
THE MAYOR, GEORGE MUNICIPALITY: MR L VAN WYK
THE MAYOR, OUDTSHOORN MUNICIPALITY: MR C LOUW
THE MAYOR, BITOU MUNICIPALITY: MR D SWART
THE MAYOR, KNYSNA MUNICIPALITY: MR L DAVIS
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THE MAYOR, LAINGSBURG MUNICIPALITY: MR M SMITH
THE MAYOR, PRINCE ALBERT MUNICIPALITY: MS M JAFTHA
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THE MUNICIPAL MANAGER, BITOU MUNICIPALITY: MR N MAREDI (ACTING)
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MUNICIPAL BUDGET CIRCULAR FOR THE 2022/23 MTREF AND ASSOCIATED 2022 STRATEGIC INTEGRATED MUNICIPAL ENGAGEMENTS

1. INTRODUCTION

This Circular is a follow-up to the Provincial Treasury (PT) Circular 01/2022 issued on 24 January 2022 and should be read in conjunction with National Treasury (NT) MFMA Circulars No. 112 and No. 115 issued on 06 December 2021 and 04 March 2022 respectively.

The purpose of this circular is to:

- provide guidance to municipalities with the finalisation of the 2022/23 Medium Term Revenue and Expenditure Framework (MTREF) Budgets and accompanied budget documentation, and
- brief municipalities on the 2022 Strategic Integrated Municipal Engagements (SIME) process and related matters.

2. LEGISLATIVE CONTEXT

The Western Cape Provincial Government (WCG) has institutionalised the Strategic Integrated Municipal Engagements (SIME; previously referred to as LGMTEC) process in fulfilment of its obligations under:

- Sections 5, 22 and 23 of the Local Government: Municipal Finance Management Act (MFMA), Act No. 56 of 2003;
- Chapter 5 of the Local Government: Municipal Systems Act (Act No. 32 of 2000) [MSA];
- Chapter 3 of the National Environmental Management Act (Act No. 107 of 1998) (NEMA); and
- Chapter 4 of the Spatial Planning and Land Use Management Act (Act No. 16 of 2013) (SPLUMA).

The 2022 SIME process will give effect to the "Integrated Work Plan" adopted in 2017. It builds on the 2021 integrated municipal and provincial processes to strengthen alignment between municipal and provincial planning and budgeting and drives the theme of "Integrated service delivery", specifically as municipalities are preparing for the new Integrated Development Planning Cycle.

3. FISCAL AND ECONOMIC CONTEXT

3.1 2022 National Budget

The key highlights of the 2022 National Budget are summarised below.

- The world economy is expected to grow by 4.4 per cent in 2022 which is slightly lower than the 4.9 per cent that was anticipated when tabling the Medium-term Budget Policy Statement (MTBPS). The Omicron variant of the coronavirus caused many countries to impose restrictions to manage its spread. In addition, continued imbalances in global supply chains, global geopolitical risk (particularly the Russian invasion of Ukraine) and reduced fiscal and monetary policy support have limited the pace of the world's economic recovery.

- The South African economy has not been shielded from these global developments; hence real GDP growth is estimated at 4.9 per cent in 2021, bouncing back from a 6.4 per cent contraction in 2020 and is projected to be followed by growth averaging 1.9 per cent over the next two years. The Western Cape GDP is expected to follow the national trajectory, expanding by 4.3 per cent in 2021, by 2.0 per cent in 2022 and by 1.9 per cent in 2023. This outlook partly reflects a slowing recovery. A more rapid implementation of economic reforms, complemented by fiscal consolidation, will ease investor concerns and support faster recovery and higher levels of economic growth over the long term. Significant risks to the economic outlook include new COVID-19 variants leading to new waves of infections, continued interruptions in power supply, rising inflation resultant from supply chain disruptions and increasing energy prices, fiscal risks as well as global economic uncertainty.

- Headline inflation is expected to remain between the 3 - 6 per cent target range over the 2022/23 MTEF as seen in the CPI inflation projections below. Although prime lending rates are increasing ,borrowing conditions remain favourable. Lending rates are however expected to increase in the short-term.

Table 1: CPI Performance and Projections, 2020-2025[1]

Fiscal year	2020/21	2021/22	2022/23	2023/24	2024/25
	Actual	Estimate	Forecast		
CPI Inflation	2.9%	4.5%	4.8%	4.4%	4.5%

Source: National Treasury, 2022

- A consolidated budget deficit of 6 per cent of GDP is projected for 2022/23, narrowing to 4.2 per cent of GDP in 2024/25. Gross debt is projected to stabilise at 75.1 per cent of GDP in 2024/25. Gross tax revenue for 2021/22 is expected to be R181.9 billion higher than projections in the 2021 budget. Government will continue to focus on broadening the tax base, improving administration and lowering taxes.

- Government's medium-term spending plans include an allocation of R3.3 trillion for the social wage, and R18.4 billion to support youth employment and the creation of short-term jobs in 2022/23 and 2023/24. Additional allocations since the 2021 MTBPS support policy priorities in higher education, teacher retention in basic education, health budgets for new hires and the continued response to COVID-19. Debt-service costs account for 15.1 per cent of total spending and grow faster than all functions, including learning and culture and health.

[1] Updated from the 2021 National Medium Term Budget Policy Statement (MTBPS). The Provincial Government inflation assumptions are based on the 2021 MTBPS projections.

- Over the 2022 MTEF period, after budgeting for debt-service costs, the contingency reserve and provisional allocations, 48.8 per cent of nationally raised funds are allocated to national government, 41.4 per cent to provinces and 9.8 per cent to local government.

The 2022 National Budget documentation is available at: http://www.treasury.gov.za/documents/National%20Budget/2022/

3.2 2022 Western Cape Provincial Budget

On Monday, 14 March 2022, the Western Cape Minister for Finance and Economic Opportunities, Mr. David Maynier, tabled the 2022 Western Cape Budget in the provincial legislature. The 2022 Budget focuses on implementing the Western Cape Recovery Plan priorities namely, Jobs, Safety, and Wellbeing, while maintaining a response to COVID-19. The budget policy priorities will support economic growth and job creation; strengthen law enforcement and social protection; and ensure human dignity by protecting human rights and supporting mental wellbeing.

The 2022 Budget is informed by the WCG's Fiscal Strategy which is based on four key fiscal decision-making principles, namely, *Protect basic services outcomes*; *Unlock allocative efficiency*; *Enhance productive efficiency*; and *Enable long-run fiscal sustainability*.

The 2022 Budget, named, "***A Budget to Push Forward***" will over the medium term spend R19.6 billion on "Jobs"; R4.4 billion on "Safety"; R111.3 billion on "Wellbeing"; and R30.3 billion over the medium term on infrastructure in the Western Cape.

The 2022 MTEF budget will over the medium term also allocate an additional R6.2 billion to education; R2.4 billion to healthcare; R136 million to social development; and R2.6 billion on infrastructure in the Western Cape.

These budgetary allocations support the WCGs fiscal principles and ensures that the WCG continues to –

- sustain the fight against the COVID-19 pandemic, including the successful rollout of the vaccination programme;
- support the recovery plan priorities of Jobs, Safety and Wellbeing;
- protect frontline services, including education, health and social development;
- rebalance the composition of expenditure by increasing spending on infrastructure;
- supports effective local governance;
- significantly improves the efficiency of expenditure by driving value for money in procurement;
- mitigate risks including drought, fire and flooding; and
- ensure long-term fiscal sustainability replenishing provincial reserves.

The 2022/23 Budget will spend R76.8 billion across the five districts and the metro in the Western Cape as follows: R8.7 billion in the Cape Winelands District; R3.8 billion in the West Coast District; R6.4 billion in the Garden Route District; R2.8 billion in the Overberg District; R989 million in the Central Karoo District; and R54.2 billion in the City of Cape Town.

To further support municipalities to drive economic growth, a new Municipal Ease of Doing Business Fund will be launched, which will allocate R10 million to projects which reduces red tape in municipalities in the Western Cape.

The budget also allocates an additional R30 million over the medium term to strengthen forensic investigation capability, and legal services capability, in the municipal space in order to support clean governance.

These priority objectives are as relevant to the local government space as it is to the Western Cape as a whole and has informed the formulation of the 2022 SIME theme i.e., Enabling Sustainability and Growth. Municipalities are urged to familiarise themselves with the fiscal strategy underlining the 2022 WCG MTEF Budget and to take cognisance of the Provincial expenditure allocations (including infrastructure investments) within the respective municipal areas. The allocations to be made per school and per hospital in the province, as well as those by Casidra and CapeNature, will be finalised and published in April 2022. The 2022 Main Budget documentation can be found here:

https://www.westerncape.gov.za/provincial-treasury/news/western-cape-budget-202223

4. NATIONAL AND PROVINCIAL BUDGET GUIDELINES

Municipalities are advised to consult MFMA Circulars No. 112 (2021) and No. 115 (2022) as well as the Provincial Treasury Circular No. 1/2022 (24 January 2022) for guidance in respect of planning and budgeting towards the 2022 MTREF.

Municipalities MUST include the National and Provincial Treasury 2022 Budget Circulars as part of the source documents consulted in the preparation of the 2022 MTREF Budget documents and table it as part of the budget documentation in the municipal council.

The NT and PT circulars provide guidance to municipalities on revenue, expenditure and accounting related matters for consideration when compiling their 2022/23 MTREF budgets. Although municipalities must thoroughly scrutinise these circulars in their own time, PT wishes to highlight the following key consideration:

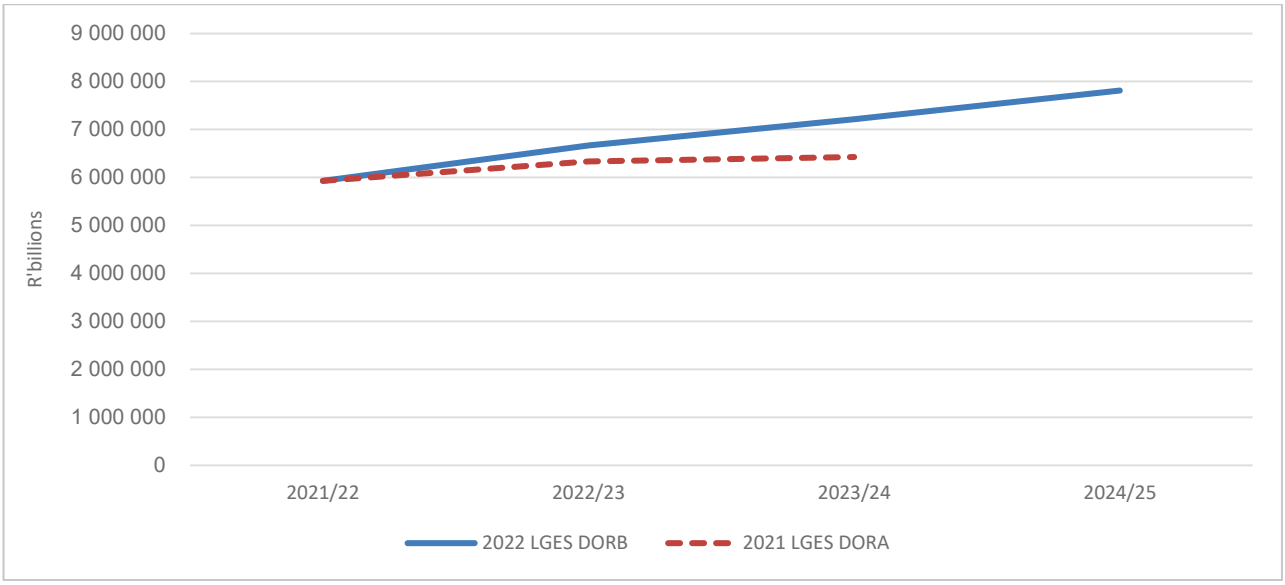
4.1 Direct Transfers to Local Government

The Division of Revenue Bill (DORB) was published on 23 February 2022, following the tabling of the 2022 National Budget in Parliament. The Bill specifies all local government transfers and municipalities must reconcile their budgets to the numbers published therein. Note that in terms of the outer year allocations (2023/24 and 2024/25) it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as presented in the 2022 Division of Revenue Bill. All the budget documentation can be accessed from the National Treasury website at the following link:

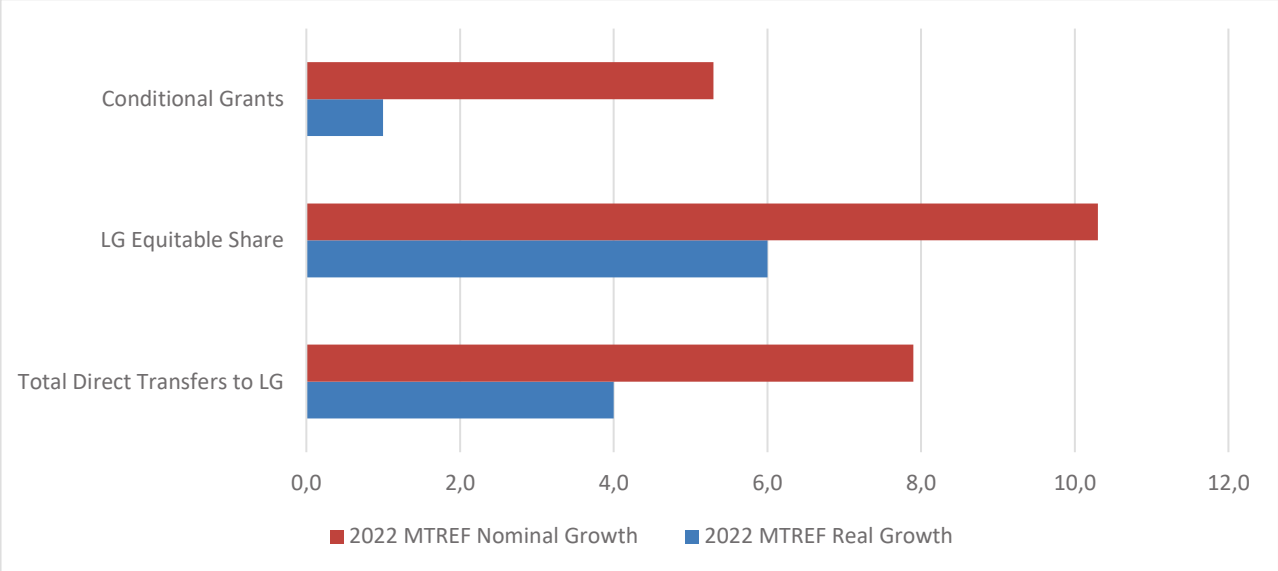
http://www.treasury.gov.za/documents/national%20budget/2022/dor.aspx

According to the DORB, direct transfers to municipalities will grow at an annual average rate of 7.9 per cent over the 2022 MTREF; direct conditional grants at 5.3 per cent, while the local government equitable share (LGES) will grow at 10.3 per cent on average per annum over this period. These growth rates are all above the inflationary estimates provided above.

Graph 1: Equitable Share Estimates, 2021 DORA vs 2022 DORB



Graph 2: Nominal vs Real LGES Growth across the 2022 MTEF



Source: Financial and Fiscal Commission; National Treasury, 2022

The two graphs above illustrate the impact of the significant additions to the equitable share over the MTEF. Graph 1 compares projected allocations in the 2021 DoRA with the new allocations in the 2022 DoRA. Graph 2 provides a comparison of average annual LGES growth rates in real and nominal terms for the 2022 MTREF allocations. When adjusted for inflation, the overall allocations to local government (equitable share, direct grants as well as fuel levels) show strong positive growth. This will help municipalities to offset the ever-increasing cost of basic services. The higher than inflation growth of allocations in the local government equitable share ensures that it fully compensates for the annual data updates made to account for projected household growth, inflation and estimated increases in bulk water and electricity costs over the 2022 MTREF. Growth in conditional grant allocations has been more modest.

An amount of R28.9 billion has been added to the LGES allocation over the MTREF to increase coverage for the provision of free basic services. Municipal budgets should demonstrate how the additional funds they have been allocated are being used to sustain and/or expand the provision of basic services to poor households. Municipalities are advised to prioritise ensuring that the full cost of providing free basic services to existing indigent households are fully covered before providing for expanded services.

Municipalities must be mindful that the Equitable Share is primarily meant to fund basic municipal services to indigents. Municipalities must ensure that monies are used for the purpose they were allocated for.

4.2 Salary and Wage Considerations

In line with the 2021 Multi-year Salary and Wage Collective Agreement for the 2022/23 financial year, and as instructed by the South African Local Government Bargaining Council Circular 1 of 2022 (9 March 2022), salary and wage increases shall, as of 1 July 2022, be as follows:

- In terms of Clauses 6.4 and 6.5, the salary and wage increase shall be 4.9 per cent.
- In terms of clause 7.2, the minimum wage shall increase to R9 043.21.
- In terms of clause 9.1.2, the flat rate homeowners' allowance shall increase to R1 011.77.
- In terms of clause 10.1.2, the medical aid maximum employer contribution shall increase to R5 007.00.
- In terms of clause 11.1, all benefits linked to salary shall increase by 4.9 per cent.

Municipalities that cannot afford to implement the above, may in terms of Clause 15 of the Agreement, apply for exemption. Municipalities that want to apply for exemption are requested to inform SALGA of such a decision as soon as possible, but not later than 31 May 2022.

4.3 Eskom Bulk Tariff Increases

The National Energy Regulator of South Africa (NERSA) is responsible for price determination of the bulk costs for electricity. Bulk electricity costs are consistently much higher than inflation, having gone as high as 17.8 per cent in the 2021/22 municipal financial year. Eskom's need for increased funding means that over the period ahead they have in their Multi-Year Price Determination (MYPD 5) applied for much higher tariff increases of 20.5 per cent in 2022/23, 15 per cent in 2023/24 and 10 per cent in 2024/25. NERSA has, after deliberation, approved a 9.61 per cent tariff increase for Eskom starting from April 2022 and includes the 2022/23 tariff approval of 3.49 per cent.

NERSA's "Municipal Tariff Guidelines Increases, Benchmarks and Proposed Timelines for Municipal Tariff Approval Process for the 2021/22 financial year" publication should be consulted before the tabling of the budgets. This guideline will include the maximum increase for tariffs for municipal consumers. Municipalities that table their budgets before the NERSA Guideline is published are advised to base their electricity tariff increases in their tabled budgets on the 9.6 per cent increase published for Eskom customers for the 2022/23 national financial year. Municipalities can then update with the corrected tariff for the 2022/23 municipal financial year as published in the NERSA Guideline when they finalise their budgets for adoption.

4.4 Unauthorised, Irregular, Fruitless and Wasteful Expenditure

Municipalities are reminded to develop council approved Unauthorised, Irregular, Fruitless and Wasteful Expenditure (UIF&W) reduction plans as advocated for by MFMA Circular No.111 of November 2021. These reduction plans must align to the targets outlined in the 2019 – 2024 Medium Term Strategic Framework (MTSF). Progress reporting against these plans must be institutionalised as part of the monthly section 71 process to enable effective monitoring and oversight by National and Provincial Treasury, in addition to the reporting to the MEC for Local Government that is already required.

4.5 Unspent conditional grant funds for 2021/22

Municipalities must familiarise themselves with the provisions of Section 21 of the Division of Revenue Act, 2021 (Act No.9 of 2021) (DoRA), read in conjunction with the Division of Revenue Amendment Act, 2021 (Act No. 17 of 2021) (DoRAA), which outlines the process to be followed in dealing with unspent conditional grant funding for 2021/22.

Noteworthy action steps and deadlines are briefly as follows:

- Roll-over applications must be submitted to NT by no later than 31 August 2022.
- Outcomes of the roll-over application process will be communicated to municipalities by 21 October 2022.
- Specific unspent grant amounts will be communicated by 8 November 2022 whereafter municipalities will have until 18 November 2022 to return the funds in question to the National Revenue Fund (NRF).
- Any unspent conditional grant funds that should have, but are not repaid to the NRF by 18 November 2021, and for which a municipality has not requested a repayment arrangement, will be offset against the municipality's equitable share allocation transfer on 07 December 2022.

When requesting a rollover in terms of section 21(2) of the 2021 DoRA, municipalities must include the information as outlined in section 8.1 of the MFMA Budget Circular 115 with their submission to NT.

Provincial Treasury will shortly issue a circular to guide municipalities in terms of unspent provincial grant allocations for 2021/22 and the roll-over process that should be followed.

4.6 Provincial Conditional Grant Allocations

Total departmental transfers to local government in the Western Cape will in 2022/23 amount to R2.591 billion which equates to a 20.7 per cent decrease from R3.266 billion in 2021/22 (revised estimates). Looking forward, transfers will decrease towards 2023/24 (-0.04 per cent) and 2024/25 (-6.3 per cent). The decline is because of significant amounts being retained by the Department of Human Settlements across the MTREF.

The structure of provincial grants to municipalities remains largely the same as it has been in previous years. Municipalities were briefed on proposed changes to grants in a CFO Forum Technical Engagement workshop on 21 February 2022.

Two of the grants previously transferred by Provincial Treasury have been merged into a consolidated new Western Cape Financial Management Capability Grant. Details of this and all other conditional grants were published in Provincial Gazette 8566 (14 March 2022) and can be accessed at:

https://www.westerncape.gov.za/provincial-treasury/news/western-cape-budget-202223).

Municipalities must ensure that the provincial transfer receipts detailed in their budgets, align to the Provincial Gazette.

4.7 Municipal Standard Chart of Accounts

The 2022 MTREF budgets must be compiled making use of Version 6.6.1 of the mSCOA Chart, which will come into effect on 01 July 2022.

Municipalities must take note of the technical changes to the new version of the chart and follow the guiding recommendations made by NT (within MFMA Circular 115) insofar the successful completion of the budget is concerned.

Municipalities are reminded to complete the D-Forms required by NERSA. National Treasury is currently looking into how the mSCOA data strings can be used to populate the NERSA reports and will provide guidance in this regard during 2022.

To ensure that credible data strings are submitted to the GoMuni Upload portal, additional validation rules are being introduced in the 2022/23 MTREF. The credibility and accuracy of the data strings must be verified by municipalities before submission on the GoMuni Upload. The additional rules are outlined in NT MFMA Circular 115.

A web-based eLearning course on mSCOA will be available on the National School of Government (NSG) website from April 2022. This is a self-paced course aimed at all government and municipal officials, especially new employees and interns to on-board them on mSCOA. The course covers fundamentals of mSCOA, system and reporting requirements and budgeting and transacting on the mSCOA chart. Municipalities are reminded to budget for the course in their 2022/23 MTREF budgets.

5. OTHER MATTERS

5.1 Performance Reporting Obligations: Implementation of MFMA Circular 88 (2017) for the 2022/23 municipal financial year

Municipalities are once again reminded to familiarise themselves with MFMA Circular No. 88 of 2017, its accompanying annexures and subsequent addendums which provide guidance to municipalities on the adoption and internalisation of a common set of performance indicators. Experience since the 2018/19 implementation of the original circular has shown that the on-going planning, budgeting and reporting reforms process is complex and requires sufficient time and change management for incremental roll-out, growth and institutionalisation.

Addendum 2 (released in December 2020) introduced a significant shift in the reforms in four respects: 1) it more closely integrates and guides planning, budgeting and reporting reforms; 2) it significantly expands and revises the set of MFMA Circular No. 88 indicators applicable to metropolitan municipalities; 3) it expands the application of the reforms and the indicators to differential categories of municipalities and levels of readiness, for application in 2021/22 MTREF cycle going forward; and 4) it introduces evaluations in the context of these reforms.

For immediate implementation purposes, municipalities should be able to identify the indicators in Appendix A to Addendum 2 that are listed as Tier 1 or Tier 2 for their category of municipality and start establishing baselines for those measurements (if they are not already being tracked). Understanding the standard definitions will require engaging with the technical indicator descriptions (TID) in Appendix B to Addendum 2. Municipalities should be able to navigate Appendix A without any further guidance to understand what is going to apply to them for the 2022/23

financial year and be able to refer to Appendix B to get the detail on the standard formulation of each indicator.

Importantly, please note that intermediate cities, districts and local municipalities will still not yet for 2022/23 be required to incorporate these indicators in their IDPs and SDBIPs. Instead, the relevant indicators should be included as an annexure to the IDP and SDBIP. Although the indicators do not formally have to be included in the IDP/SDBIP, municipalities will be required to report on performance against said indicators on a quarterly and annual basis. Municipalities are therefore advised to put in place the necessary standard operating procedures and portfolios of evidence to ensure timeous reporting throughout 2022/23 to ultimately strengthen the link between planning, budgeting and reporting. Please do note that the roll-out process currently remains a pilot project. Reporting against these indicators will as such not be audited for 2022/23.

6. 2022/23 STRATEGIC INTEGRATED MUNICIPAL ENGAGEMENTS (SIME) PROCESS

6.1 Municipal Budget Day

According to sections 16(2) and 17(3)(d) of the MFMA, the Mayor of a municipality must table the annual budget at a council meeting at least 90 days (i.e. by 31 March 2022) before the start of the budget year.

It is important to note that there is no explicit requirement for council to endorse or approve the tabled budget or draft IDP tabled by the mayor for public participation. The municipal council only has the legal authority to consider a tabled budget and draft IDP after the completion of one or more public participation processes undertaken pursuant to Section 22, read with section 23 of the MFMA. Council will only consider for approval "*the product of an inclusive budget preparation and consultative process*" when the proposed annual budget (as amended, if applicable) is tabled before council in terms of section 24(1) of the MFMA.

Given that the preparation, consultation, adoption and implementation of a municipality's annual budget is inextricably linked to, and must be substantially aligned to and informed by the contents of that municipality's IDP, it would be procedurally flawed for the mayor to proceed with the tabling of the proposed annual budget (and commence with public participation process required in terms of section 22 of the MFMA) at a time when the municipality's draft IDP has not been completed.

6.2 Consequence Management

If a municipality has failed to complete the relevant processes applicable for the review and revision of the annual budget and the compilation of an IDP in time for the deadline applicable to the tabling of the proposed annual budget (i.e. 31 March), the mayor must submit an application for an extension of the said deadline. As per section 27 of the MFMA, the mayor of a municipality must, upon becoming aware of any impending non-compliance by the municipality of any provisions of the Act or any other legislation pertaining to the tabling or approval of the annual budget or compulsory consultation processes, inform the MEC for Finance in the province in writing of any impending non-compliance.

If the impending non-compliance pertains to a time provision, except section 16(1) of the MFMA, the mayor may apply to the MEC for Finance for an extension, which must be in accordance with Schedule G of the Municipal Budget and Reporting Regulations (MBRR). In addition to the requirement to inform the MEC of impending non-compliance with the MFMA, mayors and accounting officers are requested to inform PT should they have reasons to believe that that their municipality's budget might not be tabled/approved timeously due to dynamics in council. This will

enable PT to engage with municipal officials to prepare for any possible action (including in terms of 139(4) of the Constitution) that may be required if a budget is not adopted.

In the event of actual non-compliance by a municipality with time provisions concerning the annual budget, the mayor must inform council, the MEC for Finance and NT, in writing, of such non-compliance and any remedial action or corrective measures the municipality intends to implement. Such a notification must be done in accordance with section 63 and Schedule G of the MBRR.

Municipalities are cautioned that any delay to table the budget in terms of section 16(2) of the MFMA could compromise the ability to approve the budget before the start of the financial year as required by section 16(1) of the MFMA. Failure to approve the budget before the start of the financial year will automatically invoke the provisions of sections 25(1) and 55 of the MFMA. Should a municipality not approve the budget by the start of the new financial year, the provincial executive MUST intervene in terms of section 139(4) of the Constitution by taking any appropriate steps to ensure that the budget or revenue-raising measures are approved. These steps include, but are not limited to, dissolving council and appointing an administrator and approving a temporary budget or revenue raising measures to provide for the continued functioning of the municipality.

Municipalities are kindly requested to communicate any changes to the confirmed tabling dates (as it appears in **Appendix A)** to PT via Tania.Bosser@westerncape.gov.za by **23 March 2022**.

6.3 Submitting budget documentation and schedules for 2022/23 MTREF

Section 22 (b)(i) of the MFMA requires that, immediately after an annual budget is tabled in municipal council, it must be submitted to NT and the relevant provincial treasury. If the annual budget is tabled in council on 31 March 2022, the **final date of submission of the electronic budget documents and corresponding mSCOA data strings is Friday, 01 April 2022**.

Section 24(3) of the MFMA, read together with regulation 20(1) of the MBRR, requires that the approved annual budget must be submitted to both National Treasury and the relevant provincial treasury within ten working days after the council has approved the annual budget. However, given that municipalities are generating the annual budgets directly from the financial system as required by the *m*SCOA Regulations and that the budgets must be verified before it is locked on the financial system and transacted against, municipalities must submit the approved budget to NT and the relevant provincial treasury in electronic formats ***immediately*** after approval by the municipal council. Therefore, if the annual budget is tabled to council **on 31 May 2022**, the final date of submission of the electronic budget documents and corresponding *m*SCOA data strings is **Wednesday, 01 June 2022.**

The accompanying document submission checklist (***see Appendix B***) provides a list of the documentation required by Provincial Government. Electronic budget related documents must be provided in PDF format. The designated municipal official needs to complete and sign the accompanying checklist (***Appendix B***) as confirmation that the set of budget, IDP and related documents have been submitted.

Municipalities should note that NT will no longer accept submissions by email, NT will now only accept uploads via the GoMuni portal. The development work on the GoMuni Upload portal has been concluded and municipalities must submit all documents required for the 2022/23 MTREF in terms of legislation, as per the guidance provided in MFMA Circular No 112 (2021), via the **GoMuni Upload Portal**. The upload portal can be accessed on ***https://lguploadportal.treasury.gov.za*** from 01 April 2022. All municipal officials that currently have access to the LG Upload portal will be granted access to the GoMuni Upload portal. New users will have to complete and submit a *Request for Access* to

lgdataqueries@treasury.gov.za. The request form will be available on the GoMuni login page under *New Registrations*.

Municipalities must also submit electronic documents to **Provincial Treasury** to: **MFMA.MFMA@westerncape.gov.za** or if too large (exceeds 3 MB), must be submitted via One Drive. Instructions for uploading the budget and related documents via **One Drive** are provided in **Appendix C**. Provincial Treasury will engage further with NT and municipalities to establish whether in future it is feasible for documentation to only be uploaded to the GoMuni portal. At present, municipalities are still required to separately submit all documentation to PT (as required in the MFMA).

If municipalities require advice with the compilation of their respective budgets, they should direct their enquiries to the following WC Provincial Treasury officials:

Directorate	Official	Tel. No.	Email
MFMA Co-Ordination	Steven Kenyon	021 483 0811	Steven.kenyon@westerncape.gov.za
Public Finance	Isaac Tsie	021 483 6241	Isaac.Tsie@westerncap.gov.za
	Thobelani Ntshingila	021 483 6100	Thobelani.Ntshingila@westerncape.gov.za
Budget Office	Malcolm Booysen	021 483 3386	Malcolm.Booysen@westerncape.gov.za
	Dian Cronje	021 483 0390	Dian.Cronje@westerncape.gov.za
Fiscal Policy	Shafeeqa Davids	021 483 9192	Shafeeqa.Davids@westerncape.gov.za
Accounting	Faez Salie	021 483 4252	Faez.Salie@westerncape.gov.za

Municipalities may also contact the following officials at NT for assistance.

Responsible Area	Official	Tel. No.	Email
Western Cape	Willem Voigt	012 315 5830	WillemCordes.Voigt@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 with Excel formats	Sephiri Tlhomeli	012 406 9064	lgdataqueries@treasury.gov.za

6.4 Publication of budgets on municipal website

In terms of section 75 of the MFMA, all municipalities are required to publish their tabled budgets, adopted budgets, annual reports (containing audited annual financial statements) and other relevant information on the Municipality's website. This will aid in promoting public accountability and good governance.

6.5 Strategic Integrated Municipal Engagement (SIME) Process

Integrated planning and budgeting focusses on strengthening the alignment of planning and budgeting in the Province, and places particular emphasis on enhancing the provincial and local government interface. The SIME engagements, which takes place in May 2022, precedes the approval and implementation of municipal budgets. The engagements afford the WCG the opportunity to provide feedback on its assessment of the municipal planning and budgeting efforts for the upcoming financial year and for the 2022 MTREF.

The assessments are based on compliance and performance information obtained from the Western Cape Monitoring and Evaluation System (WCMES) as well as an assessment on conformance, responsiveness, credibility, and sustainability of the municipality's draft budget, IDP, SDF and supporting plans. It is therefore important that all Municipalities timeously submit all the required information. The assessment of the tabled IDPs will be undertaken by the Department of Local Government, in close contact with all relevant sector departments in the Province impacting on municipalities, to ensure alignment between the IDPs and all the Provincial strategic priorities and plans.

The SIME engagements will primarily focus on strategic issues emanating from municipalities' draft IDPs and tabled annual budgets to gear municipalities for sustainable growth and development.

The overall objectives of the 2022/23 SIME process and the key messages therefore emphasises:

- Aligning strategic intent as encapsulated within the Integrated Development Plans (IDP) and municipal budgets to create public value based on the community needs/priorities identified through the public participation processes;
- Safeguarding of municipal sustainability by ensuring that municipalities table funded budgets and the strengthening of municipal financial management;
- Ensure optimal and targeted service delivery through strategic spatial planning and alignment;
- Deepening of an integrated approach to service delivery with the intention of creating synergies through the consolidation/concentration of resources across all spheres of government;
- Identification of areas that require support as well as opportunities for collaboration and partnerships.

The 2022 SIME engagements are planned to be in person, with a hybrid approach where officials can also join in via Microsoft Teams where such facilities can be accommodated by the municipality. Confirmation of the arrangements will be confirmed individually with each municipality.

- The SIME engagements are provisionally scheduled to take place from 3 May 2022 to 18 May 2022, subject to confirmation from the municipalities. PT will communicate with each Municipality on an individual basis to confirm the date and time of the engagement.

7. CONCLUSION

Municipalities should consider and apply the contents of this budget circular in the 2022/23 planning and budgeting process.

Please direct any queries regarding this circular to Dian Cronje at:
Dian.Cronje@westerncape.gov.za.

Roy Havemann Digitally signed by Roy Havemann
Date: 2022.03.18 21:08:43 +02'00'

DR R HAVEMANN
DEPUTY DIRECTOR-GENERAL: FISCAL AND ECONOMIC SERVICES
DATE: 18 March 2022

ANNEXURE A

CONFIRMED 2022 BUDGET TABLING DATES

Municipality	Confirmed date
City of Cape Town	Thursday, 31 March 2022
Matzikama	Tuesday, 29 March 2022
Cederberg	Thursday, 31 March 2022
Bergrivier	Tuesday, 29 March 2022
Saldanha Bay	Thursday, 31 March 2022
Swartland	Thursday, 31 March 2022
West Coast District Municipality	Friday, 25 March 2022
Witzenberg	Wednesday, 30 March 2022
Drakenstein	Wednesday, 30 March 2022
Stellenbosch	Wednesday, 30 March 2022
Breede Valley	Tuesday, 29 March 2022
Langeberg	Thursday, 31 March 2022
Cape Winelands District Municipality	Thursday, 24 March 2022
Theewaterskloof	Wednesday, 30 March 2022
Overstrand	Wednesday, 30 March 2022
Cape Agulhas	Tuesday, 29 March 2022
Swellendam	Thursday, 31 March 2022
Overberg District Municipality	Monday, 28 March 2022
Kannaland	Thursday, 31 March 2022
Hessequa	Friday, 18 March 2022
Mossel Bay	Thursday, 31 March 2022
George	Friday, 25 March 2022
Oudtshoorn	Thursday, 31 March 2022
Bitou	Thursday, 31 March 2022
Knysna	Wednesday, 30 March 2022
Garden Route District Municipality	Tuesday, 29 March 2022
Laingsburg	Wednesday, 30 March 2022
Prince Albert	Tuesday, 29 March 2022
Beaufort West	Thursday, 31 March 2022
Central Karoo District Municipality	Monday, 28 March 2022

DOCUMENT SUBMISSION CHECKLIST FOR THE 2022/23 TABLED INTEGRATED DEVELOPMENT PLAN, BUDGET, AND RELATED DOCUMENTATION

MUNICIPALITY: _____

In completing and signing the Budget and IDP documentation checklist below, the municipality confirms that Schedule A1 **complies with the Municipal Budget and Reporting Regulations (MBRR)** and that the main tables and the relevant supporting tables (as listed below) are in ***version 6.6.1*** of Schedule A1 and **drawn directly from the municipal financial system**.

The Integrated Development Plan as set out in Section 26, 32 and 34 of the Local Government: Municipal Systems Act, No 32 of 2000 and Regulations (MSA) and Section 21 of the Local Government Municipal Finance Management Act 56 of 2003 (MFMA).

The Spatial Development Framework, Disaster Management Framework and additional documents must be submitted as required in terms of budget circulars.

Budget Documentation	**Yes**	**No**	**N/A**
Council Resolution in terms of the Tabled Budget			
The Budget Documentation as set out in the MBRR. The Budget Document must include the main A1 Schedule Tables (A1-A10)			
The non-financial supporting tables A10, SA9, SA11, SA12, SA13, SA22, SA23, SA24 **and any information not contained in the financial data string** in ***the A1 in the prescribed mSCOA data string in the format published with Version 6.6.1 of the A1 schedule***			
Draft Service Delivery and Budget Implementation Plan			
Procurement Plan			
Draft Service Level Standards			
Signed Quality Certificate as prescribed in the MBRR			
D Schedules specific for the entities (where applicable)			
Budget Related Policies			
Information on any amendments to budget related policies			
Suite of budget related policies			
IDP and Related Documentation			
Council Resolution in terms of the IDP			
Draft Integrated Development Plan			
If the predecessors IDP with amendments, the draft memorandum referred to in Regulation 3(2) of the Local Government: Municipal Planning and Performance Management Regulations of 2001			
If a District Municipality, the IDP District Framework according to Section 27 of the MSA			
Process Plan according to Section 28 of the MSA			
Spatial Development Framework			
Council Resolution in terms of the adoption of the Spatial Development Framework			
Applicable Disaster Management Plan			
Council Resolution in terms of the adoption of the Disaster Management Plan			

ANNEXURE B

Budget Documentation	Yes	No	N/A
Integrated Waste Management Plan			
Council Resolution in terms of the adoption of the Integrated Waste Management Plan			
Air Quality Management Plan			
Council Resolution in terms of the adoption of the Air Quality Management Plan			
Coastal Management Plan *(Coastal Municipalities only)*			
Council Resolution in terms of the adoption of the Coastal Management Plan			
Biodiversity Management Plan *(if relevant)*			
Invasive Species Monitoring, Control and Eradication Plan			
Climate Change Strategy			
Human Settlement Plan			
Local Economic Development Strategy			
Water Services Development Plan			
Storm Water Master Plan			
Integrated Transport Plan			
Electricity Master Plan			
Infrastructure Growth Plan			
Workplace Skills Plan			

MUNICIPAL REPRESENTATIVE:

Designation: _____

Name: _____

Signature: _____

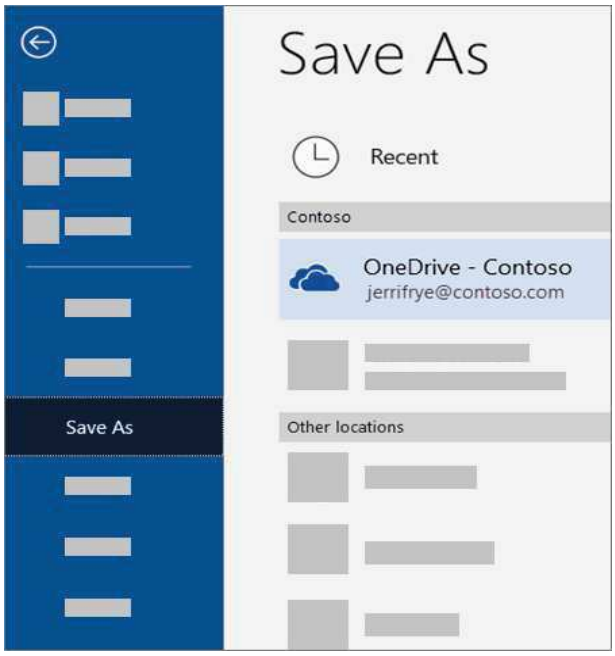
Date: _____

The following instructions provide a guide for the upload of budget documentation onto OneDrive.

- **How to upload documents to One drive:**

  You can use this option if you have OneDrive linked to your Microsoft Office or Office 365

  1. In any Office document, select File > Save As, choose your OneDrive, and then pick the folder where you want to save the file. Create a new folder (e.g. DC1 2022 Budget Documents) and place all the budget related documents within it.



  2. To share the link to that folder, Go into OneDrive
  3. Select the file that you want to share and right click on it
  4. Choose "share"
  5. Ensure that sharing is defaulted to "Anyone with the link can edit"
  6. Enter the MFMA email address: MFMA.MFMA@westerncape.gov.za and email addresses of anyone else that you want to share the link with.
  7. Click the Share Button

  File names in following sequence for budget related documents to be submitted to MFMA:

  - Demarcation code
  - "ccyy" century and year (eg.2022)
  - Name of document submitted (e.g. Draft Budget, Draft IDP, Draft SDBIP etc.)

    E.g.: DC1 2022 Draft IDP

    E.g.: DC1 2022 MTREF Main Budget

    E.g.: DC1 2022 Draft SDBIP

Uniform Financial Ratios and Norms

The purpose of this Circular is to provide a set of uniform key financial ratios and norms suitable and applicable to municipalities and municipal entities. Section 216 (1)(c) of the Constitution and section 2 of the Municipal Finance Management Act (MFMA) enable National Treasury to introduce uniform treasury norms and standards to ensure sound and sustainable management of fiscal and financial affairs of municipalities and municipal entities.

A number of institutions currently use a variety of financial ratios and norms to assess and compare the financial health and performance of municipalities. Municipalities also use different financial ratios and norms to assess their own performance and set benchmarks for improvement to be measured over time. Results of our research show that there are in excess of two hundred different sets of financial ratios, with different derivatives used to assess municipality's financial status. This results in conflicting interpretation, inconsistent application and misunderstanding of the financial status of a municipality, often with incorrect diagnosis of the challenges and therefore inappropriate responses.

This Circular aims to bring consistency in interpretation and application of certain financial information using standardised financial ratios. It is important that any one of these ratios should not be read in isolation of one another, as this could lead to distortions in interpretation. Ideally, a number of interrelated ratios should be analysed together in order to get a broader picture of a municipality's or municipal entity's financial performance. When used in a combined manner analysis of different ratios will provide policy makers and the public with a very good sense of the financial status of the municipality and its entity. This Circular will also assist in municipalities being able to identify areas of financial management that need constant monitoring and improvement.

The Circular addresses different categories of ratios norms, interpretation and covers various aspects of a municipality's finances, such as financial position, financial performance and budget implementation, so that these can be used as part of in-year and end of year analysis. This will also aid in long-term financial planning and can be used to track progress over a number of years. Each ratio is explained to remove ambiguity and misinterpretation. The source of such information is also explained in the annexures to this Circular. Norms or standards have been assigned to each financial ratio, which are explained later in this Circular.

Categorisation Financial Ratios, Formulas, Norms and Interpretation

Categorisation

In order to perform a holistic financial analysis of a municipality or municipal entity all financial aspects of the institution should be considered. Ratios are divided into various

categories to address the different financial aspects and operations of a municipality or municipal entity.

1) **Financial Position**

2) **Financial Performance**

3) **Budget Implementation**

Financial Ratios, Formulas, Norms and Interpretation

The ratios presented in this Circular are categorised in accordance with the previous section, and are presented in further detail to include the following:

- Purpose/ description of the Financial Ratio;
- Formula to be Used;
- Norms per Ratio; and
- Interpretation of Ratio Analysis Results.

Tables that provide a summary of the financial ratios, formulas, data source and norms are presented in Annexure 1.

1. FINANCIAL POSITION

A. Asset Management

1. Capital Expenditure to Total Expenditure

Purpose/Description of the Ratio

This Ratio is used to assess the level of Capital Expenditure to Total Expenditure, which indicates the prioritisation of expenditure towards current operations *versus* future capacity in terms of Municipal Services.

Formula

Total Capital Expenditure / Total Expenditure (Total Operating Expenditure + Capital Expenditure) × 100

Norm

The norm range between **10% and 20%**

Interpretation of Results

When assessing the level of Investment in Assets, a ratio less than 10% reflects lower spending by the municipality in infrastructure and holds potential risks to service delivery. A ratio of more than 20% reflects higher spending on infrastructure and acceleration in service delivery, but could also hold financial sustainability risks if the infrastructure do not include both economic (revenue generating) and social type infrastructure.

The environment of the municipality should be considered when assessing the level of Investment in Assets. A municipality that has already invested in assets to address service delivery backlogs, would be required to maintain and improve such service levels, and therefore the percentage of spending allocated to new assets may not be significant higher.

On the other hand a municipality where the infrastructure and level of services provided is low and the associated expenditure is also low, the percentage of investment in new assets to total expenditure would be significantly higher.

The results from this ratio should be read together with the results from the analysis of the funding mix for capital expenditure.

It is critical that capital expenditure is largely directed toward service delivery infrastructure and not administrative assets.

2. Impairment of Property, Plant and Equipment and Investment Property and Intangible Assets (Carrying Value)

Purpose/ Description of the Ratio

Asset impairment refers to the loss in future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation.

This implies that the utilisation of assets did not deliver the value or service levels envisaged when approval was originally obtained for procuring the assets. When the approval is obtained to invest in Property, Plant and Equipment or Intangible Assets by the Municipality or Municipal Entity, the value should be realised through utilisation and reflected as Depreciation and not through unexpected losses due the Impairment of Property, Plant and Equipment or Intangible Assets. Impairment is therefore unexpected and only detected when the assessment for Impairment is performed as per the requirements of the applicable GRAP standards. It is therefore not planned for or expected and will not be budgeted.

Formula

Property, Plant and Equipment + Investment Property + Intangible Assets Impairment/ (Total Property, Plant and Equipment + Investment Property + Intangible Assets) x 100

Norm

The norm is **0%**

Interpretation of Results

The purpose of the Ratio is to indicate the percentage of Impairments compared to the Carrying Value of the Assets; a ratio above 0% reflects a risk in service delivery and therefore corrective measures should be implemented.

3. Repairs and Maintenance as a % of Property, Plants and Equipment and Investment Property (Carrying Value)

Purpose/ Use of the Ratio

The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to prevent breakdowns and interruptions to service delivery. Repairs and maintenance of municipal assets is required to ensure the continued provision of services.

Formula

Total Repairs and Maintenance Expenditure / Property, Plant and Equipment and Investment Property (Carrying Value) x 100

Norm

The norm is **8%**

Interpretation of Results

A ratio below the norm is a reflection that insufficient monies are being spent on repairs and maintenance to the extent that it could increase impairment of useful assets.

An increasing expenditure trend may be indicative of high asset-usage levels, which can prematurely require advanced levels of Repairs and Maintenance or a need for Asset Renewal / Replacements. Also, should an increasing expenditure trend suddenly drop to lower levels without an increase in the fixed asset value, this may be indicative of challenges in spending patterns. This may also indicates that the Municipality is experiencing cash flow problems and therefore unable to spend at

appropriate levels on its repairs to existing assets or purchase of new assets thus impacting negatively on service delivery.

B. Debtors Management

1. Collection Rate

Purpose/ Use of the Ratio

The Ratio indicates the collection rate; *i.e.* level of payments. It measures increases or decreases in Debtors relative to annual billed revenue. In addition, in order to determine the real collection rate bad debts written-off is taken into consideration.

Formula

Gross Debtors Opening Balance + Billed Revenue – Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100

Norm

The norm is **95%**

Interpretation of Results

Assessing the Collection Ratio will provide an indication of the performance against a number of areas, for example:

- Quality of Credit Control - ensuring that what is billed is collected; and
- Quality of Revenue Management - the ability to set affordable tariffs and bill correctly.

If the ratio is below the norm this is an indication that revenue collection of the municipality requires urgent attention and corrective measures should be implemented. A municipality with outstanding debtors should aim at achieving a collection rate of more than 100%. The results from this ratio should be viewed along with results from the age analysis and net debtor's day's ratio.

2. Bad Debts Written-off as % of the Bad Debt Provision

Purpose/ Use of the Ratio

The Ratio compares the value of Bad Debts Written-off on Consumer Debtors to Bad Debts Provided for Consumer Debtors to ensure that the Provision for Bad Debts is sufficient.

Formula

Bad Debts Written-off (Period under review)/ Provision for Bad Debt (Period under review x 100

Norm

The norm is **100%**

Interpretation of Results

Municipality should only write-off Bad Debts already provided for and, if the results are less than 100%, it should be ideally due to the recoverability of debtors. When 100% is exceeded, it indicates that the Municipality had not previously identified the Debtor/s as having the potential for defaults, which could indicate weakness in calculation of the Provision for Bad Debt, the methodology used and/or poor credit control processes.

3. Net Debtors Days

Purpose/ Use of the Ratio

This ratio reflects the collection period. Net Debtor Days refers to the average number of days required for a Municipality or Municipal Entity to receive payment from its Consumers for bills/invoices issued to them for services.

The Ratio exclude balances for Debtors, which the Municipality or Municipal Entity has assessed as potentially irrecoverable, and is also a good indication of the effectiveness of credit control procedures within the Municipality or Municipal Entity as well as the extent to which the Municipality or Municipal Entity has provided for Doubtful Debts.

Formula

((Gross Debtors - Bad Debt Provision) / Billed Revenue)) × 365

Norm

The norm is **30 Days**

Interpretation of Results

This Ratio adjusts for Municipality's who have had significant write-offs of Irrecoverable Debtor balances in the Gross Debtors Days analysis as it only assesses the performance of collectable Debtors. In addition, it provides an indication of the quality of credit control policy, effectiveness of the implementation thereof and quality of revenue management. If the ratio is above the norm, this indicates that the Municipality is exposed to significant Cash Flow risk. This is also an indication that the municipality is experiencing challenges in the collection of outstanding amounts due to it. In addition,

this indicates that a significant amount of potential cash is tied up in consumer debtors and the municipality must improve its revenue and cash flow management.

C. Liquidity Management

1. Cash/ Cost Coverage Ratio (Excluding Unspent Conditional Grants)

Purpose/ Use of the Ratio

The Ratio indicates the Municipality's or Municipal Entity's ability to meet at least its monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue, during that month.

The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal Municipal day-to-day operational expenditure but rather reserved for Grant related expenditure.

Formula

((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)).

Norm

The norm range between **1 month to 3 months.**

Interpretation of Results

If a municipality has a ratio below the norm it would be vulnerable and at a higher risk in the event of financial "shocks/set-backs" and its ability to meet its obligations to provide basic services or its financial commitment is compromised. The results from this ratio should be viewed along with results from analysis on Debtor Management to fully assess Cash Flow Risk. The more cash reserves a municipality or municipal entity has available the lower the risk of it being unable to fund monthly fixed operational expenditure and to continue rendering services.

2. Current Ratio

Purpose/ Use of the Ratio

The Ratio is used to assess the Municipality's or Municipal Entity's ability to pay back its Short-term Liabilities (Debt and Payables) with its Short-term Assets (Cash, Inventory, Receivables).

Formula

Current Assets / Current Liabilities

Norm

The norm range between **1.5 to 2 :1**

Interpretation of Results

The higher the current Ratio, the more capable the Municipality or Municipal Entity will be to pay its current or short-term obligations and provide for a risk cover to enable it to continue operations at desired levels. A financial ratio under 1 suggests that the Municipality or Municipal Entity would be unable to pay all its current or short-term obligations if they fall due at any specific point.

If current liabilities exceed current assets, it highlights serious financial challenges and likely liquidity problems *i.e.* insufficient cash to meet short-term financial obligations. Current assets must therefore be increased to appropriately cover current liabilities otherwise there is a risk that non-current assets will need to be liquidated to settle current liabilities.

D. Liability Management

1. Capital Cost (Interest Paid and Redemption) as a % of Total Operating Expenditure

Purpose/ Use of the Ratio

The Ratio indicates the cost required to service the borrowing. It assesses the Borrowing or Payment obligation expressed as a percentage of Total Operating Expenditure.

Formula

Capital Cost (Interest Paid and Redemption) / Total Operating Expenditure x 100

Norm

The norm is between **6% to 8%**

Interpretation of Results

Operating below the Norm could indicate that the Municipality has the capacity to take on additional financing from borrowing to invest in infrastructure projects or it could relate to cash flow problems where it is unable to access borrowed funds or the funding decisions of the municipality impacts of these levels. On the other hand, exceeding the Norm could pose a risk to the Municipality should changes or fluctuations in financing costs arise.

When assessing this ratio, the cash flow requirements of the Municipality or Municipal Entity should also be considered.

2. Debt (Total Borrowings)/ Total Operating Revenue

Purpose/ Use of the Ratio

The Ratio indicates the extent of Total Borrowings in relation to Total Operating Revenue. It indicates short and long term debt financing relative to operating revenue of the municipality.

The purpose of the Ratio is to provide assurance that sufficient Revenue will be generated to repay Liabilities. Alternatively stated, the Ratio indicates the affordability of the Total Borrowings.

Formula

Debt (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant

Norm

The norm is **45%**

Interpretation of Results

If the result of the Ratio analysis indicates less than 45% then the Municipality still has capacity to take increase funding from borrowings, however, this should be considered within the cash flow requirements of the Municipality or Municipal Entity.

E. Sustainability

1. Level of Cash Backed Reserves (Net Assets - Accumulated Surplus)

Purpose/ Use of the Ratio

The Ratio measures the extent to which the Other Reserves, which are required to be cash backed are actually backed by Cash Reserves.

Formula

(Cash and Cash Equivalents - Bank Overdraft + Short Term Investment + Long Term Investment - Unspent Conditional Grants) / (Net Assets - Accumulated Surplus – Non Controlling Interest – Share Premium – Share Capital – Fair Value Adjustment – Revaluation Reserve)

Norm

The norm is **100%**

Interpretation of Results

If a Municipality or Municipal Entity has less than 100% Cash Reserves it could negatively impact the Municipality's or Municipal Entity ability to comply with the conditions for creating the Reserves and on its ability to fund current and future operations.

2. FINANCIAL PERFORMANCE

A. Efficiency

1. Net Operating Surplus Margin

Purpose/ Use of the Ratio

The Ratio assesses the extent to which the Municipality generates Operating Surpluses.

Formula

(Total Operating Revenue – Total Operating Expenditure)/ Total Operating Revenue x 100%

Norm

The norm is equal to or greater than **0%**

Interpretation of Results

Municipalities should at least recover operational costs for the services being delivered. In addition, a ratio which is greater than 0% will enable the municipality to generate a surplus which will assist to contribute towards its capital funding requirements. If the result is less than 0% it implies that the municipality is operating at a deficit and measures must be implemented to address this situation to ensure sustainable service delivery. In a case of an operating deficit it is critical to ascertain the extent to which the accounting policy, i.e. revaluation method has impacted on the calculations to avoid any distortions in interpretation of the outcome. Refer to Circular 58 section 4.3 regarding revaluation in terms of GRAP 17 and treatment of depreciation and GRAP 24.

2. Net Surplus /Deficit Electricity

Purpose/ Use of the Ratio

This ratio measures the extent to which the municipality generates surplus or deficit in rendering electricity service. The purpose of the Ratio is to determine the contribution

made by the provision of Electricity Services, being one of the major functions of a municipality.

Formula

Total Electricity Revenue less Total Electricity Expenditure /Total Electricity Revenue x 100%

Norm

The Norm range between **0% and 15%**

It should be noted that this norm will be superseded by sector determinations from time to time, as other regulatory bodies address the appropriate level of tariffs and surpluses.

Interpretation of Results

A ratio below 0% depicts that electricity service is rendered at a deficit/loss and will be unsustainable if other revenue is not allocated to fund such services. The results must be between the range to ensure services are sustainable and that all costs associated with the delivery of Electricity Services are at least recovered with a margin for future growth and/ or capital funding for electricity assets.

3. Net Surplus / Deficit Water

Purpose/ Use of the Ratio

This ratio measures the extent to which the municipality generates surplus or deficit in rendering water service. The purpose of the Ratio is to determine the contribution made by the provision of water service being one of the major functions of a municipality.

Formula

Total Water Revenue less Total Water Expenditure / Total Water Revenue x 100%

Norm

The norm is equal to or greater than **0%** and will be superseded by the sector determination from time to time, as other regulatory bodies address the appropriate level of tariffs, surpluses and subsidisation.

Interpretation of Results

A ratio below 0% depicts that water service is rendered at a loss and unsustainable. The results must not be below the norm so as to ensure that the Services are sustainable and that all costs associated with the delivery of Water Services are at least recovered with a margin for future growth and/ or capital funding for water assets.

4. Net Surplus /Deficit Refuse

Purpose/ Use of the Ratio

This ratio measures the extent to which the municipality generates surplus or deficit in rendering refuse service. The purpose of the Ratio is to determine the contribution made by the provision of refuse service being one of the major functions of a municipality.

Formula

Total Refuse Revenue less Total Refuse Expenditure /Total Refuse Revenue x 100%

Norm

The Norm is equal to or greater than **0%** and will be superseded by the Sector determination from time to time, as other regulatory bodies address the appropriate level of tariffs, surpluses and subsidisation.

Interpretation of Results

A ratio below 0% depicts that refuse service is rendered at a loss and unsustainable. The results must not be below the norm so as to ensure that the Services are sustainable and that all costs associated with the delivery of Refuse Services are at least recovered with a margin for future growth and/ or capital funding for Refuse assets.

5. Net Surplus / Deficit Sanitation and Waste Water

Purpose/ Use of the Ratio

This ratio measures the extent to which the municipality generates surplus or deficit in rendering sanitation and waste water service. The purpose of the Ratio is to determine the contribution made by the provision of sanitation and waste water services being one of the major functions of a municipality.

Formula

Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure / Total Sanitation and Waste Water Revenue x 100%

Norm

The norm is equal to or greater than **0%** and will be superseded by the sector determination from time to time, as other regulatory bodies address the appropriate level of tariffs, surpluses and subsidisation.

Interpretation of Results

A ratio below 0% depicts that sanitation and waste water is rendered at a loss and unsustainable. The results must not be below the norm so as to ensure that the Services are sustainable and that all costs associated with the delivery of sanitation and waste water are at least recovered with a margin for future growth and / or capital funding for assets.

B. Distribution Losses

1. Electricity Distribution Losses (Percentage)

Purpose/ Use of the Ratio

The purpose is to measure the percentage loss of potential revenue from Electricity Services through electricity units purchased and generated but not sold as a result of losses incurred through theft (illegal connections), non or inaccurate metering or wastage. It is expected that implementation of the free basic service policy is included in the calculation for sale of electricity.

Formula

(Number of Electricity Units Purchased and / or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and / or Generated) × 100

Norm

The Norm is between **7% and 10%** and will be superseded by the sector determination.

Interpretation of Results

A ratio below the norm depicts that electricity losses are well managed. If the Ratio exceeds the norm it could indicate various challenges, for example, deteriorating electricity infrastructure or poor management of the networks, affecting the Municipality or Municipal Entity, which would require further analysis to determine the reasons for such losses. In addition, the root causes should be addressed.

2. Water Distribution Losses (Percentage)

Purpose/ Use of the Ratio

The purpose of this ratio is to determine the percentage loss of potential revenue from water service through kilolitres of water purchased but not sold as a result of losses incurred through theft (illegal connections), non- or incorrect metering or wastage as a result of deteriorating water infrastructure. It is expected that implementation of the free basic service policy is included in the calculation for sale of water.

Formula

(Number of Kiloliters Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kiloliters Water Purchased or Purified × 100

Norm

The Norm is between **15% and 30%**

Interpretation of Results

A ratio within the norm depicts that water losses and water infrastructure are well managed. If the Ratio exceeds the norm it could indicate various challenges, for example, ageing water infrastructure or poor management, affecting the Municipality or Municipal Entity, which would require further analysis and explanation to determine the reasons for such losses. In addition, the root causes should be addressed.

C. Revenue Management

1. Growth in Number of Active Consumer Accounts

Purpose/ Use of the Ratio

The ratio measures the actual growth in the Revenue base of the Municipality brought about by an increase in the Consumer base rather than tariff increases.

Formula

(Period under Review's Number of Active Debtor Accounts - Previous Period's Number of Active Debtor Accounts) / Previous Period Number of Active Debtor Accounts x 100

Norm

No Norm is currently being proposed for this Ratio but will be monitored and a determined in the future. Municipalities are requested to report on this aspect to its Council.

Interpretation of Results

The results from this analysis will have to be taken into consideration when assessing the Growth in Revenue to determine the Real Growth in the Customer base vs growth due to tariff and inflationary adjustments. Growth in number of active consumers indicates an increase in revenue base.

Further, the impact of growth on the Indigent Base vs Growth in Paying Consumers should be assessed regularly as this must be used to inform Councils policy.

2. *Revenue Growth (%)*

Purpose/ Use of the Ratio

This Ratio measures the overall revenue growth. In addition, this ratio will assist in determining if the increase in Expenditure will be funded by an increase in Revenue base or by some other means.

Formula

(Period Under Review's Total Revenue - Previous Period's Total Revenue) / Previous Period's Total Revenue) x 100

Norm

The norm is at the rate of **CPI**

Interpretation of Results

The Revenue Growth has to be assessed in conjunction with the growth in the Revenue base and number of consumer accounts to determine the real Growth in Revenue.

3. *Revenue Growth (%) - Excluding Capital Grants*

Purpose/Use of the Ratio

This Ratio measures the overall Revenue Growth adjusted for Capital Grants. In addition, this ratio will assist in determining if the increase in Expenditure will be funded by the increased Revenue Base or by some other means.

Formula

((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

Norm

The norm is at the rate of **CPI**

Interpretation of Results

The Revenue Growth has to be assessed in conjunction with the growth in the Revenue base, number of consumer accounts to determine the real Growth.

D. Expenditure Management

1. Creditors Payment Period (Trade Creditors)

Purpose/ Use of the Ratio

This ratio indicates the average number of days taken for Trade Creditors to be paid.

Formula

Trade Creditors Outstanding / Credit Purchases (Operating and Capital) × 365

Norm

The norm is **30 days**

Interpretation of Results

A period of longer than 30 days to settle creditors is normally an indication that the Municipality may be experiencing cash flow problems, however in certain instances this may be as a result of disputes, processing of payments, etc. In addition, a ratio that exceeds the norm indicates that the Municipality may not be adequately managing its Working Capital or that effective controls are not in place to ensure prompt payments. The municipality will be required to provide further explanations in this regard.

2. Irregular, Fruitless and Wasteful and Unauthorised Expenditure/ Total Operating Expenditure

Purpose/ Use of the Ratio

The ratio measures the extent to which the Municipality has incurred Irregular, Fruitless and Wasteful and Unauthorised Expenditure.

Formula

(Irregular, Fruitless and Wasteful and Unauthorised Expenditure) / Total Operating Expenditure x 100

The net amount after condonement should be used in this calculation.

Norm

The norm is **0%**

Interpretation of Results

A ratio that exceeds 0% must be investigated and acted upon.

3. Remuneration (Employee Related Costs and Councillors Remuneration) as % of Total Operating Expenditure)

Purpose/ Use of the Ratio

The ratio measures the extent of Remuneration to Total Operating Expenditure.

Formula

Remuneration (Employee Related Costs and Councillors' Remuneration) / Total Operating Expenditure x 100

Norm

The norm range between **25% and 40%**

Interpretation of Results

If the ratio exceed the norm it could indicate inefficiencies, overstaffing or even the incorrect focus due to misdirected expenditure to non-essentials or non-service delivery related expenditure. Various factors need to be considered when commenting on this ratio, such as the powers and functions performed by the municipality or entity, as this can create distortions in the outcomes, if the analysis ignores such factors.

4. Contracted Services % of Total Operating Expenditure

Purpose/ Use of the Ratio

This ratio measures the extent to which the municipalities resources are committed towards contracted services to perform Municipal related functions.

Formula

Contracted Services / Total Operating Expenditure x 100

Norm

The norm range between **2% and 5%**

Interpretation of Results

A ratio in excess of the Norm could indicate that many functions are being outsourced to Consultants, or that Contracted Services are not effectively utilised. This also depends on the model of service delivery selected by the municipality. In addition, outsourcing decisions will have to be weighed against the ability to attract skills; however, increases in this ratio can further expose the municipality to other risks, such as its inability to build capacity and ongoing reliance on Contractors.

E. Grant Dependency

1. Own Funded Capital Expenditure (Internally Generated Funds + Borrowings) to Total Capital Expenditure

Purpose/ Use of the Ratio

The Ratio measures the extent to which the municipality's Total Capital Expenditure is funded through Internally Generated Funds and Borrowings.

Formula

Own Funded Capital Expenditure (Internally Generated Funds + Borrowings) / Total Capital Expenditure x 100

Norm

No norm is proposed at this time. It is critical that the funding mix of capital expenditure is undertaken in such a manner that affordable borrowing is directed towards addressing service delivery needs and that there is also opportunity for increased capacity on internally generated funding to attain an improved balance of the funding sources.

2. Own Funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure

Purpose/ Use of the Ratio

The Ratio measures the extent to which Total Capital Expenditure of the Municipality is funded through Internally Generated Funds.

Formula

Own funded Capital Expenditure (Internally Generated Funds) / Total Capital Expenditure x 100

Norm

No norm is proposed at this time. The funding mix for capital expenditure is dependent on the municipal policy and ability to raise revenue from different sources. Increased capacity for internally generated funding is required in some circumstances, which could also improve the balance in funding sources.

3. Own Source Revenue to Total Operating Revenue (Including Agency Revenue)

Purpose/ Use of the Ratio

The Ratio assesses the extent of Own Source Revenue to Total Operating Revenue, including Agency Revenue hence self-sufficiency.

Formula

Own Source Revenue (Total Revenue - Government Grants and Subsidies – Public Contribution and Donations)/ Total Operating Revenue (Including Agency Services) x 100

Norm

No norm is proposed at this time. The municipal specific circumstances, including the powers and functions assigned to it, must be considered when assessing the level of own source revenue or its self-sufficiency. An analysis of the trends and levels of own source of revenue will also inform the municipality and users of measures taken to optimise own revenues. The ratio measuring own source revenue should be increasing over time as it reflects municipal efforts towards self-sufficiency.

3. BUDGET IMPLEMENTATION

1. Capital Expenditure Budget Implementation Indicator

Purpose/ Use of the Ratio

This ratio measures the extent to which Budgeted Capital Expenditure has been spent during the financial year, under review. Further, this ratio measures the municipality's ability to implement capital projects and monitor the risks associated with non-implementation. The ratio also assess whether the municipality has effective controls in place to ensure that expenditure is incurred in accordance with an approved budget.

Formula

Actual Capital Expenditure / Budget Capital Expenditure x 100

Norm

The norm range between **95% and 100%**

Interpretation of Results

This can be used in-year to monitor progress. Any variance below 95% indicates discrepancies in planning and budgeting, capacity challenges to implement projects and/or Supply Chain Management process failures, which should be investigated and corrective measures implemented.

Under-spending is also an indicator that the Municipality might be experiencing possible cash flow difficulties to implement projects. Ideally, under-spending should be the result of improved efficiencies and not as a result of non-implementation of programmes and/or projects.

Overspending may also indicate inaccurate budgeting or poor financial management control.

2. *Operating Expenditure Budget Implementation Indicator*

Purpose/ Use of the Ratio

This ratio measures the extent to which Budgeted Operating Expenditure has been spent during the financial year, under review. The ratio also assess whether the municipality has effective controls in place to ensure that expenditure is incurred in accordance with an approved budget.

Formula

Actual Operating Expenditure / Budgeted Operating Expenditure x 100

Norm

The norm range between **95% and 100%**

Interpretation of Results

Any variance from 100% indicates either challenge in capacity to implement, issues of financial controls and management and/or poor budgeting.

Under-spending normally is an indicator that the Municipality experiences possible Cash Flow difficulties or capacity challenges to undertake Budgeted/ planned service delivery, and/ or does not prepare accurate and credible Budgets. Ideally, under-spending should be the result of improved efficiencies and not as a result of non-implementation of programmes and/or projects.

Overspending may also indicate inaccurate budgeting or poor financial management control in respect of budget control.

3. *Operating Revenue Budget Implementation Indicator*

Purpose/ Use of the Ratio

This ratio measures the extent of Actual Operating Revenue (Excl. Capital Grant Revenue) received in relation to Budgeted Operating Revenue during the financial year, under review.

Formula

Actual Operating Revenue / Budgeted Operating Revenue x 100

Norm

The norm range between **95% and 100%**

Interpretation of Results

A ratio below 95% indicates either a challenge in capacity to implement, ineffective billing and credit control, weakness in compilation of budgets or issues of financial controls and management of the Municipality.

4. Service Charges and Property Rates Revenue Budget Implementation Indicator

Purpose/ Use of the Ratio

The ratio measures the extent of Actual Service Charges and Property Rates Revenue received in relation to Budgeted Service Charges and Property Rates Revenue during the financial year, under review.

Formula

Actual Service Charges and Property Rates Revenue / Budgeted Service Charges and Property Rates Revenue x 100

Norm

The norm range between **95% and 100%**

Interpretation of Results

A ratio below 95% indicates either a challenge in capacity to implement, ineffective billing and credit control, weakness in compilation of budgets or issues of financial controls and management of the Municipality.

Monitoring

It is important that these indicators are not seen or used in isolation of one another but used in a combined manner so as to provide a holistic picture of the financial status of the municipality or municipal entity. Poor outcomes with relation to these indicators can also point to weaknesses in Institutional and Governance aspects in a municipality that need attention. Therefore, Councillors, Municipal Managers, Chief Financial Officers, Accounting Offices of Municipal Entities, and all financial officials should derive benefits from a deeper understanding of these Ratios and Norms and their implications. The primary responsibility to avoid, identify and resolve financial problems in a municipality rests with the municipality and proper monitoring and use of these indicators, will support decision-makers overcome such challenges.

The use of these Ratios and Norms should assist Municipalities and Municipal Entities to predict, identify, prevent, avoid, and resolve financial problems/crisis timeously and serve as an early warning mechanism. Moreover, this will ensure that Municipalities and Municipal Entities make strategic decisions based on empirical and factual information and analysis for a sustainable outcome. Monitoring and trend analysis of these ratios is critical to ensure that measures are introduced to address areas needing attention and that there is progressive improvements of municipalities own position against the norms. These indicators and their norms, when viewed holistically, provide an overview of the financial position and performance of the Municipalities and Municipal Entities, while recognising institutional differences. Sound and effective financial management practices form the basis for an effective long term sustainable municipality.

The oversight role played by the Municipal Executive, Audit Committee, and Municipal Public Account Committee will also be enhanced with the use of these financial Ratios and Norms through implementation and reporting of financial information. The financial ratios and norms will strengthen financial management and accountability and be used throughout the cycle - integrated development plans (including long term financial plan), budgets, in-year reports for example section 52, 71 and 72 reports, annual financial statements, annual report and oversight reports. Comparison with other municipalities is now possible.

An Excel template has been developed (Annexure 2 of this Circular) to assist municipalities and Municipal Entities to populate relevant financial information, automate calculations, and assist in interpretation thereof.

These Ratios and Norms will be used to assess financial position and performance, quality of budgeting, management, and other characteristics of Municipalities and Municipal Entities, and should holistically provide an overview of the financial health of the Municipality or Municipal Entity, taking the respective and unique circumstances into account. Benchmarking and comparisons between Municipalities and Municipal Entities can also be undertaken, made simpler in future, and will further assist in targeting assistance and support, where needed.

Different institutions including, financial institutions, research organisations, rating agencies, national and provincial government, legislatures, amongst others, can use these uniform set of financial indicators, ratios and norms to monitor the financial position and performance of municipalities.

Implementation

The ratios and norms provided in this Circular and elaborated in the annexures are to be understood in an aspirational context and utilised as soon as possible to enable municipal councils to commence with the process of introducing measures to address areas needing attention. Municipalities and Municipal Entities should take advantage of the transition period, covering the medium term, to allow for progressive improvements of their own status against the ratios and norms.

Conclusion

The variety of financial ratios and norms, over 200, used by various institutions to assess and compare the financial health and performance of Municipalities and Municipal Entities has resulted in confusion across the sector, as users formulate assumptions based on different interpretation of the same financial information.

The Circular creates a uniform categorisation of ratios, standardising formulas and inputs, providing guidance on norms and interpretation of the financial ratio analysis, as applicable to Municipalities and Municipal Entities. There may be other ratios and norms used by analysts that are more appropriate to the financial status of private sector institutions, therefore, the use, differentiation and range described in this Circular should be understood within the context of a public sector institution.

This Circular therefore attempts to address the above challenges and also provide a more structured approach for holistic analysis, taking into cognisance the different type of Municipalities and Municipal Entities. The consistent use of these ratios and norms will assist in reporting accurately the status of municipal finances.

Institutions performing financial ratio analysis for Municipalities and Municipal Entities should therefore refer to this Circular and interpretation therein to ensure uniformity and consistency of application.

It is important that the Municipal Manager ensure that this Circular is brought to the attention of the Municipal Council, Board of Directors of Municipal Entities, relevant oversight structures (Municipal Executive, Audit Committee, and Municipal Public Account) and all other relevant stakeholders. Training providers are also requested to bring this Circular to the attention of trainees.

The introduction and application of these uniform norms, coupled with other financial reforms, will allow for comparisons with different type of municipalities and municipal entities and it is expected that they will replace earlier regulations issued that cover financial ratios and norms as these are based on the latest reforms in financial management.

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Chief Director: MFMA Implementation
17 January 2014

Annexure 1: Summary of the financial ratios, norms, formulae and data sources
Annexure 2: Excel template for calculation of the ratios and interpretation of results

SUMMARY OF UNIFORM FINANCIAL RATIO, FORMULAE, DATA SOURCE AND NORMS

1. FINANCIAL POSITION

A. Asset Management

	RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) × 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible Assets (Carrying Value)	Property, Plant and Equipment Impairment + Investment Property Impairment + Intangible Assets Impairment/(Total Property, Plant and Equipment + Investment Property + Intangible Assets) × 100	Statement of Financial Position, Notes to the AFS and AR	0%
3	Repairs and Maintenance as a % of Property, Plant and Equipment, 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%

B. Debtors Management

	RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
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%
2	Bad Debts Written-off as % of Provision for Bad Debt	Bad Debts Written-off /Provision for Bad Debt x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	100%
3	Net Debtors Days	((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue)) × 365	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	30 days

C. Liquidity Management

	RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Cash/Cost Coverage Ratio (Excluding 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
2	Current Ratio	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1

D. Liability Management

	RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Capital Cost(Interest Paid and Redemption) as a % of Total Operating Expenditure	Capital Cost(Interest Paid and Redemption) / Total Operating Expenditure x100	Statement of Financial Position, Statement of Cash Flows, Statement of Financial Performance, Budget, IDP, In-Year Reports and AR	6% - 8%
2	Debt (Total Borrowings) / Revenue	(Overdraft + Current Finance Lease Obligation + Non Finance Lease Obligation + Short Term Borrowings + Long Term Borrowings) / Total Operating Revenue	Statement of Financial Position, Statement of Financial Performance, Budget, IDP and AR	45%

E. Sustainability

	RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
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)	Statement Financial Position, Budget and AR	100%

2. FINANCIAL PERFORMANCE

A. Efficiency

	RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
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 Assets	= or > 0%
2	Net Surplus /Deficit Electricity	Total Electricity Revenue less Total Electricity Expenditure/Total Electricity Revenue × 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	0% - 15%
3	Net Surplus /Deficit Water	Total Water Revenue less Total Water Expenditure/Total Water Revenue × 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%
4	Net Surplus /Deficit Refuse	Total Refuse Revenue less Total Refuse Expenditure/Total Refuse Revenue × 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%
5	Net Surplus /Deficit Sanitation and Waste Water	Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure/Total Sanitation and Waste Water Revenue × 100	Statement of Financial Performance, Notes to AFS Budget, IDP, In-Year reports and AR	= or > 0%

B. Distribution Losses

RATIO		FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Electricity Distribution Losses (Percentage)	(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated) × 100	Annual Report, Audit Report and Notes to Annual Financial Statements	7% - 10%
2	Water Distribution Losses (Percentage)	(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified × 100	Annual Report, Audit Report and Notes to Annual Financial Statements	15% - 30%

C. Revenue Management

	RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Growth in Number of Active Consumer Accounts	(Period under review's number of Active Debtor Accounts - previous period number of Active Debtor Accounts)/ previous period number of Active Debtor Accounts x 100	Debtors System	None
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
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

D. Expenditure Management

	RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) × 365	Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR	30 days
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%
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%
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%

E. Grant Dependency

	RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
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 Actual Information), Budget, IDP, In-Year reports and AR	None
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 (Statement of Comparative and Actual Information) Budget, IDP, In-Year reports and AR	None
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

3. BUDGET IMPLEMENTATION

	RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
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%
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%
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%
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%

NATIONAL TREASURY

MFMA Circular No 71

Municipal Finance Management Act No. 56 of 2003

Annexure 2

Interpretation of results

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

Template for Calculation of Uniform Financial Ratios and Norms 2018/19 Restated

RATIO	FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION	MUNICIPAL COMMENTS (#)
					" R 000 "		
1. FINANCIAL POSITION							
A. Asset Management/Utilisation							
1	Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) × 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%		14%	*Restated*	
					Total Operating Expenditure	1 108 535 945		
					Taxation Expense			
					Total Capital Expenditure	175 109 715		
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	Property, Plant and Equipment + Investment Property + Intangible Assets Impairment/(Total Property, Plant and Equipment + Investment Property + Intangible Assets) × 100	Statement of Financial Position, Notes to the AFS and AR	0%		0%	*Restated*	
					PPE, Investment Property and Intangible Impairment	1 444 354		
					PPE at carrying value	3 536 356 939		
					Investment at carrying value	117 432 500		
					Intangible Assets at carrying value	8 596 755		
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%		6%	*Restated*	Repairs & maintenance compises 19.40% of total expenditure. Asset value was enhanced with the introduction of GRAP i.r.o. Depreciated Replacement Cost.
					Total Repairs and Maintenance Expenditure	215 024 327		
					PPE at carrying value	3 536 356 939		
					Investment Property at Carrying value	117 432 500		
B. Debtors Management								
						98%		

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	100 107 596	*Restated*	
					Gross Debtors opeining balance	86 730 701		
					Bad debts written Off	827 584		
					Billed Revenue	881 125 384		
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%		3%	*Restated*	The norm range appears incorrect
					Consumer Debtors Bad debts written off	827 584		
					Consumer Debtors Current bad debt Provision	26 108 000		
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		31 days	*Restated*	
					Gross debtors	100 107 596		
					Bad debts Provision	26 108 000		
					Billed Revenue	881 125 384		
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		7 Month	*Restated*	
					Cash and cash equivalents	123 987 652		
					Unspent Conditional Grants	10 040 875		
					Overdraft			
					Short Term Investments	409 199 854		
					Total Annual Operational Expenditure	959 322 443		
2	Current Ratio	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1		3.10	*Restated*	
					Current Assets	684 399 435		
					Current Liabilities	220 717 104		
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%		7%	*Restated*	
					Interest Paid	44 920 621		
					Redemption	33 448 447		
					Total Operating Expenditure	1 108 535 945		
					Taxation Expense			
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 Grants) x 100	Statement of Financial Position, Statement of Financial Performance, Budget, IDP and AR	45%		44%	*Restated*	
					Total Debt	462 657 608		
					Total Operating Revenue	1 156 425 497		
					Operational Conditional Grants	106 306 078		
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%		17777%	*Restated*	
					Cash and cash Equivalents	123 987 652		
					Bank Overdraft			
					Short Term Investment	409 199 854		
					Long Term Investment	50 523 542		
					Unspent Grants	10 040 875		
					Net Assets	3 531 506 158		
					Share Premium			
					Share Capital			
					Revaluation Reserve			

					Fair Value Adjustment Reserve			
					Accumulated Surplus	3 528 279 205		

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%		4%	*Restated*	
					Total Operating Revenue	1 156 425 497		
					Depreciation - Revalued Portion *(Only populate if depreciation line item in the Statement of Financial Performance is based on the revalued asset value)*	-		
					Total Operating Expenditure	1 108 535 945		
					Taxation Expense	-		
2	Net Surplus /Deficit Electricity	Total Electricity Revenue less Total Electricity Expenditure/Total Electricity Revenue × 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	0% - 15%		13%	*Restated*	
					Total Electricity Revenue	419 560 383		
					Total Electricity Expenditure	365 115 031		
3	Net Surplus /Deficit Water	Total Water Revenue less Total Water Expenditure/Total Water Revenue × 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%		16%	*Restated*	
					Total Water Revenue	145 980 226		
					Total Water Expenditure	122 989 424		
4	Net Surplus /Deficit Refuse	Total Refuse Revenue less Total Refuse Expenditure/Total Refuse Revenue × 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%		-6%	*Restated*	Aware of the rising costs of refuse removal as well as operation by the district municipalty of the new landfill site - Referred to
					Total Refuse Revenue	76 776 550		
					Total Refuse Expenditure	81 024 260		
5	Net Surplus /Deficit Sanitation and Waste Water	Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure/Total Sanitation and Waste Water Revenue × 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	= or > 0%		10%	*Restated*	
					Total Sanitation and Water Waste Revenue	110 676 558		
					Total Sanitation and Water Waste Expenditure	99 416 701		

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) × 100	Annual Report, Audit Report and Notes to Annual Financial Statements	7% - 10%		6%	*Restated*	
					Number of units purchased and/or generated	256 543 041		
					Number of units sold	240 005 798		
2	Water Distribution Losses (Percentage)	(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified × 100	Annual Report, Audit Report and Notes to Annual Financial Statements	15% - 30%		24%	*Restated*	
					Number of kilolitres purchased and/or purified	7 015 091		
					Number of kilolitres sold	5 314 233		

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 Debtor Accounts x 100	Debtors System	None		0%		
					Number of Active Debtors Accounts (Previous)	48 637	*Restated*	
					Number of Active Debtors Accounts (Current)	48 613		
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		6%		
					CPI	5%	*Restated*	Refer to flactuations in the housing grant (operational vs capital)
					Total Revenue (Previous)	1 141 286 578		
					Total Revenue (Current)	1 215 062 400		
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		7%		
					CPI	5%		
					Total Revenue Exl.Capital (Previous)	1 077 023 486	*Restated*	Refer to flactuations in the housing grant (operational vs capital)
					Total Revenue Exl.Capital (Current)	1 156 425 497		

D. Expenditure Management

1	Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) × 365	Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR	30 days		26 days		
					Trade Creditors	49 950 923		
					Contracted Services	100 574 346		
					Repairs and Maintenance	125 609 636		
					General expenses	49 079 838		
					Bulk Purchases	242 613 624	*Restated*	
					Capital Credit Purchases *(Capital Credit Purchases refers to additions of Investment Property and Property,Plant and Equipment)*	175 109 715		
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%		3%		
					Irregular, Fruitless and Wasteful and Unauthorised Expenditure	27 970 740		
					Total Operating Expenditure	1 108 535 945	*Restated*	
					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%		34%		
					Employee/personnel related cost	368 000 044		
					Councillors Remuneration	10 573 228	*Restated*	
					Total Operating Expenditure	1 108 535 945		
					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%		17%		
					Contracted Services	186 336 164	*Restated*	
					Total Operating Expenditure	1 108 535 945		
					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 Actual Information), Budget, IDP, In-Year reports and AR	None		47%		
					Internally generated funds	45 612 629	*Restated*	
					Borrowings	36 495 201		
					Total Capital Expenditure	175 109 715		

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 (Statement of Comparative and Actual Information) Budget, IDP, In-Year reports and AR	None		26%		
					Internally generated funds	45 612 629	*Restated*	
					Total Capital Expenditure	175 109 715		

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		89%		
					Total Revenue	1 215 062 398		
					Government grant and subsidies	138 257 709	*Restated*	
					Public contributions and Donations	26 685 272		
					Capital Grants	31 951 631		

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%		100%		
					Actual Capital Expenditure	175 109 715	*Restated*	
					Budget Capital Expenditure	174 748 163		

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%		96%		
					Actual Operating Expenditure	1 108 535 945	*Restated*	
					Budget Operating Expenditure	1 154 476 388		

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%		107%		
					Actual Operating Revenue	1 156 425 497	*Restated*	Not sure why 100% collection should be penalised
					Budget Operating Revenue	1 083 297 864		

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%		102%		
					Actual Service Charges and Property Rates Revenue	881 125 384	*Restated*	Not sure why 100% collection should be penalised
					Budget Service Charges and Property Rates Revenue	859 716 500		

NATIONAL TREASURY

MFMA Circular No 71

Municipal Finance Management Act No. 56 of 2003

Annexure 2

Interpretation of results

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

Template for Calculation of Uniform Financial Ratios and Norms 2019/20 Audited

RATIO	FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION	MUNICIPAL COMMENTS (#)
					" R 000 "		
1. FINANCIAL POSITION							
A. Asset Management/Utilisation							
1	Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) × 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%		15%	*Audited*	
					Total Operating Expenditure	1 191 081 858		
					Taxation Expense	-		
					Total Capital Expenditure	211 056 463		
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	Property, Plant and Equipment + Investment Property + Intangible Assets Impairment/(Total Property, Plant and Equipment + Investment Property + Intangible Assets) × 100	Statement of Financial Position, Notes to the AFS and AR	0%		0%	*Audited*	
					PPE, Investment Property and Intangible Impairment	1 834 594		
					PPE at carrying value	3 485 839 695		
					Investment at carrying value	122 920 500		
					Intangible Assets at carrying value	9 168 010		
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%		5%	*Audited*	Repairs & maintenance compises 15.83% of total expenditure. Asset value was enhanced with the introduction of GRAP i.r.o. Depreciated Replacement Cost.
					Total Repairs and Maintenance Expenditure	188 517 252		
					PPE at carrying value	3 485 839 695		
					Investment Property at Carrying value	122 920 500		
B. Debtors Management								
						96%		

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	210 654 495	*Audited*	
					Gross Debtors opeining balance	175 201 265		
					Bad debts written Off	658 643		
					Billed Revenue	939 088 246		
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%		1%	*Audited*	The norm range appears incorrect
					Consumer Debtors Bad debts written off	658 643		
					Consumer Debtors Current bad debt Provision	76 176 102		
3	Net Debtors Days	((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue)) × 365	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	30 days		52 days	*Audited*	This compares ALL debtors to only billed revenue and therefore does not give the most accurate debtor days
					Gross debtors	210 654 495		
					Bad debts Provision	76 176 102		
					Billed Revenue	939 088 246		
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		7 Month	*Audited*	
					Cash and cash equivalents	143 570 238		
					Unspent Conditional Grants	31 132 871		
					Overdraft			
					Short Term Investments	510 242 885		
					Total Annual Operational Expenditure	1 032 803 551		
2	Current Ratio	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1		2.75	*Audited*	
					Current Assets	809 608 926		
					Current Liabilities	294 861 174		
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%		7%	*Audited*	
					Interest Paid	46 570 200		
					Redemption	39 724 608		
					Total Operating Expenditure	1 191 081 858		
					Taxation Expense			
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 Grants) x 100	Statement of Financial Position, Statement of Financial Performance, Budget, IDP and AR	45%		41%	*Audited*	
					Total Debt	476 933 000		
					Total Operating Revenue	1 288 827 839		
					Operational Conditional Grants	123 140 482		
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%		20736%	*Audited*	
					Cash and cash Equivalents	143 570 238		
					Bank Overdraft			
					Short Term Investment	510 242 885		
					Long Term Investment	46 515 060		
					Unspent Grants	31 132 871		
					Net Assets	3 667 982 529		
					Share Premium			
					Share Capital			
					Revaluation Reserve			

					Fair Value Adjustment Reserve			
					Accumulated Surplus	3 664 755 365		

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%		8%	*Audited*	
					Total Operating Revenue	1 288 827 839		
					Depreciation - Revalued Portion *(Only populate if depreciation line item in the Statement of Financial Performance is based on the revalued asset value)*	-		
					Total Operating Expenditure	1 191 081 858		
					Taxation Expense	-		
2	Net Surplus /Deficit Electricity	Total Electricity Revenue less Total Electricity Expenditure/Total Electricity Revenue × 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	0% - 15%		8%	*Audited*	
					Total Electricity Revenue	459 980 208		
					Total Electricity Expenditure	421 063 990		
3	Net Surplus /Deficit Water	Total Water Revenue less Total Water Expenditure/Total Water Revenue × 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%		16%	*Audited*	
					Total Water Revenue	153 633 169		
					Total Water Expenditure	128 853 890		
4	Net Surplus /Deficit Refuse	Total Refuse Revenue less Total Refuse Expenditure/Total Refuse Revenue × 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%		5%	*Audited*	
					Total Refuse Revenue	86 662 024		
					Total Refuse Expenditure	82 343 978		
5	Net Surplus /Deficit Sanitation and Waste Water	Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure/Total Sanitation and Waste Water Revenue × 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	= or > 0%		-2%	*Audited*	
					Total Sanitation and Water Waste Revenue	103 933 774		
					Total Sanitation and Water Waste Expenditure	106 497 738		

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) × 100	Annual Report, Audit Report and Notes to Annual Financial Statements	7% - 10%		6%	*Audited*	
					Number of units purchased and/or generated	253 797 658		
					Number of units sold	238 519 039		
2	Water Distribution Losses (Percentage)	(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified × 100	Annual Report, Audit Report and Notes to Annual Financial Statements	15% - 30%		26%	*Audited*	
					Number of kilolitres purchased and/or purified	7 086 457		
					Number of kilolitres sold	5 250 356		

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 Debtor Accounts x 100	Debtors System	None		0%		
					Number of Active Debtors Accounts (Previous)	48 613	*Audited*	
					Number of Active Debtors Accounts (Current)	48 755		
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		9%		
					CPI	5%	*Audited*	Refer to flactuations in the housing grant (operational vs capital)
					Total Revenue (Previous)	1 215 062 400		
					Total Revenue (Current)	1 329 949 463		
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		11%		
					CPI	5%		
					Total Revenue Exl.Capital (Previous)	1 156 425 497	*Audited*	
					Total Revenue Exl.Capital (Current)	1 288 827 839		Refer to flactuations in the housing grant (operational vs capital)

D. Expenditure Management

1	Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) × 365	Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR	30 days		33 days		
					Trade Creditors	71 304 910		
					Contracted Services	120 195 187		
					Repairs and Maintenance	92 032 858		
					General expenses	75 987 847		
					Bulk Purchases	278 547 666	*Audited*	
					Capital Credit Purchases *(Capital Credit Purchases refers to additions of Investment Property and Property,Plant and Equipment)*	211 056 463		
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%		0%		
					Irregular, Fruitless and Wasteful and Unauthorised Expenditure	3 780 636		
					Total Operating Expenditure	1 191 081 858	*Audited*	
					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%		33%		
					Employee/personnel related cost	382 572 151		
					Councillors Remuneration	11 282 325	*Audited*	
					Total Operating Expenditure	1 191 081 858		
					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%		15%	*Audited*	Cost analysis conducted to deliver cost effective services.
					Contracted Services	178 363 151		
					Total Operating Expenditure	1 191 081 858		
					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 Actual Information), Budget, IDP, In-Year reports and AR	None		43%	*Audited*	
					Internally generated funds	39 357 705		
					Borrowings	50 476 397		
					Total Capital Expenditure	211 056 463		

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 (Statement of Comparative and Actual Information) Budget, IDP, In-Year reports and AR	None		19%	*Audited*	
					Internally generated funds	39 357 705		
					Total Capital Expenditure	211 056 463		

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		90%	*Audited*	
					Total Revenue	1 329 949 463		
					Government grant and subsidies	160 532 335		
					Public contributions and Donations	3 729 771		
					Capital Grants	37 391 853		

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%		77%	*Audited*	
					Actual Capital Expenditure	211 056 463		
					Budget Capital Expenditure	275 799 967		

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%		91%	*Audited*	
					Actual Operating Expenditure	1 191 081 858		
					Budget Operating Expenditure	1 306 768 048		

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%		100%	*Audited*	
					Actual Operating Revenue	1 288 827 839		
					Budget Operating Revenue	1 290 877 415		

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%		101%	*Audited*	Not sure why 100% collection should be penalised
					Actual Service Charges and Property Rates Revenue	939 088 246		
					Budget Service Charges and Property Rates Revenue	932 999 816		

NATIONAL TREASURY

MFMA Circular No 71

Municipal Finance Management Act No. 56 of 2003

Annexure 2

Interpretation of results

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

Template for Calculation of Uniform Financial Ratios and Norms 2020/21 Projected

RATIO	FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION	MUNICIPAL COMMENTS (#)
					" R 000 "		
1. FINANCIAL POSITION							
A. Asset Management/Utilisation							
1	Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) × 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%		16%	*2020/21 Projected 5*	
					Total Operating Expenditure	1 320 935 942		
					Taxation Expense	-		
					Total Capital Expenditure	254 800 185		
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	Property, Plant and Equipment + Investment Property + Intangible Assets Impairment/(Total Property, Plant and Equipment + Investment Property + Intangible Assets) × 100	Statement of Financial Position, Notes to the AFS and AR	0%		0%	*2020/21 Projected 5*	
					PPE, Investment Property and Intangible Impairment	1 634 549		
					PPE at carrying value	3 599 140 994		
					Investment at carrying value	127 537 500		
					Intangible Assets at carrying value	8 993 219		
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%		6%	*2020/21 Projected 5*	Repairs & maintenance compises 15.97% of total expenditure. Asset value was enhanced with the introduction of GRAP i.r.o. Depreciated Replacement Cost.
					Total Repairs and Maintenance Expenditure	210 900 890		
					PPE at carrying value	3 599 140 994		
					Investment Property at Carrying value	127 537 500		
B. Debtors Management								
						100%		

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	205 277 094	2020/21 Projected 5	
					Gross Debtors opeining balance	210 654 495		
					Bad debts written Off	856 499		
					Billed Revenue	994 418 895		
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%		1%	2020/21 Projected 5	The norm range appears incorrect
					Consumer Debtors Bad debts written off	856 499		
					Consumer Debtors Current bad debt Provision	82 565 740		
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		45 days	2020/21 Projected 5	Taking into account/providing for the high risk regarding the COVID19 lockdown consequences
					Gross debtors	205 277 094		
					Bad debts Provision	82 565 740		
					Billed Revenue	994 418 895		
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		6 Month	2020/21 Projected 5	
					Cash and cash equivalents	202 481 996		
					Unspent Conditional Grants	24 029 735		
					Overdraft			
					Short Term Investments	410 240 607		
					Total Annual Operational Expenditure	1 173 088 027		
2	Current Ratio	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1		2.47	2020/21 Projected 5	
					Current Assets	765 708 927		
					Current Liabilities	310 222 432		
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%		7%	2020/21 Projected 5	
					Interest Paid	48 805 228		
					Redemption	46 576 253		
					Total Operating Expenditure	1 320 935 942		
					Taxation Expense	-		
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 Grants) x 100	Statement of Financial Position, Statement of Financial Performance, Budget, IDP and AR	45%		41%	2020/21 Projected 5	
					Total Debt	484 356 747		
					Total Operating Revenue	1 314 564 944		
					Operational Conditional Grants	140 895 452		
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%		19922%	2020/21 Projected 5	
					Cash and cash Equivalents	202 481 996		
					Bank Overdraft			
					Short Term Investment	410 240 607		
					Long Term Investment	54 278 368		
					Unspent Grants	24 029 735		
					Net Assets	3 698 830 307		
					Share Premium			
					Share Capital			
					Revaluation Reserve			

					Fair Value Adjustment Reserve			
					Accumulated Surplus	3 695 602 932		

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%		0%	*2020/21 Projected 5*	Refer to flactuations in the housing grant (operational vs capital)
					Total Operating Revenue	1 314 564 944		
					Depreciation - Revalued Portion *(Only populate if depreciation line item in the Statement of Financial Performance is based on the revalued asset value)*			
					Total Operating Expenditure	1 320 935 942		
					Taxation Expense			
2	Net Surplus /Deficit Electricity	Total Electricity Revenue less Total Electricity Expenditure/Total Electricity Revenue × 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	0% - 15%		9%	*2020/21 Projected 5*	
					Total Electricity Revenue	481 694 831		
					Total Electricity Expenditure	436 565 368		
3	Net Surplus /Deficit Water	Total Water Revenue less Total Water Expenditure/Total Water Revenue × 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%		10%	*2020/21 Projected 5*	
					Total Water Revenue	153 115 215		
					Total Water Expenditure	137 370 795		
4	Net Surplus /Deficit Refuse	Total Refuse Revenue less Total Refuse Expenditure/Total Refuse Revenue × 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%		-13%	*2020/21 Projected 5*	
					Total Refuse Revenue	94 656 778		
					Total Refuse Expenditure	107 328 369		
5	Net Surplus /Deficit Sanitation and Waste Water	Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure/Total Sanitation and Waste Water Revenue × 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	= or > 0%		4%	*2020/21 Projected 5*	
					Total Sanitation and Water Waste Revenue	117 987 054		
					Total Sanitation and Water Waste Expenditure	112 745 847		

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) × 100	Annual Report, Audit Report and Notes to Annual Financial Statements	7% - 10%		7%	*2020/21 Projected 5*	
					Number of units purchased and/or generated	256 572 652		
					Number of units sold	237 717 615		
2	Water Distribution Losses (Percentage)	(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified × 100	Annual Report, Audit Report and Notes to Annual Financial Statements	15% - 30%		28%	*2020/21 Projected 5*	
					Number of kilolitres purchased and/or purified	7 350 903		
					Number of kilolitres sold	5 273 591		

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 Debtor Accounts x 100	Debtors System	None		3%		
					Number of Active Debtors Accounts (Previous)	48 755	*2020/21 Projected 5*	
					Number of Active Debtors Accounts (Current)	50 000		
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		2%		
					CPI	5%	*2020/21 Projected 5*	Refer to flactuations in the housing grant (operational vs capital)
					Total Revenue (Previous)	1 329 949 465		
					Total Revenue (Current)	1 351 783 715		
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		0%		
					CPI	5%		
					Total Revenue Exl.Capital (Previous)	1 288 827 841	*2020/21 Projected 5*	
					Total Revenue Exl.Capital (Current)	1 290 645 809		Refer to flactuations in the housing grant (operational vs capital)

D. Expenditure Management

1	Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) × 365	Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR	30 days		31 days		
					Trade Creditors	74 659 212		
					Contracted Services	127 098 926		
					Repairs and Maintenance	109 204 826		
					General expenses	101 506 847		
					Bulk Purchases	298 272 081	*2020/21 Projected 5*	
					Capital Credit Purchases *(Capital Credit Purchases refers to additions of Investment Property and Property,Plant and Equipment)*	254 800 185		
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%		0%		
					Irregular, Fruitless and Wasteful and Unauthorised Expenditure			
					Total Operating Expenditure	1 320 935 942	*2020/21 Projected 5*	
					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%		34%		
					Employee/personnel related cost	437 874 472		
					Councillors Remuneration	11 218 781	*2020/21 Projected 5*	
					Total Operating Expenditure	1 320 935 942		
					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%		16%	2020/21 Projected 5	Cost analysis conducted to deliver cost effective services.
					Contracted Services	208 095 282		
					Total Operating Expenditure	1 320 935 942		
					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 Actual Information), Budget, IDP, In-Year reports and AR	None		85%	2020/21 Projected 5	
					Internally generated funds	172 138 914		
					Borrowings	45 442 500		
					Total Capital Expenditure	254 800 185		

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 (Statement of Comparative and Actual Information) Budget, IDP, In-Year reports and AR	None		68%	2020/21 Projected 5	
					Internally generated funds	172 138 914		
					Total Capital Expenditure	254 800 185		

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		87%	2020/21 Projected 5	
					Total Revenue	1 351 783 715		
					Government grant and subsidies	178 114 223		
					Public contributions and Donations	23 919 135		
					Capital Grants	37 218 771		

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%		91%	2020/21 Projected 5	
					Actual Capital Expenditure	254 800 185		
					Budget Capital Expenditure	280 086 380		

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%		97%	2020/21 Projected 5	
					Actual Operating Expenditure	1 320 935 942		
					Budget Operating Expenditure	1 360 558 620		

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%		100%	2020/21 Projected 5	
					Actual Operating Revenue	1 314 564 944		
					Budget Operating Revenue	1 310 080 334		

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%		103%	2020/21 Projected 5	Not sure why 100% collection should be penalised
					Actual Service Charges and Property Rates Revenue	994 418 895		
					Budget Service Charges and Property Rates Revenue	969 449 769		

NATIONAL TREASURY

MFMA Circular No 71

Municipal Finance Management Act No. 56 of 2003

Annexure 2

Interpretation of results

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

Template for Calculation of Uniform Financial Ratios and Norms 2021/22 Projected

RATIO	FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION	MUNICIPAL COMMENTS (#)
					" R 000 "		
1. FINANCIAL POSITION							
A. Asset Management/Utilisation							
1	Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) × 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%		14%	*2021/22 Projected 4*	
					Total Operating Expenditure	1 520 917 890		
					Taxation Expense	-		
					Total Capital Expenditure	239 978 890		
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	Property, Plant and Equipment + Investment Property + Intangible Assets Impairment/(Total Property, Plant and Equipment + Investment Property + Intangible Assets) × 100	Statement of Financial Position, Notes to the AFS and AR	0%		0%	*2021/22 Projected 4*	
					PPE, Investment Property and Intangible Impairment			
					PPE at carrying value	3 733 040 637		
					Investment at carrying value	127 346 000		
					Intangible Assets at carrying value	8 602 881		
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%		7%	*2021/22 Projected 4*	Repairs & maintenance compises 16.94% of total expenditure. Asset value was enhanced with the introduction of GRAP i.r.o. Depreciated Replacement Cost.
					Total Repairs and Maintenance Expenditure	257 628 417		
					PPE at carrying value	3 733 040 637		
					Investment Property at Carrying value	127 346 000		
B. Debtors Management								
						100%		

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	126 616 877	*2021/22 Projected 4*	
					Gross Debtors opeining balance	128 344 606		
					Bad debts written Off	-		
					Billed Revenue	1 069 494 456		
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%		0%	*2021/22 Projected 4*	The norm range appears incorrect
					Consumer Debtors Bad debts written off	-		
					Consumer Debtors Current bad debt Provision	42 141 428		
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		29 days	*2021/22 Projected 4*	Taking into account/providing for the high risk regarding the COVID19 lockdown consequences
					Gross debtors	126 616 877		
					Bad debts Provision	42 141 428		
					Billed Revenue	1 069 494 456		
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		5 Month	*2021/22 Projected 4*	
					Cash and cash equivalents	166 301 919		
					Unspent Conditional Grants	-		
					Overdraft			
					Short Term Investments	400 000 000		
					Total Annual Operational Expenditure	1 361 712 238		
2	Current Ratio	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1		1.85	*2021/22 Projected 4*	
					Current Assets	707 463 401		
					Current Liabilities	382 499 677		
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%		7%	*2021/22 Projected 4*	
					Interest Paid	51 803 648		
					Redemption	54 645 960		
					Total Operating Expenditure	1 520 917 890		
					Taxation Expense			
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 Grants) x 100	Statement of Financial Position, Statement of Financial Performance, Budget, IDP and AR	45%		38%	*2021/22 Projected 4*	
					Total Debt	481 057 758		
					Total Operating Revenue	1 438 553 209		
					Operational Conditional Grants	157 281 284		
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%		19087%	*2021/22 Projected 4*	
					Cash and cash Equivalents	166 301 919		
					Bank Overdraft			
					Short Term Investment	400 000 000		
					Long Term Investment	62 164 557		
					Unspent Grants	12 442 381		
					Net Assets	3 691 222 284		
					Share Premium			
					Share Capital			
					Revaluation Reserve			

					Fair Value Adjustment Reserve			
					Accumulated Surplus	3 687 994 784		

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%		-6%	2021/22 Projected 4	Refer to flactuations in the housing grant (operational vs capital)
					Total Operating Revenue	1 438 553 209		
					Depreciation - Revalued Portion *(Only populate if depreciation line item in the Statement of Financial Performance is based on the revalued asset value)*			
					Total Operating Expenditure	1 520 917 890		
					Taxation Expense			
2	Net Surplus /Deficit Electricity	Total Electricity Revenue less Total Electricity Expenditure/Total Electricity Revenue × 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	0% - 15%		6%	2021/22 Projected 4	
					Total Electricity Revenue	538 843 532		
					Total Electricity Expenditure	505 140 622		
3	Net Surplus /Deficit Water	Total Water Revenue less Total Water Expenditure/Total Water Revenue × 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%		2%	2021/22 Projected 4	
					Total Water Revenue	147 445 938		
					Total Water Expenditure	144 040 386		
4	Net Surplus /Deficit Refuse	Total Refuse Revenue less Total Refuse Expenditure/Total Refuse Revenue × 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%		0%	2021/22 Projected 4	
					Total Refuse Revenue	94 144 886		
					Total Refuse Expenditure	94 017 578		
5	Net Surplus /Deficit Sanitation and Waste Water	Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure/Total Sanitation and Waste Water Revenue × 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	= or > 0%		7%	2021/22 Projected 4	
					Total Sanitation and Water Waste Revenue	106 856 118		
					Total Sanitation and Water Waste Expenditure	99 523 480		

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) × 100	Annual Report, Audit Report and Notes to Annual Financial Statements	7% - 10%		6%	2021/22 Projected 4	
					Number of units purchased and/or generated	250 912 516		
					Number of units sold	235 857 765		
2	Water Distribution Losses (Percentage)	(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified × 100	Annual Report, Audit Report and Notes to Annual Financial Statements	15% - 30%		25%	2021/22 Projected 4	
					Number of kilolitres purchased and/or purified	7 720 616		
					Number of kilolitres sold	5 829 065		

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 Debtor Accounts x 100	Debtors System	None		6%		
					Number of Active Debtors Accounts (Previous)	50 000	*2021/22 Projected 4*	
					Number of Active Debtors Accounts (Current)	53 000		
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		10%		
					CPI	5%	*2021/22 Projected 4*	Refer to flactuations in the housing grant (operational vs capital)
					Total Revenue (Previous)	1 351 783 715		
					Total Revenue (Current)	1 491 211 751		
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		11%		
					CPI	5%		
					Total Revenue Exl.Capital (Previous)	1 290 645 809	*2021/22 Projected 4*	
					Total Revenue Exl.Capital (Current)	1 438 553 209		Refer to flactuations in the housing grant (operational vs capital)

D. Expenditure Management

1	Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) × 365	Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR	30 days		30 days		
					Trade Creditors	83 000 000		
					Contracted Services	151 971 324		
					Repairs and Maintenance	134 823 447		
					General expenses	140 400 813		
					Bulk Purchases	353 706 800	*2021/22 Projected 4*	
					Capital Credit Purchases *(Capital Credit Purchases refers to additions of Investment Property and Property,Plant and Equipment)*	239 978 890		
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%		0%		
					Irregular, Fruitless and Wasteful and Unauthorised Expenditure	-		
					Total Operating Expenditure	1 520 917 890	*2021/22 Projected 4*	
					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%		32%		
					Employee/personnel related cost	478 178 520		
					Councillors Remuneration	12 400 990	*2021/22 Projected 4*	
					Total Operating Expenditure	1 520 917 890		
					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%		17%	*2021/22 Projected 4*	Cost analysis conducted to deliver cost effective services.
					Contracted Services	254 506 481		
					Total Operating Expenditure	1 520 917 890		
					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 Actual Information), Budget, IDP, In-Year reports and AR	None		53%	*2021/22 Projected 4*	
					Internally generated funds	54 094 232		
					Borrowings	72 761 444		
					Total Capital Expenditure	239 978 890		

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 (Statement of Comparative and Actual Information) Budget, IDP, In-Year reports and AR	None		23%	*2021/22 Projected 4*	
					Internally generated funds	54 094 232		
					Total Capital Expenditure	239 978 890		

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		92%	*2021/22 Projected 4*	
					Total Revenue	1 491 211 751		
					Government grant and subsidies	157 281 284		
					Public contributions and Donations	3 596 542		
					Capital Grants	49 062 000		

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%		100%	*2021/22 Projected 4*	
					Actual Capital Expenditure	239 978 890		
					Budget Capital Expenditure	239 978 890		

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%		100%	*2021/22 Projected 4*	
					Actual Operating Expenditure	1 520 917 890		
					Budget Operating Expenditure	1 520 917 890		

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%		100%	*2021/22 Projected 4*	
					Actual Operating Revenue	1 438 553 209		
					Budget Operating Revenue	1 438 553 209		

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%		100%	*2021/22 Projected 4*	
					Actual Service Charges and Property Rates Revenue	1 069 494 456		
					Budget Service Charges and Property Rates Revenue	1 069 494 456		

NATIONAL TREASURY

MFMA Circular No 71

Municipal Finance Management Act No. 56 of 2003

Annexure 2

Interpretation of results

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

Template for Calculation of Uniform Financial Ratios and Norms 2022/23 Projected

RATIO	FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION	MUNICIPAL COMMENTS (#)
					" R 000 "		
1. FINANCIAL POSITION							
A. Asset Management/Utilisation							
1	Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) × 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%		12%	*2022/23 Projected 3*	
					Total Operating Expenditure	1 615 768 052		
					Taxation Expense	-		
					Total Capital Expenditure	212 807 998		
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	Property, Plant and Equipment + Investment Property + Intangible Assets Impairment/(Total Property, Plant and Equipment + Investment Property + Intangible Assets) × 100	Statement of Financial Position, Notes to the AFS and AR	0%		0%	*2022/23 Projected 3*	
					PPE, Investment Property and Intangible Impairment			
					PPE at carrying value	3 799 653 129		
					Investment at carrying value	132 846 000		
					Intangible Assets at carrying value	8 202 881		
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%		7%	*2022/23 Projected 3*	Repairs & maintenance compises 16.56% of total expenditure. Asset value was enhanced with the introduction of GRAP i.r.o. Depreciated Replacement Cost.
					Total Repairs and Maintenance Expenditure	267 602 019		
					PPE at carrying value	3 799 653 129		
					Investment Property at Carrying value	132 846 000		
B. Debtors Management								
						98%		

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	153 550 399	2022/23 Projected 3	
					Gross Debtors opeining balance	126 616 877		
					Bad debts written Off	-		
					Billed Revenue	1 161 515 500		
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%		0%	2022/23 Projected 3	The norm range appears incorrect
					Consumer Debtors Bad debts written off	-		
					Consumer Debtors Current bad debt Provision	46 258 377		
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		34 days	2022/23 Projected 3	Taking into account/providing for the high risk regarding the COVID19 lockdown consequences
					Gross debtors	153 550 399		
					Bad debts Provision	46 258 377		
					Billed Revenue	1 161 515 500		
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		4 Month	2022/23 Projected 3	
					Cash and cash equivalents	46 034 033		
					Unspent Conditional Grants			
					Overdraft			
					Short Term Investments	400 000 000		
					Total Annual Operational Expenditure	1 455 608 778		
2	Current Ratio	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1		1.87	2022/23 Projected 3	
					Current Assets	622 854 173		
					Current Liabilities	333 781 884		
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%		6%	2022/23 Projected 3	
					Interest Paid	48 056 000		
					Redemption	50 623 488		
					Total Operating Expenditure	1 615 768 052		
					Taxation Expense			
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 Grants) x 100	Statement of Financial Position, Statement of Financial Performance, Budget, IDP and AR	45%		35%	2022/23 Projected 3	
					Total Debt	479 776 719		
					Total Operating Revenue	1 537 182 547		
					Operational Conditional Grants	166 040 100		
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%		16014%	2022/23 Projected 3	
					Cash and cash Equivalents	46 034 033		
					Bank Overdraft			
					Short Term Investment	400 000 000		
					Long Term Investment	70 005 332		
					Unspent Grants			
					Net Assets	3 719 422 889		
					Share Premium			
					Share Capital			
					Revaluation Reserve			

					Fair Value Adjustment Reserve			
					Accumulated Surplus	3 716 200 389		

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%		-5%	2022/23 Projected 3	Refer to flactuations in the housing grant (operational vs capital)
					Total Operating Revenue	1 537 182 547		
					Depreciation - Revalued Portion *(Only populate if depreciation line item in the Statement of Financial Performance is based on the revalued asset value)*			
					Total Operating Expenditure	1 615 768 052		
					Taxation Expense			
2	Net Surplus /Deficit Electricity	Total Electricity Revenue less Total Electricity Expenditure/Total Electricity Revenue × 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	0% - 15%		8%	2022/23 Projected 3	
					Total Electricity Revenue	606 288 589		
					Total Electricity Expenditure	558 465 874		
3	Net Surplus /Deficit Water	Total Water Revenue less Total Water Expenditure/Total Water Revenue × 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%		5%	2022/23 Projected 3	
					Total Water Revenue	153 274 053		
					Total Water Expenditure	145 657 065		
4	Net Surplus /Deficit Refuse	Total Refuse Revenue less Total Refuse Expenditure/Total Refuse Revenue × 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%		0%	2022/23 Projected 3	
					Total Refuse Revenue	98 115 500		
					Total Refuse Expenditure	98 107 860		
5	Net Surplus /Deficit Sanitation and Waste Water	Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure/Total Sanitation and Waste Water Revenue × 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	= or > 0%		10%	2022/23 Projected 3	
					Total Sanitation and Water Waste Revenue	118 510 514		
					Total Sanitation and Water Waste Expenditure	107 081 759		

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) × 100	Annual Report, Audit Report and Notes to Annual Financial Statements	7% - 10%		6%	2022/23 Projected 3	
					Number of units purchased and/or generated	253 421 633		
					Number of units sold	238 216 335		
2	Water Distribution Losses (Percentage)	(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified × 100	Annual Report, Audit Report and Notes to Annual Financial Statements	15% - 30%		25%	2022/23 Projected 3	
					Number of kilolitres purchased and/or purified	7 797 824		
					Number of kilolitres sold	5 887 357		

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 Debtor Accounts x 100	Debtors System	None		1%	2022/23 Projected 3	
					Number of Active Debtors Accounts (Previous)	53 000		
					Number of Active Debtors Accounts (Current)	53 721		
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		9%	2022/23 Projected 3	
					CPI	5%		
					Total Revenue (Previous)	1 491 211 751		
					Total Revenue (Current)	1 622 022 925		
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		7%	2022/23 Projected 3	
					CPI	5%		
					Total Revenue Exl.Capital (Previous)	1 438 553 209		
					Total Revenue Exl.Capital (Current)	1 537 182 547		

D. Expenditure Management

1	Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) × 365	Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR	30 days		29 days	2022/23 Projected 3	
					Trade Creditors	83 770 000		
					Contracted Services	162 397 427		
					Repairs and Maintenance	142 365 267		
					General expenses	151 576 965		
					Bulk Purchases	393 852 523		
					Capital Credit Purchases *(Capital Credit Purchases refers to additions of Investment Property and Property,Plant and Equipment)*	212 807 998		
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%		0%	2022/23 Projected 3	
					Irregular, Fruitless and Wasteful and Unauthorised Expenditure	-		
					Total Operating Expenditure	1 615 768 052		
					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%		32%	2022/23 Projected 3	
					Employee/personnel related cost	507 139 129		
					Councillors Remuneration	12 400 992		
					Total Operating Expenditure	1 615 768 052		
					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%		17%	*2022/23 Projected 3*	Cost analysis conducted to deliver cost effective services.
					Contracted Services	266 785 183		
					Total Operating Expenditure	1 615 768 052		
					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 Actual Information), Budget, IDP, In-Year reports and AR	None		41%	*2022/23 Projected 3*	
					Internally generated funds	16 149 419		
					Borrowings	72 033 201		
					Total Capital Expenditure	212 807 998		

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 (Statement of Comparative and Actual Information) Budget, IDP, In-Year reports and AR	None		8%	*2022/23 Projected 3*	
					Internally generated funds	16 149 419		
					Total Capital Expenditure	212 807 998		

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		93%	*2022/23 Projected 3*	
					Total Revenue	1 622 022 925		
					Government grant and subsidies	166 040 100		
					Public contributions and Donations	12 442 378		
					Capital Grants	72 398 000		

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%		100%	*2022/23 Projected 3*	
					Actual Capital Expenditure	212 807 998		
					Budget Capital Expenditure	212 807 998		

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%		100%	*2022/23 Projected 3*	
					Actual Operating Expenditure	1 615 768 052		
					Budget Operating Expenditure	1 615 768 052		

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%		100%	*2022/23 Projected 3*	
					Actual Operating Revenue	1 537 182 547		
					Budget Operating Revenue	1 537 182 547		

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%		100%	*2022/23 Projected 3*	
					Actual Service Charges and Property Rates Revenue	1 161 515 500		
					Budget Service Charges and Property Rates Revenue	1 161 515 500		

NATIONAL TREASURY

MFMA Circular No 71

Municipal Finance Management Act No. 56 of 2003

Annexure 2

Interpretation of results

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

Template for Calculation of Uniform Financial Ratios and Norms 2023/24 Projected

RATIO	FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION	MUNICIPAL COMMENTS (#)
					" R 000 "		
1. FINANCIAL POSITION							
A. Asset Management/Utilisation							
1	Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) × 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%		6%	*2023/24 Projected 2*	
					Total Operating Expenditure	1 659 399 242		
					Taxation Expense			
					Total Capital Expenditure	102 598 000		
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	Property, Plant and Equipment + Investment Property + Intangible Assets Impairment/(Total Property, Plant and Equipment + Investment Property + Intangible Assets) × 100	Statement of Financial Position, Notes to the AFS and AR	0%		0%	*2023/24 Projected 2*	
					PPE, Investment Property and Intangible Impairment			
					PPE at carrying value	3 756 985 746		
					Investment at carrying value	138 346 000		
					Intangible Assets at carrying value	7 783 337		
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%		7%	*2023/24 Projected 2*	Repairs & maintenance compises 17.00% of total expenditure. Asset value was enhanced with the introduction of GRAP i.r.o. Depreciated Replacement Cost.
					Total Repairs and Maintenance Expenditure	282 171 018		
					PPE at carrying value	3 756 985 746		
					Investment Property at Carrying value	138 346 000		
B. Debtors Management								
						98%		

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	178 550 191	*2023/24 Projected 2*	
					Gross Debtors opeining balance	153 550 399		
					Bad debts written Off	-		
					Billed Revenue	1 245 400 900		
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%		0%	*2023/24 Projected 2*	The norm range appears incorrect
					Consumer Debtors Bad debts written off	-		
					Consumer Debtors Current bad debt Provision	50 416 496		
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		38 days	*2023/24 Projected 2*	Taking into account/providing for the high risk regarding the COVID19 lockdown consequences
					Gross debtors	178 550 191		
					Bad debts Provision	50 416 496		
					Billed Revenue	1 245 400 900		
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		3 Month	*2023/24 Projected 2*	
					Cash and cash equivalents	13 893 776		
					Unspent Conditional Grants			
					Overdraft			
					Short Term Investments	400 000 000		
					Total Annual Operational Expenditure	1 500 014 909		
2	Current Ratio	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1		1.96	*2023/24 Projected 2*	
					Current Assets	623 336 658		
					Current Liabilities	318 072 426		
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%		6%	*2023/24 Projected 2*	
					Interest Paid	47 734 000		
					Redemption	58 592 401		
					Total Operating Expenditure	1 659 399 242		
					Taxation Expense			
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 Grants) x 100	Statement of Financial Position, Statement of Financial Performance, Budget, IDP and AR	45%		33%	*2023/24 Projected 2*	
					Total Debt	471 184 318		
					Total Operating Revenue	1 590 516 446		
					Operational Conditional Grants	174 999 099		
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%		15288%	*2023/24 Projected 2*	
					Cash and cash Equivalents	13 893 776		
					Bank Overdraft			
					Short Term Investment	400 000 000		
					Long Term Investment	77 989 145		
					Unspent Grants			
					Net Assets	3 705 339 310		
					Share Premium			
					Share Capital			
					Revaluation Reserve			

					Fair Value Adjustment Reserve			
					Accumulated Surplus	3 702 121 810		

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%		-4%	2023/24 Projected 2	Refer to flactuations in the housing grant (operational vs capital)
					Total Operating Revenue	1 590 516 446		
					Depreciation - Revalued Portion *(Only populate if depreciation line item in the Statement of Financial Performance is based on the revalued asset value)*			
					Total Operating Expenditure	1 659 399 242		
					Taxation Expense			
2	Net Surplus /Deficit Electricity	Total Electricity Revenue less Total Electricity Expenditure/Total Electricity Revenue × 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	0% - 15%		8%	2023/24 Projected 2	
					Total Electricity Revenue	633 571 576		
					Total Electricity Expenditure	583 596 838		
3	Net Surplus /Deficit Water	Total Water Revenue less Total Water Expenditure/Total Water Revenue × 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%		5%	2023/24 Projected 2	
					Total Water Revenue	160 171 385		
					Total Water Expenditure	152 211 633		
4	Net Surplus /Deficit Refuse	Total Refuse Revenue less Total Refuse Expenditure/Total Refuse Revenue × 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%		0%	2023/24 Projected 2	
					Total Refuse Revenue	102 530 698		
					Total Refuse Expenditure	102 522 714		
5	Net Surplus /Deficit Sanitation and Waste Water	Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure/Total Sanitation and Waste Water Revenue × 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	= or > 0%		10%	2023/24 Projected 2	
					Total Sanitation and Water Waste Revenue	123 843 487		
					Total Sanitation and Water Waste Expenditure	111 900 438		

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) × 100	Annual Report, Audit Report and Notes to Annual Financial Statements	7% - 10%		6%	2023/24 Projected 2	
					Number of units purchased and/or generated	255 955 850		
					Number of units sold	240 598 498		
2	Water Distribution Losses (Percentage)	(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified × 100	Annual Report, Audit Report and Notes to Annual Financial Statements	15% - 30%		25%	2023/24 Projected 2	
					Number of kilolitres purchased and/or purified	7 875 800		
					Number of kilolitres sold	5 946 229		

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 Debtor Accounts x 100	Debtors System	None		0%		
					Number of Active Debtors Accounts (Previous)	53 721	*2023/24 Projected 2*	
					Number of Active Debtors Accounts (Current)	53 721		
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		0%		
					CPI	5%	*2023/24 Projected 2*	
					Total Revenue (Previous)	1 622 022 925		
					Total Revenue (Current)	1 621 884 446		
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		3%		
					CPI	5%		
					Total Revenue Exl.Capital (Previous)	1 537 182 547	*2023/24 Projected 2*	
					Total Revenue Exl.Capital (Current)	1 590 516 446		

D. Expenditure Management

1	Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) × 365	Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR	30 days		30 days		
					Trade Creditors	81 950 000		
					Contracted Services	166 596 760		
					Repairs and Maintenance	149 319 630		
					General expenses	124 186 922		
					Bulk Purchases	438 554 783	*2023/24 Projected 2*	
					Capital Credit Purchases *(Capital Credit Purchases refers to additions of Investment Property and Property,Plant and Equipment)*	102 598 000		
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%		0%		
					Irregular, Fruitless and Wasteful and Unauthorised Expenditure			
					Total Operating Expenditure	1 659 399 242	*2023/24 Projected 2*	
					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%		32%		
					Employee/personnel related cost	522 621 701		
					Councillors Remuneration	12 905 088	*2023/24 Projected 2*	
					Total Operating Expenditure	1 659 399 242		
					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%		17%	*2023/24 Projected 2*	Cost analysis conducted to deliver cost effective services.
					Contracted Services	276 065 362		
					Total Operating Expenditure	1 659 399 242		
					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 Actual Information), Budget, IDP, In-Year reports and AR	None		49%	*2023/24 Projected 2*	
					Internally generated funds	-		
					Borrowings	50 000 000		
					Total Capital Expenditure	102 598 000		

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 (Statement of Comparative and Actual Information) Budget, IDP, In-Year reports and AR	None		0%	*2023/24 Projected 2*	
					Internally generated funds	-		
					Total Capital Expenditure	102 598 000		

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		91%	*2023/24 Projected 2*	
					Total Revenue	1 621 884 446		
					Government grant and subsidies	174 999 099		
					Public contributions and Donations	-		
					Capital Grants	31 368 000		

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%		100%	*2023/24 Projected 2*	
					Actual Capital Expenditure	102 598 000		
					Budget Capital Expenditure	102 598 000		

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%		100%	*2023/24 Projected 2*	
					Actual Operating Expenditure	1 659 399 242		
					Budget Operating Expenditure	1 659 399 242		

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%		100%	*2023/24 Projected 2*	
					Actual Operating Revenue	1 590 516 446		
					Budget Operating Revenue	1 590 516 446		

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%		100%	*2023/24 Projected 2*	
					Actual Service Charges and Property Rates Revenue	1 245 400 900		
					Budget Service Charges and Property Rates Revenue	1 245 400 900		

NATIONAL TREASURY

MFMA Circular No 71

Municipal Finance Management Act No. 56 of 2003

Annexure 2

Interpretation of results

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

Template for Calculation of Uniform Financial Ratios and Norms 2024/25 Projected

RATIO	FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION	MUNICIPAL COMMENTS (#)
					" R 000 "		
1. FINANCIAL POSITION							
A. Asset Management/Utilisation							
1	Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) × 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%		5%	*2024/25 Projected 1*	
					Total Operating Expenditure	1 743 367 107		
					Taxation Expense			
					Total Capital Expenditure	99 011 000		
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	Property, Plant and Equipment + Investment Property + Intangible Assets Impairment/(Total Property, Plant and Equipment + Investment Property + Intangible Assets) × 100	Statement of Financial Position, Notes to the AFS and AR	0%		0%	*2024/25 Projected 1*	
					PPE, Investment Property and Intangible Impairment			
					PPE at carrying value	3 708 172 674		
					Investment at carrying value	143 846 000		
					Intangible Assets at carrying value	7 332 261		
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%		8%	*2024/25 Projected 1*	Repairs & maintenance compises 17.13% of total expenditure. Asset value was enhanced with the introduction of GRAP i.r.o. Depreciated Replacement Cost.
					Total Repairs and Maintenance Expenditure	298 725 213		
					PPE at carrying value	3 708 172 674		
					Investment Property at Carrying value	143 846 000		
B. Debtors Management								
						98%		

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	205 369 359	2024/25 Projected 1	
					Gross Debtors opeining balance	178 550 191		
					Bad debts written Off	-		
					Billed Revenue	1 336 211 700		
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%		0%	2024/25 Projected 1	The norm range appears incorrect
					Consumer Debtors Bad debts written off	-		
					Consumer Debtors Current bad debt Provision	54 616 196		
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		41 days	2024/25 Projected 1	Taking into account/providing for the high risk regarding the COVID19 lockdown consequences
					Gross debtors	205 369 359		
					Bad debts Provision	54 616 196		
					Billed Revenue	1 336 211 700		
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		3 Month	2024/25 Projected 1	
					Cash and cash equivalents	8 814 177		
					Unspent Conditional Grants			
					Overdraft			
					Short Term Investments	400 000 000		
					Total Annual Operational Expenditure	1 581 255 559		
2	Current Ratio	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1		1.53	2024/25 Projected 1	
					Current Assets	652 505 987		
					Current Liabilities	425 362 995		
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%		6%	2024/25 Projected 1	
					Interest Paid	47 159 000		
					Redemption	51 238 679		
					Total Operating Expenditure	1 743 367 107		
					Taxation Expense			
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 Grants) x 100	Statement of Financial Position, Statement of Financial Performance, Budget, IDP and AR	45%		33%	2024/25 Projected 1	
					Total Debt	479 945 639		
					Total Operating Revenue	1 666 222 947		
					Operational Conditional Grants	192 746 100		
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%		15407%	2024/25 Projected 1	
					Cash and cash Equivalents	8 814 177		
					Bank Overdraft			
					Short Term Investment	400 000 000		
					Long Term Investment	86 123 151		
					Unspent Grants			
					Net Assets	3 686 387 558		
					Share Premium			
					Share Capital			
					Revaluation Reserve			

					Fair Value Adjustment Reserve			
					Accumulated Surplus	3 683 175 058		

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%		-5%	*2024/25 Projected 1*	Refer to flactuations in the housing grant (operational vs capital)
					Total Operating Revenue	1 666 222 947		
					Depreciation - Revalued Portion *(Only populate if depreciation line item in the Statement of Financial Performance is based on the revalued asset value)*			
					Total Operating Expenditure	1 743 367 107		
					Taxation Expense			
2	Net Surplus /Deficit Electricity	Total Electricity Revenue less Total Electricity Expenditure/Total Electricity Revenue × 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	0% - 15%		8%	*2024/25 Projected 1*	
					Total Electricity Revenue	662 082 296		
					Total Electricity Expenditure	609 858 696		
3	Net Surplus /Deficit Water	Total Water Revenue less Total Water Expenditure/Total Water Revenue × 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%		5%	*2024/25 Projected 1*	
					Total Water Revenue	167 379 098		
					Total Water Expenditure	159 061 156		
4	Net Surplus /Deficit Refuse	Total Refuse Revenue less Total Refuse Expenditure/Total Refuse Revenue × 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%		0%	*2024/25 Projected 1*	
					Total Refuse Revenue	107 144 579		
					Total Refuse Expenditure	107 136 236		
5	Net Surplus /Deficit Sanitation and Waste Water	Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure/Total Sanitation and Waste Water Revenue × 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	= or > 0%		10%	*2024/25 Projected 1*	
					Total Sanitation and Water Waste Revenue	129 416 444		
					Total Sanitation and Water Waste Expenditure	116 935 958		

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) × 100	Annual Report, Audit Report and Notes to Annual Financial Statements	7% - 10%		6%	*2024/25 Projected 1*	
					Number of units purchased and/or generated	255 955 850		
					Number of units sold	240 598 498		
2	Water Distribution Losses (Percentage)	(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified × 100	Annual Report, Audit Report and Notes to Annual Financial Statements	15% - 30%		25%	*2024/25 Projected 1*	
					Number of kilolitres purchased and/or purified	7 875 800		
					Number of kilolitres sold	5 946 229		

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 Debtor Accounts x 100	Debtors System	None		0%		
					Number of Active Debtors Accounts (Previous)	53 721	*2024/25 Projected 1*	
					Number of Active Debtors Accounts (Current)	53 721		
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		5%		
					CPI	5%	*2024/25 Projected 1*	
					Total Revenue (Previous)	1 621 884 446		
					Total Revenue (Current)	1 698 833 947		
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		5%		
					CPI	5%		
					Total Revenue Exl.Capital (Previous)	1 590 516 446	*2024/25 Projected 1*	
					Total Revenue Exl.Capital (Current)	1 666 222 947		

D. Expenditure Management

1	Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) × 365	Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR	30 days		30 days		
					Trade Creditors	83 770 820		
					Contracted Services	175 219 098		
					Repairs and Maintenance	157 656 621		
					General expenses	107 823 169		
					Bulk Purchases	488 330 751	*2024/25 Projected 1*	
					Capital Credit Purchases *(Capital Credit Purchases refers to additions of Investment Property and Property,Plant and Equipment)*	99 011 000		
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%		0%		
					Irregular, Fruitless and Wasteful and Unauthorised Expenditure			
					Total Operating Expenditure	1 743 367 107	*2024/25 Projected 1*	
					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%		32%		
					Employee/personnel related cost	551 733 528		
					Councillors Remuneration	13 431 876	*2024/25 Projected 1*	
					Total Operating Expenditure	1 743 367 107		
					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%		#DIV/0!	2024/25 Projected 1	
					Contracted Services			
					Total Operating Expenditure			
					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 Actual Information), Budget, IDP, In-Year reports and AR	None		61%	2024/25 Projected 1	
					Internally generated funds	-		
					Borrowings	60 000 000		
					Total Capital Expenditure	99 011 000		

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 (Statement of Comparative and Actual Information) Budget, IDP, In-Year reports and AR	None		0%	2024/25 Projected 1	
					Internally generated funds	-		
					Total Capital Expenditure	99 011 000		

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		90%	2024/25 Projected 1	
					Total Revenue	1 698 833 947		
					Government grant and subsidies	192 746 100		
					Public contributions and Donations	-		
					Capital Grants	32 611 000		

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%		100%	2024/25 Projected 1	
					Actual Capital Expenditure	99 011 000		
					Budget Capital Expenditure	99 011 000		

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%		100%	2024/25 Projected 1	
					Actual Operating Expenditure	1 743 367 107		
					Budget Operating Expenditure	1 743 367 107		

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%		100%	2024/25 Projected 1	
					Actual Operating Revenue	1 666 222 947		
					Budget Operating Revenue	1 666 222 947		

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%		100%	2024/25 Projected 1	
					Actual Service Charges and Property Rates Revenue	1 336 211 700		
					Budget Service Charges and Property Rates Revenue	1 336 211 700		

Name Of Municipality

Ratio Analysis Report			Restated	Audited	Projected				
		Norm	2019	2020	2021	2022	2023	2024	2025
FINANCIAL POSITION									
Asset Management/Utilisation									
1	Capital Expenditure to Total Expenditure	10% - 20%	14%	15%	16%	14%	12%	6%	5%
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	0%	0%	0%	0%	0%	0%	0%	0%
3	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	8%	6%	5%	6%	7%	7%	7%	8%
Debtors Management									
1	Collection Rate	95%	98%	96%	100%	100%	98%	98%	98%
2	Bad Debts Written-off as % of Provision for Bad Debt	100%	3%	1%	1%	0%	0%	0%	0%
3	Net Debtors Days	30 days	31 days	52 days	45 days	29 days	34 days	38 days	41 days
Liquidity Management									
1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	1 - 3 Months	7 Month	7 Month	6 Month	5 Month	4 Month	3 Month	3 Month
2	Current Ratio	1.5 - 2:1	3.10	2.75	2.47	1.85	1.87	1.96	1.53
Liability Management									
1	Capital Cost(Interest Paid and Redemption) as a % of Total Operating Expenditure	6% - 8%	7%	7%	7%	7%	6%	6%	6%
2	Debt (Total Borrowings) / Revenue	45%	44%	41%	41%	38%	35%	33%	33%
FINANCIAL PERFORMANCE									
Efficiency									
1	Net Operating Surplus Margin	= or > 0%	4%	8%	0%	-6%	-5%	-4%	-5%
2	Net Surplus /Deficit Electricity	0% - 15%	13%	8%	9%	6%	8%	8%	8%
3	Net Surplus /Deficit Water	= or > 0%	16%	16%	10%	2%	5%	5%	5%
4	Net Surplus /Deficit Refuse	= or > 0%	-6%	5%	-13%	0%	0%	0%	0%
5	Net Surplus /Deficit Sanitation and Waste Water	= or > 0%	10%	-2%	4%	7%	10%	10%	10%
Distribution Losses									
1	Electricity Distribution Losses (Percentage)	7% - 10%	6%	6%	7%	6%	6%	6%	6%

2	Water Distribution Losses (Percentage)	15% - 30%	24%	26%	28%	25%	25%	25%	25%
Revenue Management									
1	Growth in Number of Active Consumer Accounts	None	0%	0%	3%	6%	1%	0%	0%
2	Revenue Growth (%)	= CPI	6%	9%	2%	10%	9%	0%	5%
3	Revenue Growth (%) - Excluding capital grants	= CPI	7%	11%	0%	11%	7%	3%	5%
Expenditure Management									
1	Creditors Payment Period (Trade Creditors)	30 days	26 days	33 days	31 days	30 days	29 days	30 days	30 days
2	Irregular, Fruitless and Wasteful and Unauthorised Expenditure / Total Operating Expenditure	0%	3%	0%	0%	0%	0%	0%	0%
3	Remuneration as % of Total Operating Expenditure	25% - 40%	34%	33%	34%	32%	32%	32%	32%
4	Contracted Services % of Total Operating Expenditure	2% - 5%	17%	15%	16%	17%	17%	17%	N/A
Grant Dependency									
1	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	None	47%	43%	85%	53%	41%	49%	61%
2	Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure	None	26%	19%	68%	23%	8%	0%	0%
3	Own Source Revenue to Total Operating Revenue(Including Agency Revenue)	None	89%	90%	87%	92%	93%	91%	90%
BUDGET IMPLEMENTATION									
1	Capital Expenditure Budget Implementation Indicator	95% - 100%	100%	77%	91%	100%	100%	100%	100%
2	Operating Expenditure Budget Implementation Indicator	95% - 100%	96%	91%	97%	100%	100%	100%	100%
3	Operating Revenue Budget Implementation Indicator	95% - 100%	107%	100%	100%	100%	100%	100%	100%
4	Service Charges and Property Rates Revenue Budget Implementation Indicator	95% - 100%	102%	101%	103%	100%	100%	100%	100%

ANNEXURE I

mSCOA IMPLEMENTATION STATUS

MUNICIPAL REGULATIONS ON A STANDARD CHART OF ACCOUNTS (mSCOA):

POST IMPLEMENTATION STATUS OF mSCOA PROJECT - MARCH 2022

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1. Executive Summary

The purpose of this submission to Council is to:

1. Inform Council on specific initiatives to date by National Treasury to enable a full and complete understanding of the scope and extent of the SCOA implementation as applicable to all municipalities and municipal entities;
2. Report to Council on progress made to date with the implementation of mSCOA at the Overstrand Municipality since the previous report to Council.
3. Maintain an on-going awareness of specific mSCOA initiatives in the Overstrand Municipality; and
4. Considerations on the way forward with the core financial system, being Samras Classic, currently in use by the Overstrand Municipality.

A comprehensive supplementary report in this regard, providing the necessary detail with regard to background and historic information over the past number of years for this National Treasury project, was also included previously (up to 31 December 2019), as part of the reporting to Council.

2. Updated status - March 2022 (Quarter 3)

National Treasury budgetary mSOCA guidance / communications:

The absence of any clear direction from National Treasury in terms of the anticipated outcome of the mSCOA systems audits as previously communicated, inclusive of National Treasury's envisaged transversal tender process and specifications, compounded challenges for municipalities. NT did not share any further information regarding the mentioned audits and confirmed in MFMA Budget Circular No. 112 (6 Dec 2021) the following: "However, should a municipality need to procure a new financial system, they must follow the processes set out in the MFMA read together with the Municipal Supply Chain Management Regulations and MFMA Budget Circulars No. 93, 98 and mSCOA Circulars No 5 and 6. In addition, National Treasury has not accredited any of the municipal financial systems available in the market and this should therefore not be advertised as a requirement in municipal tender documents.
National and Provincial Treasuries held extensive engagements with key system providers during which the system functionality on the following were demonstrated: IDP and budget, supply chain management (SCM), asset management, annual financial statements, revenue management, cash flow and period control. These engagements provided National and Provincial Treasuries with an understanding of what functionality is available on each system and what the key system related challenges are."

The following was furthermore stated: "Municipalities that procured systems through the RT25-2016 transversal tender must approach the market to procure a new service provider for system support and maintenance. Due to the high financial investment in procuring financial systems, it is not cost effective to change financial systems every 3 to 5 years. Also, the expiry of the SLA does not necessitate the procurement of a new financial system - unless the system that is being used is not complying with the required

business processes and system specifications." From before-mentioned it can be derived that NT will not provide for any furhter communication to Local Government with regard to the before-mentioned release of audit results to assist municipalities with the outcome of their process in this regard. It is rather stated in the circular again that "It should be emphasised that the onus to ensure compliance with the mSCOA Regulations and minimum system specifications as per MFMA Circular No. 80 and its Annexure B rests with the municipality and not the system vendor. Municipalities should ensure that they budget sufficiently to become and remain mSCOA compliant."

National Treasury issued the following Circulars and guidance relating to mSCOA from December 2021 to March 2022:

i. *Municipal Budget Circular (No 112) for the 2022/23 MTREF - 04 December 2021;*
ii. *Municipal Budget Circular (No 115) for the 2022/23 MTREF - 04 March 2022:)*

The Draft and Final budgets were compiled according to the latest chart available on the financial system:

- mSCOA Segment Detail – (Final Version 6.6 – 6 Dec 2021) for implementation 2022/22
- mSCOA Segment Detail – (6.6.1. Patch to Version 6.6 – 4 Mar 2022) for implementation 2022/23

It was furthermore now advised in the Budget Circular for this draft budget cycle (No 112): "That the credibility of the mSCOA data strings remains a concern although we have observed a marked improvement in some areas. At the core of the problem is:

- The incorrect use of the mSCOA chart and segments, balance sheet budgeting, movement accounting and basic municipal accounting practices by municipalities;
- Some municipalities are not budgeting, transacting and reporting directly in/ from their core financial systems; have not purchased all the modules of the core financial system or have not upgraded to the Enterprise Resource Planning (ERP) (mSCOA enabling) version of their financial systems;
- A number of municipalities are still transacting on their legacy systems that are not the functionality of their financial systems, while they are paying for maintenance and support for the mSCOA enabling system that was procured. This constitute fruitless and wasteful expenditure; and
- Municipalities are not locking their adopted budgets and their financial systems at month-end to ensure prudent financial management. To enforce municipalities to lock their budgets and close their financial system at month-end in 2022/23, the Local Government Database and Reporting System will lock all submission periods within the reporting period at the end of each quarter. The published period will NOT be opened again to ensure consistency between publications. System vendors were also requested to build this functionality into their municipal financial systems.

Municipalities should refer to the guidance provided in the mSCOA circulars issued by the National Treasury to classify their transactions correctly."

Section 5.3 of the circular also addresses the Regulation of Minimum Business Processes and System Specifications as follows:

"One of the key objectives of the mSCOA reform is to ensure that municipalities are planning, budgeting, transacting and reporting directly on and from integrated ERP systems to have one version of the truth in terms of the reported financial performance. The manual correction of data strings by municipal officials or system vendors are not allowed in terms of the mSCOA Regulations.
All municipalities and municipal entities had to comply with the mSCOA Regulations by 1 July 2017. MFMA Circular No. 80 (Annexure B) provided guidance on the minimum business processes and system specifications for all categories of municipalities (A, B and C). Anumber of Regulations and best practices as per the MFMA Circulars have been introduced since the issuing of MFMA Circular No. 80 in 2016.
The National Treasury will expand and regulate the business processes and system specifications in 2022/23 to these new developments. If your municipality has not yet achieved the minimum required level of mSCOA implementation, then a detailed action plan (road map) must be developed to indicate how the municipality will fast track the implementation of mSCOA."

The Overstrand mSCOA Committee will at all times consider the appropriate approach in ensuring that the municipality will not be exposed to risk from either an operational- and/or monitary perspective in this regard, this also in accordance with previous confirmations in this regard.

3. SAMRAS Usergroup Workshops & Meetings:

The most recent SOLVEM SAMRAS Usergroup workshop and Usergroup meeting took place as a hibrid virtual/physical sessions on 3 - 4 November 2021.

The service provider is still in process of continuous development of the Web system modules, with ongoing efforts to migrate West Coast District Municipality, Stellenbosch Municipality, George Municipality, Breede Valley Municipality and Bitou Municipality among other, starting with the initial steps (organogram, commodity codes, contract management data), in preparing (municipalities at various stages currently) for the roll-out of primarily the SCM web module, as the new version to replace the current classic version of the system ultimately. On request of Overstrand Municipality to view a demo of the Asset Register, the municipality was advised that the web version is not ready yet. This is regarded as one of the critical considerations of a desirable The next SAMRAS Usergroup workshop and Usergroup meetings scheduled for March 2022 were phost-phoned on request of the service provider, to April 2022.

The necessary evidence and confirmation required, confirming that the service provider is in a position to provide the required resources is currently considered by the Overstrand mSCOA / conversion committee. Before-mentioned, inclusive of an updated and detailed project plan for a viable migration process, with regard to the SCM module to the web-based platform identified by SAMRAS as a critical priority, and during 2021 listed for actioning in the third quarter of the 2021/2022 financial year. The municipality is however currently aware of one municipality where this module has been implemented and funtional, though not representing the complete supply chain management functionality and workflow areas representative of formal procurement

processes. During the next quarter (Apr 2022 onwards) a site visit to a municipality, who will be able to demonstrate the functionality of the implementation in the production environment, is envisaged.

It is again confirmed that the administration will consider the appropriate approach in ensuring that the municipality will not be exposed to risk from either an operational- and/or monetary perspective in this regard. As stated in previous reporting, the status as at 31 December 2021 remains the same with regard to the absence of any clear direction from National Treasury in terms of the outcome of systems audits.

The mSCOA committee currently follows a process of monitoring progress with regard to before-mentioned development and implementation of web-based modules at sites as we become aware of information. Assurance of sucessfull implementation of web-based modules is regarded as a pre-requisite for embarking on implementation of these modules.

Matters regarded of impportance and impacting on the Overstrand contract, service rendering levels, etc will be reported to Council, with the continuation of quarterly reports as part of the Budget Report, due to the process currently still not leading to a close-out report in the current financial period.

4. Previous quarter/historic status up to December 2021

<u>mSCOA Project Governance and Management: Solvem (previously Bytes Systems Integration) and engagements with regard to the Samras Financial System)</u>

It was reported to Council (Dec 2020, Quarter 2) that Overstrand Municipality received correspondence on 31 December 2020 from the service provider (Bytes Systems Integration) for the financial system currently in use (SAMRAS), inclusive of the following notification as corresponded to National Treasury:

"this letter serves to advise that the service provider for the SAMRAS system has changed from Altron TMT (Pty) Ltd to Solvem Consulting (Pty) Ltd. The effective date of the business transfer is the 1 December 2020. The transfer of the resources will be the 1 January 2021. The SAMRAS product and service offerings remain the same. The full resource team transfers in a section 197 process and hence continuity of service will be uninterrupted to our current clients."

It was also confirmed that this development will be closely monitored and any important matters impacting on the Overstrand contract, service rendering levels, etc. will be reported to Council, with the continuation of this quarterly report, due to the process still not leading to a close-out report in the near future.

The feedback provided to municipalities a year ago (March 2021) focused on the continuous development of the Web system modules and importantly, efforts currently with regard to the gradual migration of West Coast District Municipality, Stellenbosch Municipality, and lately George Municipality, in particular to the web modules. Progress with these efforts are currently at various stages, which could not be established as completed migration processes from the classic environment to the web. Other instances of municipalities involved and the extent of these municipal sites where specific web module testing is currently underway, or planning processes could not be

established during these workshops and the usergroup meeting on the 4th of March 2021, to provide the necessary evidence and confirmation that the service provider is currently in a position to provide the required resources and detailed project plan for a viable migration process with regard to any substantial module or section of a module, to the web-based platform.

The service provider provided the following feedback in terms of further development of web modules attended to, since the previous usergroup meeting towards the end of 2020, up to the end of February 2021:



The Overstrand mSCOA Committee awaited detailed information requested from the service provider, in order to consider the appropriate approach in ensuring that the municipality will not be exposed to risk from either an operational- and/or monitary perspective.

mSCOA Circulars

The inclusion of the following reference with regard to most recent mSCOA circulars in the past 2 years aims to provide Council with an overview of progress made by National Treasury in the roll-out of the mSCOA Regulation thus far -

Municipal SCOA Circular No. 7 - 02 March 2020: Guide on Construction Work in Progress (CWIP)
The principles stated in this circular were implemented during the 2019/2020 General Adjustments Budget, which served before Council on 26 February 2020 and was carried forward into the 2020/2021 Budget Cycle

Municipal SCOA Circular No. 8 - 24 April 2020: Guidance on Virement Policies for Municipalities
The guidance in this circular already forms an integral part of Overstrand municipality's Virement Policy.

Municipal SCOA Circular No. 9 - 09 June 2020: Reporting on COVID-19 using the mSCOA chart
The principle of Typical Workstream Projects relating to COVID-19 was implemented for the Special Adjustments Budget in June 2020, notwithstanding that is circular was

issued on the same day that the Special Adjustments Budget was submitted to be tabled in Council.

Municipal SCOA Circular No. 10 – 14 October 2020: Cash Flow Guidance
This circular is to provide further guidance to municipalities on the correct use of the municipal standard chart of accounts (mSCOA) data strings to populate the cash flows tables in Schedules A, B and C of the Municipal Budget Reporting Regulations (MBRR)To ensure that the MBRR cash flow tables (A7, SA30, B7 and C7) are linked correctly to the mSCOA data strings.

National Treasury corrected the linkages in the segment item: asset and liabilities.

Municipal SCOA Circular No. 11 – 4 December 2020: Guidance on the use of the Fund Segment
The purpose of this circular is to provide guidance to municipalities on the use of the Fund segment.

Following the guidance provided in Circular 10, the following cash flow issues still had to be corrected and/or clarified:

- The recording of unallocated deposits;
- The duplication of capital assets other expenditure (trade and other payables – payables and accruals);
- The linking of construction Work-In-Progress (CWIP) to capital assets in Table A9 of the A1 Schedule;
- The linking of advance payments and retentions to the cash flow tables;
- The distinction of and payment between Inventory, Contracted Services and Other Expenditure line items not specifically listed under Liabilities in the mSCOA chart; and
- The linking of Income tax receivable, Income tax payables, Value Added Tax (VAT) receivable, VAT payable, Accrued interest on receivables to cash flow/payments.

Municipal SCOA Circular No. 12 – 01 October 2021: Guidance on Value Added Tax (VAT)
The purpose of this circular is to provide guidance to municipalities on how to budget, transact and report for Value Added Tax (VAT) using the Municipal Standard Chart of Accounts (mSCOA) chart.

The following guidance is provided in Circulr 12:

- When municipalities prepare their MTREF budgets, it must be exclusive of VAT and therefore the regulated budget Tables A4 and A5 must be VAT exclusive.
- It should also be noted that the accounts for Input and Output Tax on the mSCOA chart is named Input and Output VAT and irrecoverable debt is referred to as bad debt. Therefore, where reference is made to the VAT accounts in the chart in the examples used to explain the VAT transactions, Input and Output VAT and bad debt is used as per the mSCOA chart.
- These discrepancies in the terminology will be corrected in version 6.6 of the chart.

ANNEXURE J

DRAFT DMP

DEMAND MANAGEMENT PLAN 2022/2023

									Planned dates							
DMP REF #	Directorate [R]	Project Name / Tender Description	Existing Contract Number	Expiry Date of current contract	New Tender Number	Contract Owner	Estimated Total Project Cost	Procurement Process / Method	Submission of specifications	BSC	Advert	Closing Date	BEC	BAC	Commencement of contract	Contract expiry date
	SECTION A: REPEATABLE CONTRACTS															
A1	COMMUNITY SERVICES	SUPPLY AND DELIVERY OF 500 PPM FARM GRADE DIESEL FUEL FOR ONRUS CARAVAN PARK	SC2110/2020	30 06 2023		A WYNGAARD	R 2 000 000.00	Tender	17 01 2023	28 01 2023	02 02 2023	02 03 2023	01 04 2023	07 04 2023	01 07 2023	30 06 2026
A2	COMMUNITY SERVICES	SOFTWARE AND WEBSITE FOR CARAVAN PARK/CAMPING RESERVATIONS	SC1701C/2016	30 06 2023		D LAKEY	R 475 000.00	Tender	01 02 2023	15 02 2023	24 02 2023	10 03 2023	28 04 2023	05 05 2023	01 07 2023	30 06 2026
A3	COMMUNITY SERVICES	PROVISION OF CLEANING SERVICES FOR THE GANSBAAI / STANFORD AREAS	SC2087/2020	30 06 2023		F MYBURGH	R 1 397 500.00	Tender	06 03 2023	21 03 2023	30 03 2023	28 04 2023	19 05 2023	26 05 2023	01 07 2023	30 06 2026
A4	COMMUNITY SERVICES	SUPPLY & INSTALLATION OF WEB BASED/ONLINE BULK SMS SENDING SOFTWARE SERVICE	SC2089/2020	30 06 2023		F FRANS	R 265 000.00	Tender	06 02 2023	21 02 2023	07 03 2023	07 04 2023	19 05 2023	26 05 2023	01 07 2023	30 06 2026
A5	COMMUNITY SERVICES	SUPPLY AND DELIVERY OF BUILDING MATERIAL	SC2147/2020	30 06 2023		F FRANS	R 265 000.00	Tender	06 02 2023	21 02 2023	07 03 2023	07 04 2023	19 05 2023	26 05 2023	01 07 2023	30 06 2026
A6	COMMUNITY SERVICES	PROVISION OF SPORTS FIELD AERATION SERVICES IN THE OVERSTRAND AREA	SC2102/2020	30 06 2023		T MARX	R 954 673.65	Tender	01 08 2022	22 08 2022	05 10 2022	05 10 2022	07 11 2022	14 11 2022	05 12 2022	30 06 2025
A7	COMMUNITY SERVICES	SUPPLY AND DELIVERY OF CONSTRUCTION MATERIAL	SC2132/2020	30 06 2023		T STEENBERG	R 3 000 000.00	Tender	01 03 2023	14 03 2023	25 03 2023	25 04 2023	16 05 2025	30 05 2023	01 07 2023	30 06 2026
A8	COMMUNITY SERVICES	RESEAL, UPGRADING AND REHABILITATION OF ROADS IN OVERSTRAND	SC2134/2020	30 06 2023		T STEENBERG	R 25 000 000.00	Tender	01 03 2023	14 03 2023	25 03 2023	25 04 2023	16 05 2025	30 05 2023	01 07 2023	30 06 2026
A9	COMMUNITY SERVICES	SUPPLY AND DELIVERY OF BITUMEN PRODUCTS	SC2139/2020	30 06 2023		T STEENBERG	R 850 000.00	Tender	01 03 2023	14 03 2023	25 03 2023	25 04 2023	16 05 2025	30 05 2023	01 07 2023	30 06 2026
A10	COMMUNITY SERVICES	APPLICATION OF ROADMARKINGS ON THE MUNICIPAL ROAD NETWORK	SC2140/2020	30 06 2023		T STEENBERG	R 1 000 000.00	Tender	01 03 2023	14 03 2023	25 03 2023	25 04 2023	16 05 2025	30 05 2023	01 07 2023	30 06 2026
A11	COMMUNITY SERVICES	TRANSVERSAL TERM CONTRACT RT46-2020: APPOINTMENT OF CONTRACTORS FOR THE PROVISION OF VEHICLE FLEET MANAGEMENT SERVICES TO THE STATE FOR A PERIOD OF FIVE YEARS - 1 APRIL 2021 TO 31 MARCH 2026	SC2214/2021	30 06 2023		T STEENBERG	R -	Transversal Contract	N/A	N/A	N/A	N/A	02 05 2023	16 05 2023	01 07 2023	31 03 2026
A12	FINANCE	CASEWARE LICENSE RENEWAL	SCD3281/2021	31 07 2022		B KING	R 90 000.00	Deviation	06 07 2022	N/A	N/A	N/A	N/A	N/A	01 08 2022	31 07 2023
A13	FINANCE	SUPPLY, DELIVERY OF PLUMBING MATERIALS, MANHOLES, PLUMBING TOOLS, PLASTIC TOILETDOORS AND IRRIGATION ITEMS	SC2097/2020	30 06 2023		C ROETS	R 10 323 651.00	Tender	30 09 2022	15 10 2022	29 10 2022	29 11 2022	27 02 2023	13 03 2023	01 07 2023	30 06 2026
A14	FINANCE	SUPPLY AND DELIVERY OF PRINTING PAPER, INK TONERS, CARTRIDGES, AND RIBBONS	SC2098/2020	30 06 2023		C ROETS	R 7 054 358.30	Tender	30 08 2022	14 09 2022	28 09 2022	29 10 2022	27 01 2023	10 02 2023	01 07 2023	30 06 2026
A15	FINANCE	SUPPLY & DELIVERY OF ELECTRICAL ITEMS	SC2099/2020	30 06 2023		C ROETS	R 13 429 458.79	Tender	31 10 2022	15 11 2022	29 11 2022	31 01 2023	01 05 2023	15 05 2023	01 07 2023	30 06 2026
A16	FINANCE	PRINTING AND DISTRIBUTION OF MUNICIPAL ACCOUNTS AND NEWSLETTERS	SC2091/2020	30 06 2023		E HOONEBERG	R 1 500 000.00	Tender	30 09 2022	19 10 2022	28 10 2022	28 11 2022	09 02 2023	24 02 2023	07 01 2023	30 06 2023
A17	FINANCE	DISCONNECTION AND RECONNECTION OF ELECTRICITY SUPPLY AND INSTALLATION AND REMOVAL OF WATER FLOW RESTRICTORS	SC2131/2020	30 06 2023		E HOONEBERG	R 1 550 000.00	Tender	30 09 2022	19 10 2022	28 10 2022	28 12 2022	03 02 2023	17 02 2023	07 01 2023	30 06 2023
A18	FINANCE	PROVISION OF AUCTIONEERING SERVICES	SC2066/2020	30 06 2023		H VORSTER	% indication	Tender	16 11 2022	14 12 2022	13 01 2023	17 02 2023	06 04 2023	21 04 2023	01 07 2023	30 06 2026
A19	INFRASTR & PLANNING	PROVISION OF LABORATORY SERVICES FOR THE MONITORING OF WATER QUALITY IN THE OVERSTRAND AREA	SC2081/2020	30 06 2023		H BLIGNAUT	TBD	Tender	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
A20	INFRASTR & PLANNING	CONSULTING ENGINEERS FOR ENGINEERING AND GROUNDWATER PROJECTS	SC1969/2019	30 06 2022		H BLIGNAUT	TBD	Tender	03/02/2023	17/02/2023	28/02/2023	30/03/2023	30/05/2023	06 07 2023	1/07/2023	30/06/2026
A21	INFRASTR & PLANNING	ENVIRONMENTAL MANAGEMENT MAINTENANCE	SC2149/2020	30 06 2023		L DE VILLIERS	TBD	Tender	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
A22	INFRASTR & PLANNING	BABOON MANAGEMENT PROGRAMME	SCD3209/2020	30 06 2023		L DE VILLIERS	TBD	Tender	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
A23	INFRASTR & PLANNING	PROVISION OF GEOGRAPHIC INFORMATION SYSTEMS (GIS) SERVICES IN THE OVERSTRAND MUNICIPALITY	SC1634B/2015	30 06 2023		S MULLER	TBD	Tender	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
A24	MANAGEMENT SERVICES	BCX - 3 YEAR HOSTED BUSINESS TELEPHONE (HBT) SYSTEM	SITA	31 01 2023		C JOHNSON	R9 720 000	Other organ of state	N/A	N/A	N/A	N/A	N/A	N/A	01 02 2023	31 01 2026
A25	MANAGEMENT SERVICES	UPGRADE, MAINTENANCE AND SUPPORT OF OVERSTRAND MUNICIPALITY'S RADIO FREQUENCY NETWORK	SC1675B/2016	30 06 2023		C JOHNSON	R7 050 000	S.116(3)	01 03 2023	14 03 2023	25 03 2023	25 04 2023	16 05 2025	30 05 2023	01 07 2023	30 06 2026
A26	MANAGEMENT SERVICES	APPOINTMENT OF ATTORNEYS FOR THE RENDERING OF LEGAL SERVICES	SC2148/2020	30 06 2023		L WALLACE	TBD	Tender	30 11 2022	30 01 2023	28 02 2023	30 03 2023	07 05 2023	14 05 2023	01 07 2023	01 07 2023
A27	MANAGEMENT SERVICES	GRAPHIC DESIGN SERVICES	SC2248/2021	18 11 2022		T ZWENI	TBD	Tender	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
A28	MANAGEMENT SERVICES	PRINTING SERVICES FOR THE OVERSTRAND MUNICIPALITY	SC2277/2021	17 02 2023		T ZWENI	TBD	Tender	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
A29	PROTECTION SERVICES	MONITORING, ARMED RESPONSE, INSTALLATION OF ALARM SYSTEMS AND CCTV CAMERA CALL-OUTS	SC2086/2020	30 06 2023		L SMITH	R 850 000,00	Other organ of state	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	SECTION B: CAPITAL PROJECTS															
B1	COMMUNITY SERVICES	ABLUTION FACILITIES ONRUS SWIMMING BEACH PHASE 2	N/A	N/A		T MARX	R 1 243 842.00	Tender	01 09 2022	07 09 2022	15 09 2022	14 10 2022	01 12 2022	09 12 2022	01 01 2023	30 06 2023
B2	COMMUNITY SERVICES	RESTORATION AND UPGRADE OF BEACH AREA INCLUDING BEACH FACILITIES SANDBAAI	N/A	N/A		T MARX	R 300 000.00	Tender	01 09 2022	06 09 2022	15 09 2022	14 10 2022	01 12 2022	09 12 2022	01 01 2023	30 06 2023
B3	COMMUNITY SERVICES	ZWELIHLE LIBRARY	N/A	N/A		A WYNGAARD	R 4 373 611.00	Tender	03 10 2022	12 10 2022	20 10 2022	18 11 2022	19 01 2023	27 01 2023	01 02 2023	30 06 2023
B4	INFRASTR & PLANNING	UPGRADE STANFORD DROP OFF	N/A	N/A		C MITCHELL	R 1 983 720.00	TENDER	01 09 2022	07 09 2022	30 09 2022	04 11 2022	19 01 2023	03 02 2023	01 03 2023	30 06 2023
B5	INFRASTR & PLANNING	REPLACEMENT OF OVERSTRAND WATER PIPES(F1/2)	N/A	N/A		H BLIGNAUT	R 16 650 000.00	TENDER	29 04 2022	13 05 2022	27 05 2022	01 07 2022	18 08 2022	26 08 2022	01 10 2022	30 06 2024
B6	INFRASTR & PLANNING	REFURBISHMENT OF KLEINMOND BUFFELS RIVER WTW	N/A	N/A		H BLIGNAUT	R 18 000 000.00	TENDER	31 05 2023	15 06 2023	30 06 2023	05 08 2023	30 09 2023	07 10 2023	01 11 2023	30 06 2025
B7	INFRASTR & PLANNING	UPGRADE HERMANUS WELL FIELDS PHASE 2(F1/2)	N/A	N/A		H BLIGNAUT	R 4 000 000.00	TENDER	31 05 2023	15 06 2023	30 06 2023	05 08 2023	30 09 2023	07 10 2023	01 11 2023	30 06 2025
B8	INFRASTR & PLANNING	PEARLY BEACH WATER TOWER REFURBISH	N/A	N/A		H BLIGNAUT	R 700 000.00	TENDER	31 05 2023	15 06 2023	30 06 2023	05 08 2023	30 09 2023	07 10 2023	01 11 2023	30 06 2024
B9	INFRASTR & PLANNING	KLEINMOND WWTW REFURBISH UPGRADE (F1/2)	N/A	N/A		H BLIGNAUT	R 24 000 000.00	TENDER	29 04 2022	13 05 2022	27 05 2022	01 07 2022	18 08 2022	26 08 2022	01 10 2022	30 06 2024
B10	INFRASTR & PLANNING	UPGRADING OF PUMPSTATIONS & RISING MAINS (F1/2)	N/A	N/A		H BLIGNAUT	R 7 000 000.00	TENDER	14 10 2022	28 10 2022	11 11 2022	15 12 2022	31 01 2023	07 02 2023	01 03 2023	30 06 2024

B11	INFRASTR & PLANNING	UPGRADE STANFORD DROP OFF	N/A	N/A		C MITCHELL	R 1 983 720.00	TENDER	01 09 2022	07 09 2022	30 09 2022	04 11 2022	19 01 2023	03 02 2023	01 03 2023	30 06 2023
B12	INFRASTR & PLANNING	MASAKHANE HOUSING PROJECT BUS ROUTE(PHASE 1)	N/A	N/A		D HENDRIKS	R 16 013 000.00	Tender	15 06 2022	29 06 2022	15 07 2022	19 08 2022	22 09 2022	30 09 2022	03 11 2022	30 06 2024
B13	INFRASTR & PLANNING	MASAKHANE UPGRADE WATER LINES & NEW BOOSTER PUMPSTATION VALVES	N/A	N/A		D HENDRIKS	R 7 000 000.00	Tender	31 05 2022	15 06 2022	30 06 2022	29 07 2022	01 09 2022	09 09 2022	14 10 2022	30 06 2023
B14	INFRASTR & PLANNING	STANFORD UPGRADE BULK WATER	N/A	N/A		D HENDRIKS	R 5 615 000.00	Tender	31 05 2022	15 06 2022	30 06 2022	29 07 2022	01 09 2022	09 09 2022	14 10 2022	30 06 2023
B15	INFRASTR & PLANNING	HERMANUS MV LV UPGRADE REPLACEMENT(F1/2)	N/A	N/A		K DU PLESSIS	R 6 000 000.00	Tender	31 05 2022	15 06 2022	30 06 2022	29 07 2022	01 09 2022	09 09 2022	14 10 2022	30 06 2023
B16	INFRASTR & PLANNING	KLEINMOND MV LV NETWORK UPGRADE(F1/2)	N/A	N/A		K DU PLESSIS	R 2 416 000.00	Tender	31 05 2022	15 06 2022	30 06 2022	29 07 2022	01 09 2022	09 09 2022	14 10 2022	30 06 2023
B17	INFRASTR & PLANNING	HAWSTON MV LV UPGRADE REPLACEMENT(F1/2)	N/A	N/A		K DU PLESSIS	R 2 415 000.00	Tender	31 05 2022	15 06 2022	30 06 2022	29 07 2022	01 09 2022	09 09 2022	14 10 2022	30 06 2023
B18	PROTECTION SERVICES	MINOR ASSET	N/A	N/A		N MICHAELS	R 150 000.00	Other organ of state	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	SECTION C: AD-HOC PROCJECTS FUNDED FROM OPERATIONAL BUDGET															
C1	COMMUNITY SERVICES	ONRUS CARAVAN PARK: REPAIRS AND MAINTENANCE OF ABLUTITION BLOCKS	N/A	N/A		A WYNGAARD	R 900 000.00	Tender	06 10 2022	12 10 2022	20 10 2022	18 11 2022	19 01 2023	27 01 2023	01 02 2023	30 06 2023
C2	COMMUNITY SERVICES	ZWELIHLE COMMUNITY HALL: REPAIRS AND MAINTENANCE	N/A	N/A		A WYNGAARD	R 200 000.00	Formal Quotation	06 10 2022	12 10 2022	20 10 2022	04 11 2022	01 12 2022	N/A	15 12 2023	30 06 2023
C3	COMMUNITY SERVICES	MUNICIPAL OFFICE BUILDING: ALTERATIONS AND RENOVATIONS FOR DISABLE TOILET AND STORAGE	N/A	N/A		A WYNGAARD	R 300 000.00	Tender	06 10 2022	12 10 2022	20 10 2022	18 11 2022	19 01 2023	27 01 2023	01 02 2023	30 06 2023
C4	COMMUNITY SERVICES	SUPPLY AND DELIVERY OF OFFICE FURNITURE AND ITEMS	N/A	N/A		A WYNGAARD	R 200 000.00	Formal Quotation	04 08 2022	10 08 2022	18 08 2022	02 09 2022	22 09 2022	N/A	01 10 2022	30 06 2023
C5	COMMUNITY SERVICES	MAINTENANCE OF HAWSTON ABALONE HALL	N/A	N/A		B PLAATJIES	R 300 000.00	Tender	02 02 2023	08 02 2023	09 02 2023	10 03 2023	13 04 2023	21 04 2023	01 05 2023	30 06 2023
C6	COMMUNITY SERVICES	UPGRADING OF HAWSTON SWIMMING POOL (REFURBISHMENT OF SWIMMING POOL AND OR PUMPS)	N/A	N/A		B PLAATJIES	R 400 000.00	Tender	02 02 2023	08 02 2023	09 02 2023	10 03 2023	13 04 2023	21 04 2023	11 05 2023	30 06 2023
C7	COMMUNITY SERVICES	HERMANUS AREA: LATTE SHADES PORTS	N/A	N/A		D NEL	R 200 000.00	Formal Quotation	04 08 2022	10 08 2022	18 08 2022	09 09 2022	22 09 2022	N/A	01 10 2022	30 06 2023
C8	COMMUNITY SERVICES	DAVIES TIDAL POOL: ALTERATIONS AND BUILDING MAINTENANCE	N/A	N/A		D NEL	R 300 000.00	Tender	03 11 2022	09 11 2022	17 11 2022	15 12 2022	19 01 2023	27 01 2023	01 02 2023	30 06 2023
C9	COMMUNITY SERVICES	BEACH ABLUTION FACILITIES: ALTERATIONS AND BUILDING MAINTENANCE	N/A	N/A		D NEL	R 1 200 000.00	Tender	31 01 2023	01 02 2023	09 02 2023	10 03 2023	06 04 2023	14 04 2023	01 05 2023	30 06 2023
C10	COMMUNITY SERVICES	SUPPLY AND DELIVERY OF POLYWOOD PRODUCTS	N/A	N/A		D NEL	R 200 000.00	Formal Quotation	04 08 2022	10 08 2022	18 08 2022	02 09 2022	29 09 2022	N/A	01 10 2022	30 06 2023
C11	COMMUNITY SERVICES	SUPPLY AND DELIVER BURLOUW WOOD AND SAP PINE	N/A	N/A		T MARX	R 400 000.00	Tender	04 08 2022	10 08 2022	18 08 2022	16 09 2022	13 10 2022	21 10 2022	01 11 2022	30 06 2023
C12	COMMUNITY SERVICES	SUPPLY AND DELIVER NEW ROOF SHEETS	N/A	N/A		T MARX	R 300 000.00	Tender	04 08 2022	10 08 2022	18 08 2022	16 09 2022	13 10 2022	21 10 2022	01 11 2022	30 06 2023
C13	COMMUNITY SERVICES	CONSTRUCTION OF STONE WALLS AND SEATING	N/A	N/A		T MARX	R 300 000.00	Tender	06 10 2022	10 10 2022	18 08 2022	16 09 2022	13 10 2022	21 10 2022	01 11 2022	30 06 2023
C14	COMMUNITY SERVICES	REMOVAL OF WOODEN AND IRON WINDOWS AND SUPPLY, DELIVER AND INSTALL ALUMINIUM WINDOWS	N/A	N/A		T MARX	R 500 000.00	Tender	04 08 2022	10 08 2022	18 08 2022	16 09 2022	13 10 2022	21 10 2022	01 11 2022	30 06 2023
C15	COMMUNITY SERVICES	INSTALLATION OF PIGMENTED FLOORS AND WALLS	N/A	N/A		T MARX	R 500 000.00	Tender	03 11 2022	16 11 2022	24 11 2022	23 12 2022	09 02 2023	17 02 2023	01 03 2023	30 06 2023
C16	COMMUNITY SERVICES	PAINTING OF MUNICIPAL BUILDINGS	N/A	N/A		T MARX	R 200 000.00	Formal Quotation	04 08 2022	10 08 2022	18 08 2022	02 09 2022	29 09 2022	N/A	01 10 2022	30 06 2023
C17	COMMUNITY SERVICES	CLEANING OF CARPETS IN MUNICIPAL BUILDINGS	N/A	N/A		T MARX	R 200 000.00	Formal Quotation	05 08 2022	10 08 2022	18 08 2022	02 09 2022	29 09 2022	N/A	01 10 2022	30 06 2023
C18	COMMUNITY SERVICES	REPLACEMENT OF WINDOWS - KLEINMOND TOWN HALL	N/A	N/A		D Lakey	R 80 000.00	Formal Quotation	05 10 2022	12 10 2022	28 10 2022	04 11 2022	15 12 2022	N/A	09 05 2023	30 06 2023
C19	COMMUNITY SERVICES	REPARATION OF ROOF MOOIUITSIG, BETTY'S BAY	N/A	N/A		D Lakey	R 50 000.00	Formal Quotation	05 10 2022	12 10 2022	28 10 2022	04 11 2022	15 12 2022	N/A	09 01 2023	30 06 2023
C20	COMMUNITY SERVICES	GARDEN SERVICES AT MUNICIPAL BUILDINGS IN KLEINMOND ADMINISTRATION	N/A	N/A		D VAN RHODIE	R 200 000.00	Formal Quotation	11 07 2022	25 07 2022	05 08 2022	19 08 2022	30 09 2022	N/A	10 10 2022	30 06 2023
C21	COMMUNITY SERVICES	SUPPY & DELIVERY OF WHEELIE BIN SWIVEL STANDS AND BIN BRACKETS WITH SELF LOCKING MECHANISM	N/A	N/A		D VAN RHODIE	R 100 000.00	Formal Quotation	11 07 2022	25 07 2022	05 08 2022	19 08 2022	30 09 2022	N/A	10 10 2022	30 06 2023
C22	COMMUNITY SERVICES	REPAIR & MAINTENANCE OF PLAYPARK & OUTDOOR GYM EQUIPMENT IN KLEINMOND ADMINISTRATION	N/A	N/A		D VAN RHODIE	R 60 000.00	Formal Quotation	11 07 2022	25 07 2022	05 08 2022	19 08 2022	30 09 2022	N/A	10 10 2022	30 06 2023
C23	COMMUNITY SERVICES	REPAIR & MAINTENANCE OF ARTIFICIAL GRASS	N/A	N/A		F MYBURGH	R 225 000.00	Tender	08 08 2022	23 08 2022	08 09 2022	14 10 2022	01 11 2022	11 11 2022	01 07 2023	30 06 2023
C24	COMMUNITY SERVICES	MINOR ASSETS	N/A	N/A		R WILLIAMS	R 735 000.00	Tender	19 08 2022	09 09 2022	16 09 2022	30 09 2022	03 11 2022	18 11 2022	12 09 2022	30 06 2023
C25	COMMUNITY SERVICES	AD-HOC STORMWATER PROJECT-DE KELDERS & FRANSKRAAL	N/A	N/A		J SOLOMONS	R 200 000.00	Tender	11 08 2022	23 08 2022	08 09 2022	14 10 2022	01 11 2022	11 11 2022	01 07 2023	30 06 2023
C26	COMMUNITY SERVICES	INSTALLATION OF FENCE-STORMWATER DETENTION POND	N/A	N/A		J SOLOMONS	R 100 000.00	Tender	12 08 2022	23 08 2022	08 09 2022	14 10 2022	01 11 2022	11 11 2022	01 07 2023	30 06 2023
C27	COMMUNITY SERVICES	INSTALLATION OF KERBING IN HOOFWAY-DE KELDERS	N/A	N/A		J SOLOMONS	R 200 000.00	Tender	13 08 2022	23 08 2022	08 09 2022	14 10 2022	01 11 2022	11 11 2022	01 07 2023	30 06 2023
C28	MANAGEMENT SERVICES	FIRST AID, FIRE MARSHALL & HEALTH & SAFETY REPS	N/A	N/A		L BUCHIANERRI	R 180 000.00	Formal Quotation	01 07 2022	01 07 2022	01 08 2022	01 08 2022	N/A	N/A	01 10 2022	01 06 2023
C29	MANAGEMENT SERVICES	WEEDEATER & BRUSHCUTTER	N/A	N/A		L BUCHIANERRI	R 90 000.00	Formal Quotation	01 07 2022	01 07 2022	01 08 2022	01 08 2022	N/A	N/A	01 10 2022	01 06 2023
C30	MANAGEMENT SERVICES	FAULT FINDING LOCATION COURSE	N/A	N/A		L BUCHIANERRI	R 170 000.00	Formal Quotation	01 07 2022	01 07 2022	01 08 2022	01 08 2022	N/A	N/A	01 10 2022	01 06 2023
C31	MANAGEMENT SERVICES	SUPERVISION	N/A	N/A		L BUCHIANERRI	R 150 000.00	Formal Quotation	01 07 2022	01 07 2022	01 08 2022	01 08 2022	N/A	N/A	01 10 2022	01 06 2023
C32	MANAGEMENT SERVICES	HERBICIDE & PRUNING OF TREES	N/A	N/A		L BUCHIANERRI	R 80 000.00	Formal Quotation	01 07 2022	01 07 2022	01 08 2022	01 08 2022	N/A	N/A	01 10 2022	01 06 2023
C33	PROTECTION SERVICES	GREATER HERMANUS TRAFFIC DEPT REMOVAL OF OBSOLETE OLD ROOF	N/A	N/A		R FRASER	R 2 000 000.00	Tender	01 09 2022	07 09 2022	23 09 2022	28 10 2022	01 12 2022	08 12 2022	08 12 2022	N/A

ANNEXURE K

BUDGET RELATED POLICIES

OVERSTRAND MUNICIPALITY



PROPERTY RATES POLICY

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SECTION A: INTRODUCTION, DEFINITIONS AND PRINCIPLES

1. INTRODUCTION

Section 3 of the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004) and Section 62(l) (f) (ii) of the Local Government: Municipal Finance Management Act, 2003 (No. 56 of 2003), requires municipalities to develop and adopt rates policies on the levying of rates on rateable property in the Municipality.

The Municipality requires a reliable source of revenue to provide basic services and perform its functions. Property Rates are the most important source of general revenue for the Municipality. Revenue from property rates is used to fund services that benefit the community as a whole.

Municipal property rates are set, collected and used locally. Revenue from property rates is spent within a Municipality, where the citizens and voters have a voice in decisions on how the revenue is spent as part of the Integrated Development Plans (IDPs) and budget processes in respect of which the Municipality invites communities for their inputs before adopting the budget.

This policy document guides the annual setting of property rates. It does not make specific property rates proposals. In imposing a rate in the Rand the Municipality may grant exemptions, rebates and reductions to the categories of properties and categories of owners as allowed for in this policy document.

2. DEFINITIONS

"Act"	means the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004);
"additional rate"	means a rate as contemplated in sections 19(1)(d) and 22(1)(b) of the MPRA read together with section 10 of the Municipality's Property Rates Policy and section 12(2) of the Municipality's Special Ratings Area By-law, which Additional Rate shall be determined on an annual basis by the Municipality and shall be a debt due to the Municipality by the registered owner of a property within the SRA, and collected in the same manner as other property rates imposed by the Municipality;
"Bona fide farming"	means farming with the intention of making a living from the development, cultivation and utilisation of agricultural land and includes subsistence farming;
Building Clause	building clause refers to a provision incorporated into either a deed of sale, development agreement, or as a restrictive title deed condition, which prescribes that the Purchaser / Owner and / or the Successors in Title must within the period determined from date of first registration of transfer erect or cause to be erected, a building or structure on the Erf or Erven of which the building plans have been approved by the municipality, of which the value of the building / structure will be based on the determined cost of construction. In the event that Purchaser / Owner / Successors in Title not having commenced with the bona fide erection of a building or structure of which the building plans have been approved by the municipality, the building clause may require that the Erf / Erven be re - transferred to the Seller at the purchase consideration originally paid by the Purchaser / Owner.
"Business"	means the activity of buying, selling or trade in goods or services and includes any office or other accommodation on the same erf, the use of which is incidental to such business, with the exclusion of the business of mining, agriculture, farming, or *inter alia*, any other business consisting of cultivation of soils, the gathering of crops or the rearing of livestock;
"Exemption"	in relation to the determination of rates, an exemption granted in terms of section 15(1) (a) of the Act;
"Income"	Income is the gross sum of all monthly income from all sources, including wages, salaries, profits, dividends, pensions, rentals, board & lodging, interest received, grants or investment income and other forms of earnings received by every person residing on the property.

"Industrial"	means a branch of trade or manufacturing, production, assembling or processing of finished or partially finished products from raw materials or fabricated parts, on so large a scale that capital and labour are significantly involved;
"Lodge"	means accommodation in a non-urban area provided for paying visiting guests with a focus on aspects of nature and/or places of interest, and may include a restaurant and conference facilities;
"Mining"	means any operation or activity for the purpose of extracting any mineral on, in or under the earth, water or any residue deposit, whether by underground or open working or otherwise and includes any operation or activity incidental thereto;
"Multiple use properties"	means properties that cannot be assigned to a single category due to different uses;
"Municipal properties"	means those properties of which the Municipality is the registered owner;
"Newly rateable property"	means any rateable property on which property rates were not levied by 30 June 2005, excluding a property that was incorrectly omitted from a valuation roll and for that reason was not rated before that date;
"Protected area"	means an area that is or has to be listed in the register referred to in section 10 of the National Environment Management: Protected Areas Act, 2003;
"Public Benefit Organisation"	means an organisation conducting specified public benefit activities as defined and registered in terms of the Income Tax Act for tax reductions because of those activities;
"Public place"	means any square, park, recreation ground, sports ground, sanitary lane or open space which has - (a) in connection with any subdivision or layout of land into erven, lots or plots, been provided, reserved or set apart for use by the public or the owners or occupiers of such erven, lots or plots, whether or not it is shown on a general plan, plan of subdivision or diagram; (b) at any time been dedicated to the public; (c) been used without interruption by the public for a period of at least thirty years expiring after the thirty-first day of December, 1959, or (d) at any time been declared or rendered such by the Council or other competent authority.
"Public Service Infrastructure"	means government or government agency controlled infrastructure of the following kinds- (a) national, provincial or other public roads on which goods, services or labour move across a municipal boundary; (b) water or sewer pipes, ducts or other conduits, dams and water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme serving the public; (c) power stations, power substations or power lines forming part of an electricity scheme serving the public; (d) gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels; (e) communication towers, masts, exchanges or lines forming part of a communications system serving the public; (f) breakwater, sea walls, channels, basin, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising light houses, radio navigational aids, buoys, beacons or any other device or system used to assist the safe and efficient navigation of vessels; (g) rights of way, easement or servitudes in connection with infrastructure mentioned; (h) any other government or government agency controlled infrastructure as may be described from time to time.
"Public street"	means:- (a) any street which has at any time been-

	i. dedicated to the public; ii. used without interruption by the public for a period of at least thirty years; iii. declared or rendered such by a council or other competent authority, or iv. constructed by local authority, and (b) any land, with or without buildings or structures thereon, which is shown as a street on- i. any plan of subdivision or diagram approved by a council or other competent authority and acted upon, or ii. any general plan as defined in section 49 of the Land Survey Act, 1927 (Act 9 of 1927), registered or filed in a deeds registry or the Surveyor-Generals' office, unless such land is on such plan or diagram described as a private street.
"Rateable property"	means property on which a rate or rates may be levied under section 7 of the Act.
"Rebate"	in relation to a rate payable on a property, a discount on the amount of the rate payable on the property;
"Reduction"	in relation to a rate payable on a property, the lowering of the amount for which the property was valued in terms of section 15(1)(b) of the Act and the rating of the property at that lower amount;
"Residential"	means improved property that is: (a) used predominantly (60% or more) for residential purposes, with not more than two dwelling units per property. (b) a unit registered in terms of the Sectional Title Act 95 of 1986, used predominantly (60% or more) for residential purposes, and includes any unit in the same Sectional Title Scheme registered in the name of the same owner which is used together with the residential unit as if it were one property, for example a garage or store room. (Any such grouping shall be regarded as one residential property for rate rebate or valuation purposes.) or (c) owned by a share-block company and used predominantly (60% or more) for residential purposes, or (d) a residence used for residential purposes situated on property used for or related to educational purposes.
"State-owned properties"	means properties owned by the State, which are not included in the definition of public service infrastructure in the Act. These state-owned properties are classified as follows: (a) State properties that provide local services. (b) State properties that provide regional/municipal district-wide/metro-wide service. (c) State properties that provide provincial/national service. (d) Vacant land.
"Vacant erven"	means all undeveloped land irrespective of its current or future intended zoning. Agricultural properties will not be considered as being vacant erven.
All other terms are given the same meaning as that assigned to it in the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004), unless the context indicates otherwise.	

3. POLICY PRINCIPLES

Rates are levied in accordance with the Act as an amount in the Rand based on the market value of rateable property contained in the Municipality's valuation roll and supplementary valuation rolls.

As allowed for in the Act, the Municipality may choose to differentiate between various categories of property and categories of owners of property. Some categories of property and categories of owners are granted relief from rates. The Municipality does not, however, grant relief in respect of payments for rates to any category of owners or properties, or to owners of properties, on an individual basis, other than by way of an exemption, rebate or reduction provided for in this policy.

There will be no phasing in of rates based on the new valuation roll, effective from 01 July 2016, except as prescribed by legislation.

The rates policy for the Municipality is based on the following principles:-

a. Equity

The Municipality will treat all similar ratepayers with similar properties the same.

b. Affordability

The ability of a person to pay rates will be taken into account by the Municipality. In dealing with the poor/indigent ratepayers the Municipality will provide relief measures through exemptions and/or reductions and/or rebates.

c. Sustainability

Rating of property will be implemented in a way that-

i. it supports sustainable local government by providing a stable an buoyant revenue source within the discretionary control of the Municipality; and

ii. supports local social and economic development.

d. Cost efficiency

Rates will be based on the value of all rateable property and the amount required by the Municipality to balance the operating budget after taking into account the amounts required to finance exemptions, rebates and reductions as approved by the Municipality from time to time. The implementation of the policy must be as cost-effective as possible.

4. SCOPE OF POLICY

The policy document guides the annual setting (or revision) of property rates. It does not make specific property rates proposals. Details pertaining to the various property rates are determined when the budget is considered and approved every year.

5. APPLICATION OF THE POLICY

In imposing the rate in the Rand for each annual operating budget component, the Municipality may grant exemptions, rebates and reductions allowed for in this policy document.

6. CLASSIFICATION OF SERVICES AND EXPENDITURE

The Chief Financial Officer shall, subject to the guidelines provided by the legislation and the Executive Mayor, provide for the classification of services as outlined in the Municipality's annual budget into trading and economic services.

7. APPLICATIONS

a. All applications referred to in this policy must be received by the Municipality before the start of the financial year to which it refers. The Municipality may allow late receipts of such applications but not after 30 September of the financial year;

b. It is the duty of all such applicants to bring to the attention of the Municipality any amendments to such applications within 7 days after such occurrence.

SECTION B: CATEGORIES OF PROPERTY

8. CRITERIA FOR CATEGORIES OF PROPERTY FOR THE PURPOSE OF LEVYING DIFFERENT RATES

The following are the determined categories of properties in terms of section 8(2) of the Act: -

a. Residential properties.
b. Business and commercial properties.
c. Industrial properties.
d. Mining properties.
e. Public service infrastructure.

f. Public benefit organisations.
g. Agricultural properties used for bona fide farming;
h. State-owned properties that are used for public service purposes;
i. Municipal properties.
j. Protected areas.
k. Properties used for multiple purposes.
l. Vacant land.

Rates on properties, including properties used for multiple purposes, will be levied in accordance with the permitted or actual use of the property and not necessarily according to its zoning.

SECTION C: DIFFERENTIAL RATING

9. DIFFERENTIAL RATING

The following will be taken into consideration for the purposes of differential rating:

a. the nature of the property including its sensitivity to rating e.g. agricultural properties used for bona fide farming;

b. promotion of social and economic development by the Municipality;

c. zoning and/or actual use of property;

d. geographic rating areas i.e. when an improvement district has been established for that area or special rating areas; and

e. whether the owner was obliged to erect a building within a set time period and the period has lapsed.

Differential rating among the various property categories will be done by way of setting different Cents in the Rand for each property category.

10. ADDITIONAL RATES

The Municipality may in terms of the bylaw for the establishment of improvement districts and the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004), as amended-

a. determine an area within its boundaries as a special rating area;

b. levy an additional rate on property in that area for the purpose of raising funds for improving or upgrading that area; and

c. differentiate between categories of properties when levying an additional rate.

SECTION D: RELIEF MEASURES RELATED TO CATEGORIES OF PROPERTIES AND CATEGORIES OF OWNERS OF PROPERTIES

11. CRITERIA FOR EXEMPTIONS, REBATES AND REDUCTIONS

The following will be taken into consideration for the purpose of granting exemptions, rebates and reductions:

a. indigent status of the owner of a property;
b. income of the owner and/or household on a property;
c. market value of residential property below a determined threshold;
d. owners of property situated within an area affected by –
   i) a disaster within the meaning of the Disaster Management Act, 2002 (Act No. 57 of 2002); or
   ii) any other serious adverse social or economic conditions;
e. zoning and/or actual use of the property; and
f. availability of services funded by rates for a property.

12. GRANTING OF EXEMPTIONS

In terms of sections 9 and 15(1) (a) of the Act the owners of the following categories of properties are exempted from paying rates:-

a. Residential properties – including residential properties in the urban edge as determined by the Municipality

The Municipality will not levy a rate on the market value of properties as follows: -

i) on the first R15 000 on the basis set out in section 17 (1) (h) of the Act; and
ii) on a further amount in respect of developed residential properties; as an important part of the Municipality's indigent relief measures aimed primarily at alleviating poverty amongst those persons owning low-valued properties, in a cost-effective manner. To qualify for this reduction a property must be exclusively used for residential purposes.
iii) The Municipality may grant a further residential rebate on rates levied on the balance of the market value of developed residential properties, if any, as determined by Council during the budget process.

b. Multiple use properties

Properties used for multiple purposes which do not fall within the definition of residential properties and, accordingly, do not qualify for the residential rates rebate, may be included in the category of multiple use properties, for which an appointment value for each distinct use of the property will be calculated and used for billing at the appropriate and applicable rate.

Examples of properties used for multiple purposes are the following:

i) A block of flats with businesses on the ground floor.
ii) A double storey-building with a shop on the ground floor and the residential quarters on the top floor.
iii) A farm that consists of the residential portion, a farm portion and unused land, etc.

If the market value of the property cannot be apportioned to its various use purposes, then the entire property will be categorised in terms of the dominant (main or primary) use.

c. Public Benefit Organisations

Public Benefit Organisations may apply for the exemption of property rates subject to producing a tax exemption certificate issued by the South African Revenue Services (SARS) as contemplated in Part 1 of the Ninth Schedule of the Income Tax Act, 1962 (No 58 of 1962):

i) Health care institutions

Government properties used exclusively as a hospital, clinic and mental hospital, including workshops used by the patients, laundry or cafeteria facilities, provided that any profits from the use of the property are used entirely for the benefit of the institution and/or for charitable purposes within the Municipality.

ii) Welfare institutions

Properties used exclusively as an orphanage, non-profit retirement villages; old age home or benevolent institution, including workshops used by the inhabitants, laundry or cafeteria facilities, provided that any profits from the use of the property are used entirely for the benefit of the institution and/or for charitable purposes within the Municipality.

iii) Child headed households

Any child headed household where such oldest child is younger than 18 years. The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, also proof that he/she receives a social pension or, if he/she does not receive a social pension, proof of certification by a district medical officer. The rateable property in question must be categorised as residential, or as farm properties solely used for residential purposes.

iv) Charitable institutions

Property belonging to not-for-gain institutions or organisations that perform charitable work.

v) Sporting bodies

Property used by an organisation whose sole purpose is to use the property for amateur sport or any activity connected with such sport.

vi) Cultural institutions

Properties declared in terms of the Cultural Institutions Act, Act 29 of 1969 or the Cultural Institutions Act, Act 66 of 1989.

vii) Museums, libraries and art galleries

Registered in the name of private persons or organisations, open to the public and not operated for gain.

viii) Youth development organisations

Property owned and/or used by organisations for the provision of youth leadership or development programmes.

ix) Educational institutions

Property owned by not-for-gain institutions (declared or registered by law) and used for educational purposes including a residence registered in the name of the educational institution and used by full-time employees of the educational institution.

x) Animal welfare

Property owned or used by institutions/organisations whose exclusive aim is to protect birds, reptiles and animals on a not-for-gain basis.

d. In terms of section 17(1)(i) of the act, the municipality may not levy a rate on property registered in the name of and used primarily as a place of worship by a religious community, including an official residence registered in the name of that community which is occupied by an office bearer of that community who officiates at services at that place of worship.

e. Municipal properties that are not leased or rented out by the Municipality.

f. Public places and streets

All defined roads and/or streets and public places.

g. Exemptions are subject to the following conditions:

i) all applications must be addressed in writing to the Municipality;

ii) a SARS tax exemption certificate must be attached to all applications where applicable;

iii) the municipal manager or his/her nominee must have considered and approved all applications;

iv) the Municipality retains the right to refuse exemptions if the details supplied in the application form were incomplete, incorrect or false.

v) false declarations will lead to the forfeit of any exemption and may lead to criminal prosecution.

vi) a person who provides false information will be held liable for the immediate re-payment of any rebates already granted and legal, civil and criminal action may be instituted against the guilty party/ies.

13. GRANTING OF REBATES

13.1 Categories of properties:

a. State owned property

State owned property no longer qualifies for any rates rebate by virtue of ownership. However, the exemptions, rebates and reductions relating to the usage of the properties as specified in this Rates Policy would apply.

b. Public Service Infrastructure

Public service infrastructure (as defined in the Act) may not be rated on the first 30 percent of its market value in terms of section 17 (1) (a) of the Act.

c. Agricultural

in terms of section 8 of the Act.

d. Conservation Land

Section 17 (1) (e) of the Act precludes Council from levying rates on those parts of a special nature reserve, national park or nature reserve within the meaning of the National Environmental Management: Protected Areas Act, 2003 (Act 57 of 2003), or of a national botanical garden within the meaning of the National Environmental: Management: Biodiversity Act, 2004 (Act 10 of 2004) which are not developed or used for commercial, farming or residential purposes. The apportioned value of any portion of such properties utilized for any purpose other than that used for such conservation purposes will be rated accordingly.

e. Properties in rural areas

The Municipality may grant a rates rebate to properties in rural areas as a result of, and taking into account, the limited rate-funded services supplied to such properties.

f. Properties with a market value below a prescribed valuation level

Instead of a rate determined on the market value, properties with a valuation below an amount as determined by the Municipality may be rated at a fixed amount per property.

13.2. Categories of owners

a. Retired and Disabled Persons Rate Rebate

i) Retired and Disabled Persons qualify for special rebates according to monthly household income. To qualify for the rebate a property owner must:

- be a South African citizen;
- occupy the property as his/her primary residence, provided that where the owner is unable to occupy the property due to circumstances beyond his/her control, the spouse or minor children may satisfy the occupancy requirement. Absence of up to three months per year from the property will be disregarded for the purposes of this requirement;
- be at least 60 years of age or in receipt of a disability pension from the State;
- be in receipt of a total monthly income not exceeding the amount as decided by the Municipality; and
- not be the owner of more than one property.

ii) A *usufructuary* or *habitatio* (right of habitation) or an executor or administrator of a deceased estate will be regarded as the property owner for purposes of a rebate application. The applicant must produce an Affidavit or a letter from the Master of the High Court to substantiate the appointment.

iii) Property owners must apply on a prescribed application form for a rebate as determined by the Municipality.

iv) Applications must be accompanied by -

- a certified copy of the identity document or any other proof of the owners age which is acceptable to the Municipality;
- sufficient proof of total monthly income by submission of a minimum of the latest three months bank statements from all financial institutions, for all persons normally residing on that property or, if those persons do not have bank accounts, such proof as the Municipality may require to substantiate the level of total monthly income of the person(s).
- an affidavit from the owner, (on the application form);
- if the owner is a disabled person proof of a disability pension payable by the state must be supplied; and
- if the owner has retired at an earlier stage for medical reasons proof thereof must be submitted.
- The CFO or his/her nominee has the right to conduct a full credit check or financial analysis on any person applying for any benefit in terms of this policy, or to review and recover any previous benefit received, based on evidence available.

v) Rebate percentages

- A rebate of 100% to approved applicant in terms of this Policy, who's gross monthly household income may not exceed the amount of two times (2x) the state funded social pensions per month;
- A rebate of 50% to approved applicant in terms of this Policy, who are older than 60 with a gross monthly household income less than four times (4x) the state funded social pensions per month;
- A rebate of 40% to approved applicant in terms of this Policy, who are older than 60 with a gross monthly household income more than four times (4x) but less than eight times (8x) the state funded social pensions per month.

vi) In the case of misrepresentation or false declaration, the Municipality reserves the right to refuse the approval of the rebate, or to recover any rebate, if already granted and may institute appropriate legal action, civil or otherwise against guilty party(ies).

13.3. Other cases

a. Municipal property and usage:-

i) A *pro rata* rebate may be granted where the seller sells land after the financial year has started.

ii) Where the Municipality register a road reserve or servitude on a privately owned property, a *pro rata* rebate equal to the value of the reserve or servitude will be given to the owner of the property.

SECTION E: RATES ADJUSTMENTS

14. RATE INCREASES/DECREASES

14.1 The Municipality will consider increasing/decreasing rates annually during the budget process.

14.2 Rate increases will be used to finance the increase in operating costs of rates funded services.

14.3 Rates adjustments may be made taking into account all or any of the following factors:

a. all salary and wage increases as agreed at the South African Local Government Bargaining Council;

b. inflation;

c. the cost of capital;

d. statutory increases affecting the Municipality; and

e. increases or decreases on operating subsidies received.

15. RESOLUTIONS LEVYING RATES

The process as set out in the Act will be followed in notifying the public of any decisions by the Municipality regarding rates resolutions.

SECTION F: LIABILITY FOR RATES

16. LIABILITY FOR RATES BY PROPERTY OWNERS

Ratepayers may choose between paying rates annually in one instalment on or before 30 September or monthly on or before the date on which it becomes payable. If the owner of property does not notify the Municipality before the start of the financial year that he/she prefers to pay rates in one payment on or before 30 September of the financial year, such owner must pay the amount due monthly. A notice from an owner regarding the manner of payment of rates will remain applicable for future financial years until withdrawn by the owner. Interest on arrear rates shall be payable.

If a property owner, who is responsible for the payment of property rates in terms of this policy, fails to pay such rates in the prescribed manner and on the date/s due, it will be recovered from him/her.

Arrear rates shall be recovered from tenants, occupiers and agents of the owner, in terms of the Act.

Where the rates levied on a particular property have been incorrectly determined, whether because of an error or omission on the part of the Municipality or false information provided by the property owner concerned or a contravention of the permitted use to which the property concerned may be put, the rates payable shall be appropriately adjusted for the period extending from the date on which the error or omission is detected back to the date on which rates were first levied in terms of the valuation roll.

In addition, where the error occurred because of false information provided by the property owner or as a result of a contravention of the permitted use of the property concerned, interest on the unpaid portion of the adjusted rates payable shall be levied at the maximum rate permitted by prevailing legislation.

17. CLEARANCE CERTIFICATE

17.1 On the sale of any property in the municipal jurisdiction, Council will withhold the transfer until all rates, service and sundry charges and any estimated amounts for the duration of the certificate in connection with the property are paid, by withholding a clearance certificate. The municipality will issue such clearance certificate on receipt of an application on the prescribed form from the conveyancer.

17.2 All payments will be allocated to the registered seller's municipal accounts and all refunds will be made to such seller.

17.3 No interest shall be paid in respect of these payments.

17.4 The Municipality will only issue a clearance certificate once a completed prescribed application form from the conveyancer has been received.

17.5 Where any residential or non-residential debtor has entered into an arrangement with the Municipality in respect of the arrears on a property, the prescribed certificate as referred to in Section 118 of the Systems Act, will not be issued until such time as the full outstanding amount has been paid.

17.6 The rates clearance certificate validation period is 60 days and the amount due for payment will include 3 (three) months advance collections plus all current outstanding debt on the property.

17.7 After receiving the rates clearance application form, the Municipality has 10 (ten) working days to forward the amount due for payment and another 10 (ten) working days to produce the rates clearance certificate, once proof of payment has been established.

18. REGULAR REVIEW PROCESSES

The rates policy will be reviewed on an annual basis.

19. IDENTIFICATION AND QUANTIFICATION OF COSTS AND BENEFITS

The cost to the Municipality and benefit to the local community of exemptions, rebates, reductions and exclusions referred to in sections 17 (1) (a), (e), (g) (h) and (i) of the Act are reflected in the Municipality's budget.

20. ADJUSTMENT OF RATES PRIOR TO SUPPLEMENTARY VALUATION

20.1 In circumstances where a valuation has been carried out by the municipal valuer, in pursuance of a Supplementary Valuation (SV) in terms of section 78(1)(d) or 78(1)(f) of the MPRA as a result for example, of a demolition having taken place on a property or a fire having destroyed buildings on a property, but the Municipality has not yet included such valuation of the relevant property in the SV, such valuation shall be submitted to the CFO for approval to levy rates on the property in accordance with such valuation, with effect from the date of the occurrence of the event caused a SV to be required.

20.2 If the owner of a property which has been subdivided or consolidated after the last general valuation wishes to sell the consolidated erf, or one or more of the erven which have been subdivided off the parent erf, as the case may be, applies to the Municipality for a clearance certificate in terms of section 118 of the Systems Act and if the Municipality has not yet included such valuation of the relevant property/s in the SV, then:-

a. The municipal valuer shall conduct a valuation of the relevant property/s for purposes of a SV; and

b. The valuation shall be submitted to the CFO for approval of the levying of rates on such property/s in accordance with such valuation, with effect from the date on which the relevant subdivision or consolidation (as may be the case), was registered in the Deeds Office.

20.3 Any valuations performed in terms of paragraph 20 shall be included in the next SV prepared by the Municipality without any amendments to the valuation and any objections to such valuation may only be lodged once such SV is made public in terms of section 49 of the Act.

21. IMPLEMENTATION PROCESS AND REVIEW PROCESS

This policy will come into effect on **1 July 2022** and will be reviewed at least annually or when required by way of a Council resolution.

22. SHORT TITLE

This policy will be referred to as the **Rates Policy of the Overstrand Municipality**.

POLICY SECTION:	SENIOR MANAGER: REVENUE
CURRENT UPDATE:	31 MAY 2022
PREVIOUS REVIEW:	26 MAY 2021
PREVIOUS REVIEW:	27 MAY 2020
PREVIOUS REVIEW:	29 MAY 2019
PREVIOUS REVIEW:	30 MAY 2018
PREVIOUS REVIEW:	31 MAY 2017
PREVIOUS REVIEW	25 MAY 2016
PREVIOUS REVIEW	28 MAY 2015
PREVIOUS REVIEW	28 MAY 2014
PREVIOUS REVIEW	29 MAY 2013
PREVIOUS REVIEW	30 MAY 2012
PREVIOUS REVIEW:	04 MAY 2011
PREVIOUS REVIEW:	26 MAY 2010
PREVIOUS REVIEW:	27 MAY 2009
APPROVAL BY COUNCIL:	31 MAR 2008

OVERSTRAND MUNICIPALITY



TARIFF POLICY

PREAMBLE

Whereas section 74 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) requires a municipal council to adopt a tariff policy on the levying of fees for municipal services;

And whereas the tariff policy should at least include the principles contained in section 74(2) of the Act, thus giving effect to the By-Law required in terms of section 75 of the Act;

And whereas the tariff policy may differentiate between different categories of users, debtors, service providers, service standards and geographical areas as long as such differentiation does not amount to unfair discrimination;

Now therefore the Municipal Council of the Overstrand Municipality adopts the following Tariff Policy:

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1. DEFINITIONS

In this tariff policy, unless the context otherwise indicates –

"Availability Charge"	Availability charge means a charge levied on all properties with or without improvements, where a basic fee is not levied, to recover fixed costs which do not vary with consumption or volume produced.
"basic municipal service"	means the amount or level of any municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, could endanger public health or safety of the environment and for the purposes of this policy are restricted to electricity, refuse, sewage and water services;
"break even"	means the financial situation where the income derived by the Municipality from the supply of a service is equal to the aggregate of the fixed and the variable costs associated with the provision of the service concerned;
"capital contributions"	means the tariffs payable in respect of the water, electricity, sewage, storm water, roads and refuse removal infrastructure of the Municipality and which amounts exclude amounts payable towards the operational and maintenance costs of such infrastructure;
"Commercial Unit/Erf"	means a self-contained or lettable section within a building or a group of buildings on the same plot excluding short term residential accommodation establishments for e.g. hotels, bed & breakfast, guest houses etc. An owner of a commercial property may annually choose between being levied either per erf or per commercial unit for water and sewage basic charges. This choice must be applied on or before 30 September of each financial year.
"community services"	means the services referred to in paragraph 5(1)(c) and in respect of which the tariffs are set at a level that the costs of the services are not recovered fully from public service charges and are of a regulatory nature;
"consumer, customer, owner, occupier, account holder"	means individuals and other legal entities against whom a tariff, fee, charge or other levy specific to identifiable services are levied.
"Council" or "municipal council"	means a municipal council referred to in section 18 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) and for purposes of this policy, the municipal council of the Overstrand Municipality;
"economic services"	means services that the Council has classified as such and the tariffs have been compiled with the intention that the total costs of the services are recovered from customers;
"Electricity Service charge"	means the monthly charge payable per point of supply to recover administration-related and service-related costs such as meter reading, billing and meter capital. It is based on the monthly utilized capacity of each point of supply linked to an account.
"fixed costs"	means costs which do not vary with consumption or volume produced;
"lifeline"	Available to pre-paid consumers whose connection is ≤30Amp with a maximum average consumption of 350 kWh measured over a period of 12 months. This tariff is only available to Informal dwellings in informal settlements;
"low voltage metering point"	means a metering point at the set of nominal voltage levels that are used for the distribution of electricity and who's upper limit is generally accepted to be an a.c. voltage of 1000V or less
"medium voltage metering point"	means a metering point at the set of nominal voltage levels that lie above low voltage and below high voltage in the range of 1kV < Un <- 44kV
"multi-purpose"	In relation to a property, means the use of a property for more than one purpose;
"Municipality"	the institution that is responsible for the collection of funds and the provision of services to the customers of Overstrand;

"Municipal Manager"	means the accounting officer appointed in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) and being the head of administration and accounting officer in terms of section 55 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) and includes any person:- (a) acting in such position; and (b) to whom the Municipal Manager has delegated a power, function or duty in respective of such a delegated power, function or duty;
"NMD"	Notified Maximum Demand – the maximum capacity in kVA, as measured over a 30-minute integration period, per point of supply that the customer will contract for Overstrand to make available during all time periods.
"resident "	means a person who normally resides in the municipal area;
"residential unit"	means a single residential erf, flat, townhouse or group development unit, retirement village unit, guest house, bed and breakfast and any household related consumer that do not fall in one of the above household consumer categories;
"RUE"	means Residential Unit Equivalent;
"time of use"	means a tariff with energy charges based on the volume of electricity demand during high, mid and low demand periods and may differ per tariff.
"the Act"	means the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000);
"total cost"	means the sum of all fixed and variable costs associated with a service;
"trading services"	means services that the Council has classified as such and the tariffs have been compiled with the intention that the Council makes a profit from the delivery of the services;
"utilized capacity"	Means the higher of the notified maximum demand (NMD) or maximum demand, per point of supply measured in kVA, and registered each month.
"vacant land"	means all undeveloped land irrespective of its current or future intended zoning. Agricultural properties will not be considered as being vacant erven.
"variable costs"	means costs that vary with consumption or volume produced;
"wet Industry"	Defined as an industry using water as essential and fundamental input in the production process.

2. PURPOSE OF POLICY

The Overstrand Municipality wishes to achieve the following objectives by adopting this tariff policy:-

2.1. To comply with the provisions of section 74 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000).

2.2. To prescribe procedures for calculating tariffs where the Municipality wishes to appoint service providers in terms of section 76(b) of the Act.

2.3. To give guidance to the Portfolio Committee for Finance regarding tariff proposals that must be submitted to Council annually during the budgetary process.

3. TARIFF PRINCIPLES

The Overstrand Municipality wishes to record that the following tariff principles will apply:-

3.1. Service tariffs imposed by the Municipality shall be viewed as user charges and shall not be viewed as taxes, and therefore the financial ability of the relevant user of the services to which such tariffs relate, shall not be considered as a criterion.

3.2. Tariffs for the basic municipal services rendered by the Municipality, namely:

(a) electricity;
(b) water;
(c) sewage (waste water); and

(d) refuse removal (solid waste),

shall be calculated at a level which will recover all expenses associated with the rendering of these services.

3.3. To prevent existing consumers from subsidising the capital costs associated with new developments and subdivisions the Municipality will plan and manage the extension of services in such a manner that it will not impact negatively on the fixed costs and availability charges of existing tariffs.

3.4. Capital contributions to finance new developments and subdivisions will be required from all developers.

3.5. All users of municipal services, within a category of users, will be treated equitably.

3.6. The amount payable by consumers and/or owners will generally be in proportion to usage of the service.

3.7. The Municipality shall develop, approve and at least annually review an indigent support policy for the municipal area. This policy shall set out clearly the Municipality's cost recovery policy in respect of the tariffs which it levies on registered indigents, and the implications of such policy for the tariffs which it imposes on other users and consumers in the municipal region.

3.8. Subject to annual budgetary provisions and the availability of funds from National Treasury through the equitable share contribution, the Municipality may consider supplying free basic services to categories of consumers.

3.9. In the case of directly measurable services, namely electricity and water, the consumption of such services shall be properly metered by the Municipality, and meters shall be read, wherever circumstances reasonably permit, on a monthly basis. If a service is metered but it cannot be read due to financial and/or human resource constraints or circumstances beyond the control of the Municipality or its authorised agent, and the customer is charged for an estimated consumption, the account following the reading of the metered consumption must articulate the difference between the actual consumption and the average consumption, and the resulting credit or debit adjustments.

Tariffs must be set at a level that facilitates the sustainability of services. Sustainability will be achieved by ensuring that:-

(a) Cash inflows cover cash outflows. This means that sufficient provision for working capital and bad debts will be made.

(b) Access to the capital market is maintained. This will be achieved by providing for the repayment of capital, maintaining sufficient liquidity levels and if possible, generating a surplus on trading services.

(c) Service providers retain a fair rate of return on their investments.

3.10. Provision may be made in appropriate circumstances for surcharges on tariffs.

3.11. Efficient and effective use of resources may be encouraged by providing for penalties to prohibit or restrict exorbitant use.

3.12. The extent of subsidisation of tariffs will be disclosed and such disclosure will include the extent of subsidisation of the indigent or incentives for local development.

3.13. Provisions may be made for the subsidisation of the indigent and the promotion of local economic development by creating expenditure votes in the service budgets and including the costs in tariff calculations.

3.14. VAT is included in all tariffs where applicable.

3.15. This policy shall be binding on all tariffs other than those governed by legislation which supersedes the Act.

3.16. A property used for multiple purposes must, for purposes related to the services and categories of users concerned, be calculated at the appropriate and applicable rate for each distinct use of the property.

3.17. In order to provide the Municipality with appropriate security for payment of amounts owing to it from time to time for services rendered, the Council shall impose a system of deposits payable by consumers. The deposits shall be set with due regard to the potential financial risk associated with the amounts owing from time to time as well as sufficient provision for working capital. The level of the deposits shall be revised annually and the Municipality may introduce transitional arrangements in respect of existing consumers.

4. CATEGORIES OF CONSUMERS

4.1. Separate tariff structures may be imposed for the following categories of consumers (which the council may change) :

(a) domestic consumers;
(b) commercial consumers;
(c) industrial consumers;
(d) agricultural consumers;
(e) organs of state;
(f) municipalities;
(g) consumers with whom special agreements were made;
(h) consumers in certain geographical areas;
(i) sport and recreation facilities
(j) private schools & educational institutions;
(k) public benefit organisations and suchlike institutions, and
(l) vacant land

4.2. Section 74(3) of the Municipal Systems Act allows for the differentiation between different categories of users, debtors, service providers, services, service standards, geographical areas and other matters for tariff purposes as long as the differentiation does not amount to unfair discrimination.

4.3. Where there are substantial differences between the infrastructures used to provide services to specific groups of users within a category and/or standard of services provided, the Council can, after considering a report by the Municipal Manager or the relevant Director, determine differentiated tariffs for the different consumers within the specific category.

4.4. Differentiated tariffs must be based on one or more of the following elements; infrastructure costs, volume usage, availability and service standards.

4.5. If, for purposes of determining the tariff applicable to a particular user or category of users, the user or category of users has not specifically by definition been included under a defined category of users in this policy, the Municipal Manager shall, by applying the closest match principle, determine the category under which the user or category of users fits in best, taking into account the nature of the service concerned and the user or category of users involved.

5. INCENTIVE POLICY

5.1. Tariffs will not reflect incentives for investment or to promote economic development.

6. INDIGENT RELIEF

6.1. Tariffs will not reflect relief granted to indigent households. Such relief will be developed as a separate policy and be subject to the discretion of Council as to its sustainability.

6.2. All such relief will be reflected, accounted for and disclosed separately in invoices, account statements, budgets, financial statements or reports.

6.3. During implementation of such policy, cognisance will be taken of the fact that the existing tariffs and procedures may require amendment to accommodate the above clauses and that such amendments will be phased in over time.

6.4. Indigent households are expected to manage their consumption of services within the levels of relief granted.

6.5. Assistance and management of indigent households is contained in the Customer Care and Debt Collection Policy/By-Law. The Municipality, however, retains the right to limit consumption through prepaid meters or restriction if the accounts of assisted households fall into arrears.

7. SERVICE, EXPENDITURE CLASSIFICATION AND COST ELEMENTS

7.1. Service classification

7.1.1. To isolate the costs associated with a service, the Municipal Manager shall, subject to the guidelines provided by the National Treasury, Generally Recognised Accounting Practice (GRAP) and Executive Mayoral Committee of the Council, provide for the classification of services into the following categories:-

(i) trading services;
(ii) economic services;
(iii) community services; and
(iv) subsidised services.

7.1.2. Trading and economic services must be financially ring-fenced and financed from service charges while community and subsidised services will be financed from rates and related income.

7.2. Expenditure classification

Expenditure will be classified in accordance with GRAP.

7.3. Cost elements

The following cost elements may be used to calculate the tariffs of the different services:-

(a) *"Fixed costs"* which consist of the capital costs (interest and redemption) on external loans as well as internal advances and/or depreciation, whichever are applicable to the service, and any other costs of a permanent nature as determined by the Council from time to time.

(b) *"Variable costs"* which include all other variable costs that have reference to the service.

(c) *"Total cost"* which is equal to the fixed costs and variable costs.

8. TARIFF TYPES

In determining the type of tariff applicable to the type of service, the Municipality shall make use of any of the following six options or a combination thereof:-

8.1. "Single tariff":-

This tariff shall consist of a cost per unit consumed. All costs will be recovered through unit charges at the level where income and expenditure breaks even. Subject to a recommendation by the Municipal Manager, the Council may decide to approve profits on trading services during the budget meeting. Such profits will be added to the fixed and variable cost of the service for the purpose of calculating the tariffs.

8.2. "Cost related to a two to four part tariff":-

This tariff shall consist of two to four parts. Management, capital, maintenance and operating costs may be recovered by grouping certain components together, e.g. management, capital and maintenance costs may be grouped together and may be

recovered by a fixed charge, independent of consumption for all classes of consumers, or the total costs may be recovered by a unit charge per unit consumed. Three and four part tariffs may be used to calculate the tariff for electricity and to provide for maximum demand and usage during limited demand.

8.3. **"Inclining block tariff":-**

This tariff is based on consumption levels being categorised into blocks, the tariff being determined and increased as consumption levels increase.

8.4. **"Declining block tariff":-**

This tariff is the opposite of the inclining block tariff and decreases as consumption levels increase.

8.5. **"Regulating tariff":-**

This tariff is only of a regulatory nature and the Municipality may recover the full or a portion of the cost associated with rendering the service.

8.6. **"Cost plus mark-up tariff":-**

This tariff is for other services rendered.

9. CALCULATION OF TARIFFS FOR MAJOR SERVICES

9.1. **General**

In order to determine the tariffs which must be charged for the supply of the basic municipal services, (electricity, refuse, sewage and water), the Municipality shall use service and expenditure classifications and cost elements contained in clause 7 and identify all the costs associated with the service concerned, including the following:-

9.1.1. Cost of bulk purchases in the case of electricity and water.

9.1.2. Distribution costs, including distribution losses in the case of electricity and water.

9.1.3. Depreciation and finance charges.

9.1.4. Maintenance of infrastructure and other assets.

9.1.5. Administration and service costs, including:-

(a) service charges levied by other support services, such as finance, human resources and legal services;

(b) reasonable general overheads, such as the costs associated with the office of the Municipal Manager;

(c) adequate contributions to the provisions for bad debts, working capital and obsolescence of stock;

(d) all ordinary operating expenses associated with the service concerned, including the cost of providing street lighting in the municipal area in the case of the electricity service.

9.1.6. The intended surplus to be generated for the financial year shall be applied generally in relief of rates and general services.

9.1.7. Where a consumer has an option to choose between different tariffs on a service such option must be exercised before 30 September to be implemented for the specific financial year.

9.2. **Electricity**

9.2.1. The guidelines and policy issued by the National Energy Regulator from time to time will form the basis of calculating tariffs.

9.2.2. The Municipality has standardized on the installation of Pre-Payment Meters for all Domestic Consumers. As such it is compulsory for all new domestic

connections to be equipped with Pre Payment Meters. The Municipality has embarked on a program to effect the migration of all Credit Meters to Pre-Payment Meters. The change from Pre-Payment Meters to Credit Meter will therefore be disallowed unless special health circumstances exist, in which extreme case a credit meter will be installed by special concession from the Director of Infrastructure and Planning and by payment of the required change of meter fees as well as the required deposit.

9.2.3. When an adjustment is made to the electricity consumption registered on a meter in terms of Section 55(2) or 55(3) of the Electricity Supply By-Law, published on 21 October 2016, such adjustment shall either be based on the percentage error of the meter as determined by the test referred to in Section 55(5) or upon a calculation by the Municipality from consumption data in its possession. Where applicable, due allowance shall be made, where possible for seasonal or other variations which may affect the consumption of electricity.

9.2.4. To make electricity affordable to certain categories of consumers, cross subsidisation between and within categories of consumers will be allowed, based on the load factors of the categories and consumers within the category.

The first 50 kWh in the tariff block 0 – 350 of electricity per month shall be free of charge to domestic electricity consumers who applied and were approved in terms of the relevant clause as per the Overstrand Indigent Policy.

9.2.5. The fixed costs, or portions thereof, will be recovered through an energy or time-of-use charge.

9.2.6. A basic charge per electricity meter or unit in the municipal area, as determined by the Council from time to time, may be charged against all electricity consumers.

9.2.7. To apply the abovementioned principles, the consumer types and cost allocations reflected in the following table will be used:-

Categories of Consumers	Tariff Components			
	Fixed Charge (Rand/ consumer/ month)	Active Energy Charge (cent/kWh/ month)	Time-of-use Energy Charge Peak / Standard / Off-peak (sent/kWh/month)	Charge (Rand/KVA/ month)
Single Phase: (Domestic Credit meters)	X	X		***Note: IBT BLOCK** 1) 0 - 350 kWh 2) 351 – 600 kWh 3) > 600kWh
Single Phase: (Domestic Pre-paid meters)	X	X		***Note: IBT BLOCK** 1) 0 - 350 kWh 2) 351 – 600 kWh 3) > 600kWh
Life Line One – (pre-paid meters only)		X		0 – 350 kWh
One Part – (pre-paid meters only) Local Economic Development Projects		X		0 – 350 kWh
Single Phase: (Commercial Credit meters)	X	X		Flat rate
Single Phase: (Commercial Pre-paid meters)	X	X		Flat rate
Three Phase: (Domestic Credit meter) ≤ 100A	X	X		***Note: IBT BLOCK** 1) 0 - 350 kWh 2) 351 – 600 kWh 3) > 600kWh
Three Phase: (Domestic Pre-paid meter) ≤ 100A	X	X		***Note: IBT BLOCK** 1) 0 - 350 kWh

				2) 351 – 600 kWh 3) > 600kWh
Three Phase: (Commercial Credit meter) ≤ 100A	X	X		**Flat Rate**
Three Phase: (Commercial Pre-Paid meter) ≤100A	X	X		**Flat Rate**
Economic Pre-paid:- ≤ 100A		X		**Flat Rate**
Time of Use Tariff (.70kVA)	X	X	X	X
Service Charge (per month) for MV and LV consumers	X	X	X	X
Medium Voltage Metering Points (11000V) >500kVA	X	X	X	X
Low Voltage Metering Points (400V) >70kVA ≤ 500kVA	X	X	X	X

A basic level of service will be provided free to qualifying households with a total gross income level which is below a determined amount, and according to further specified criteria, as determined by Council from time to time.

9.2.8. An infrastructure basic charge for electricity will be levied on a monthly basis on all properties or meters.

9.2.9. An availability charge will be levied on all erven or units not connected to the electricity network, but can reasonably be connected to the service.

9.2.10. The use of tariffs E5A10 “Exceed NOTIFIED MAXIMUM DEMAND (NMD) per kVA Per month”.

Each Time-of-Use consumer must nominate the Maximum Demand that the consumer intends to draw from the Overstrand Municipal Electricity Network. This nominated figure is known as the Nominated Maximum Demand (NMD) and is measured in kVA.

Upon exceeding this NMD, the consumer will be warned that he/she has exceeded the NMD and upon exceeding such NMD again within the next 12 months, the consumer will be required to pay the charge per kVA as indicated under tariffs E5A10 as the case may be. Each subsequent exceeding of the NMD will be charged similarly. When the NMD has not been exceeded in any 12 consecutive months, the consumer will then only receive a warning upon the next time the NMD is exceeded, after which the required tariff will again be instituted as shown above.

The consumer may increase his/her NMD and would be required to pay the associated tariffs as indicated under E15, where appropriate. A consumer may increase his NMD as many times as is needed within one financial year, but may only decrease the NMD once within any Financial Year.

9.2.11. Overstrand Municipality allows for approved SSEG customers to feed electricity back into our electricity network. Customers however need to be net consumers who purchase more electricity than they feed back (over a consecutive12 month period). This period will be in line with the Municipal financial year and all excess credit accumulated by the customer within this period will be forfeited by them.

9.3. **Water**

9.3.1. The categories of water consumers as set out in clause 9.3.4 shall be charged at the applicable tariffs as approved by the Council in each annual budget.

9.3.2. The first 6kℓ of water consumption per month shall only be supplied pro rata free of charge to domestic water consumers who qualify for the indigent grant.

9.3.3. Because water is a scarce national resource, and this Municipality is committed to the prudent conservation of such resources, the tariff levied for consumption of water shall escalate according to the volume of water consumed.

9.3.4. The tariffs for consumption of purified water shall be based on the levels reflected in the following table:-

Category of Consumer	Basic Fixed Charge (Rand/meter/month)	Unit Charge per kℓ	Level of Consumption (Rand/kℓ/month)
NORMAL TARIFF			
Single Residential Flats Group Housing (including Townhouse Developments) Retirement Villages Guest Houses	X	X	**HOUSEHOLD** 0 - 6 kℓ 7 - 18 kℓ 19 - 30 kℓ 31 - 45 kℓ 46 - 60 kℓ >60 kℓ
Churches Caravan Parks Boutique Hotels and Hotels Other Consumers	X	X	**NON-HOUSEHOLD** 0 - 18 kℓ 19 - 30 kℓ 31 - 45 kℓ 46 - 60 kℓ >60 kℓ
RESTRICTION TARIFF 1 (LEVELS 2 & 3 WATER RESTRICTIONS) PLUS 30% on Normal Tariff)			
Single Residential Flats Group Housing (including Townhouse Developments) Retirement Villages Guest Houses	X	X	**HOUSEHOLD** 7 - 18 kℓ 19 - 30 kℓ 31 - 45 kℓ 46 - 60 kℓ >60 kℓ
Churches Caravan Parks Boutique Hotels and Hotels Other Consumers	X	X	**NON-HOUSEHOLD** 0 - 18 kℓ 19 - 30 kℓ 31 - 45 kℓ 46 - 60 kℓ >60 kℓ
RESTRICTION TARIFF 2 (LEVELS 4 & 5 WATER RESTRICTIONS) PLUS 60% on Normal Tariff)			
Single Residential Flats Group Housing (including Townhouse Developments) Retirement Villages Guest Houses	X	X	**HOUSEHOLD** 7 - 18 kℓ 19 - 30 kℓ 31 - 45 kℓ 46 - 60 kℓ >60 kℓ
Churches Caravan Parks Boutique Hotels and Hotels Other Consumers	X	X	**NON-HOUSEHOLD** 0 - 18 kℓ 19 - 30 kℓ 31 - 45 kℓ 46 - 60 kℓ >60 kℓ
RESTRICTION TARIFF 3 (LEVEL 6 WATER RESTRICTION) PLUS 100% on Normal Tariff)			

Single Residential Flats Group Housing (including Townhouse Developments) Retirement Villages Guest Houses	X	X	**HOUSEHOLD** 7 - 18 kℓ 19 - 30 kℓ 31 - 45 kℓ 46 - 60 kℓ >60 kℓ
Churches Caravan Parks Boutique Hotels and Hotels Other Consumers	X	X	**NON-HOUSEHOLD** 0 - 18 kℓ 19 - 30 kℓ 31 - 45 kℓ 46 - 60 kℓ >60 kℓ

9.3.5. A basic charge per water meter or unit in the municipal area, as determined by the Council from time to time, may be charged against all water consumers.

9.3.6. An infrastructure basic charge for water will be levied on a monthly basis on all erven or units.

9.3.7. An availability charge will be levied on all erven or units not connected to the water network but can reasonably be connected to the service.

9.3.8. Allocation of RUE's to categories of Household consumers:

Clinics – Out patients	▫ 1 RUE
Flats	▫ 1 RUE per residential unit
Guest houses and B & B's	▫ 1 RUE
Household related consumers that do not fall in one of the above household consumer categories	▫ Upon application the Engineering & Financial Departments will assess the validity within the tariff's structural framework.
Old Age Homes, Hostels & Boarding School	▫ 1 RUE per 7 Beds
Retirement Villages, Hospital & Hospice	▫ 1 RUE per 1 residential unit ▫ 1 RUE per 7 Frail care beds
Single Residential erven	▫ 1 RUE
Townhouse and group developments	▫ 1 RUE per unit ▫ Townhouse/Group Developments must apply should they require more than 1 rue during development phase) ▫ RUE's are only applicable from date of application and approval

9.3.9. The number of water basic and infrastructure charges for non-household consumers shall be coupled to the number of commercial sewage basic and infrastructure charges. The owner has the option to select to be charged either one commercial unit, or for the respective individual number of lettable sections.

9.3.10. The tariffs for consumption of irrigation and raw water shall be based on the levels reflected in the following table:-

Category of Consumer	Basic Charge (Rand/meter/month)	Level of Consumption (Rand/kiloliter/month)
Use and pump water	**X**	80 – 90 minutes
Small Holdings	**X**	(i) 0 – 70 kℓ (ii) > 70 kℓ

9.3.11. **Wet Industries –**

9.3.11.1. Commercial and Sport (Customers must apply for this tariff)

Detail	Basic Charge (Rand/meter/month)	Unit Charge / kℓ	Level of Consumption (Rand/kiloliter/month)
Normal Tariff	X	X	(i) 0 – 500 kℓ (ii) 501 – 1 000 kℓ (iii) > 1 000 kℓ
Restriction Tariff 1 (levels 2 & 3 water restrictions) **PLUS 30% of Normal Tariff**	X	X	(i) 0 – 300 kℓ (ii) 301 – 700 kℓ (iii) > 700 kℓ
Restriction Tariff 2 (levels 4 & 5 water restrictions) **PLUS 60% of Normal Tariff**	X	X	(i) 0 – 250 kℓ (ii) 251 – 500 kℓ (iii) > 500 kℓ
Restriction Tariff 3 (level 6 **water** restrictions) **PLUS 100% of Normal Tariff**	X	X	(i) 0 – 100 kℓ (ii) > 100 kℓ

9.3.11.2. Industry - Marine (Customers must apply for this tariff)

Detail	Basic Charge (Rand/meter/month)	Unit Charge / kℓ	Level of Consumption (Rand/kiloliter/month)
Normal Tariff	X	X	(i) 0 – 5 800 kℓ (ii) >5 800 kℓ
Restriction Tariff 1 (levels 2 & 3 water restrictions) **PLUS 30% of Normal Tariff**	X	X	(i) 0 – 5 800 kℓ (ii) >5 800 kℓ
Restriction Tariff 2 (levels 4 & 5 water restrictions) **PLUS 60% of Normal Tariff**	X	X	(i) 0 – 5 800 kℓ (ii) >5 800 kℓ
Restriction Tariff 3 (level 6 **water** restrictions) **PLUS 100% of Normal Tariff**	X	X	(i) 0 – 5 800 kℓ (ii) >5 800 kℓ

9.3.12. The tariffs for consumption of Treated Effluent water shall be based on the levels reflected in the following table:-

Detail	Basic Charge (Rand/meter/month)	Unit Charge / kℓ	Level of Consumption (Rand/kiloliter/month)
Hermanus Golf Club	X	X	As per agreement
Schools, municipal sport grounds& project sport grounds as per agreement		X	As per Agreement
Curro Holdings		X	250kℓ free per day
Other		X	

9.3.13. Restriction Tariff

9.3.13.1. When level 1 water restrictions are implemented by the Directorate Infrastructure & Planning, no restriction tariffs will be implemented;

9.3.13.2. When level 2 water restrictions are implemented by the Directorate Infrastructure & Planning, level 1 restriction tariffs will be implemented;

9.3.13.3. When level 3 water restrictions are implemented by the Directorate Infrastructure & Planning, level 1 restriction tariffs will remain applicable;

9.3.13.4. When level 4 water restrictions are implemented by the Directorate Infrastructure & Planning, level 2 restriction tariffs will be implemented;

9.3.13.5. When level 5 water restrictions are implemented by the Directorate Infrastructure & Planning, level 2 restriction tariffs will remain applicable;

9.3.13.6. When level 6 water restrictions are implemented by the Directorate Infrastructure & Planning, level 3 restriction tariffs will be implemented;

9.4. **Refuse Removal**

9.4.1. A separate fixed monthly refuse removal charge shall apply to each category of users based on the costs of the service concerned and the applicable level of service, which can vary from once a week up to 7 times a week.

9.4.2. The fixed basic charge will be based on the number of removals per week.

9.4.3. An availability charge will be levied on all erven/units where no building plan has been approved. -

9.4.4. The tariff for refuse removal for residential units will be one removal per household per week.

9.4.5. Household refuse collection is the responsibility of the Municipality in the urban areas and only where a service cannot be rendered, a private contractor can do the collection per agreement with the municipality.

9.5. **Sewage**

9.5.1. The categories of users as set out below, shall be charged monthly at the applicable tariff as approved by Council in each annual budget:-

(i) Domestic (including Semi Permanent Caravan Sites);
(ii) Hotels, Hostels, Hospitals, Old Age Homes and Group Housing;
(iii) Guest Houses and Bed & Breakfast Establishments;
(iv) Shops and Offices;
(v) Low Cost Housing Schemes;
(vi) Schools;
(vii) Caravan Parks with communal ablution facilities;
(viii) Departmental Municipality;
(ix) Consumers with a conservancy tank.

9.5.2. A monthly basic charge shall be levied on all properties or units within urban areas, irrespective of the type of service available.

9.5.3. A sewage **usage charge** will be levied on all properties or units that produce sewage or have a water meter. This charge will be levied as follows:

(i) SEWAGE – SINGLE AND INTERMEDIATE RESIDENTIAL (Dwelling houses and Duplex apartments)

The sewage volume will be deemed to be 70% of water consumption, up to a maximum of 35kℓ of sewage per month (70% of 50kl water per month).

(ii) SEWAGE – GENERAL RESIDENTIAL (Blocks of apartments and Residential Buildings)

Sewage volume will be deemed to be 90% of water consumption per individual unit up to a maximum of 45kℓ of sewage per month (90% of 50kℓ water per month).

(iii) SEWAGE – GUEST HOUSES AND BED & BREAKFAST ESTABLISHMENTS

Sewage volume will be deemed to be 70% of water consumption per individual unit.

(iv) ALL OTHER USERS (Including Commercial, Industrial, School, Sport, etc.)

The sewage volume will be deemed to be 90% of water consumption.

The 90% may be adjusted by the Municipal Manager as appropriate to the consumer. The Municipal Manager may also institute a cap on the volume of sewage if appropriate to the consumer.

(v) SEWAGE–CONSUMERS WITH NO WATER METER OR NO MUNICIPAL WATER USE

Sewage volume will be charged as one additional basic fee per RUE.

9.5.4. An effluent fee shall further be payable by factories and other industrial users where the wastewater emanating from such users requires special purification measures by the Municipality. Such fees shall be based on the toxic content of the wastewater concerned and the costs of purification.

9.5.5. A monthly infrastructure charge will be levied on all properties or units.

9.5.6. (i) Consumers with conservancy or septic tanks that cannot connect to the network, may only apply to have their tariff changed at the beginning of a financial year before 30 September, or with a change in occupancy status (ownership/registration or new occupancy), which took place after 30 September.

(ii) In case of conservancy tanks or septic tanks, the municipality reserves the right to change the tariff option should it become apparent that the sewer consumption is more than the water consumption for more than two consecutive months.

9.5.7. The sewage basic and infrastructure charge shall be levied on the owner's account, whilst the consumption portion of the charge shall be levied on the same account as where the water consumption is charged.

9.5.8. The number of sewage basic and infrastructure charges for non-household consumers shall be coupled to the number of commercial water basic and infrastructure charges. The owner has the option to select to be charged either one commercial unit or the total number of lettable sections.

9.5.9. A sewage availability charge shall apply to serviced vacant or -developed land.

9.5.10. Consumers who are connected to the municipal sewerage system, but who are not using the municipal water supply system, will be charged twice the sewage availability charge to compensate for the use of the sewer system in the absence of a water meter reading to calculate the sewerage volume.

9.6. **Minor tariffs**

9.6.1. All minor tariffs shall be standardised within the municipal region.

9.6.2. All minor tariffs shall be approved by the Council in each annual budget and shall, when deemed appropriate by the Council, be subsidised by property rates and general revenues, particularly when the tariffs will prove uneconomical when charged to cover the cost of the service concerned, or when the cost cannot be determined accurately, or when the tariff is designed purely to regulate rather than finance the use of the particular service or amenity.

9.6.3. Minor tariffs may include fees for the following:-

A	Administration	▪ Access to information ▪ Administration Costs ▪ Advertisements / Advertising ▪ Bank cost on foreign accounts ▪ Deposit ▪ Duplicate Accounts ▪ Duplicate Pay Day Slip ▪ Facsimiles ▪ Interest on Accounts in Arrear ▪ Laminated documents	▪ Photocopies ▪ Placard / Poster Costs ▪ Section 62 Appeals ▪ Tender Objections ▪ Top Management Consultation ▪ Top Management Deposit ▪ Trace of Direct Deposits
B	Building Control	▪ Administration / Viewing Request, Filing retrieval and Copying of Plans ▪ Building Plans ▪ Demolition application ▪ Heritage Investigations	▪ Plan Printing Fees ▪ Plan Scrutiny Fees ▪ Plan validity extension ▪ Re-inspection fees ▪ Signage
C	Cemeteries	▪ Grave-depths ▪ Indication of grave	▪ Plot Cost ▪ Wall of Remembrance
D	Business License	▪ Application for extended Liquor hours ▪ Duplicates ▪ License- Formal	▪ License - Informal ▪ Liquor License ▪ Re-inspection Fee
E	Commercial Filming/Photographing	▪ Animals ▪ Application Fee ▪ Area required for production and catering ▪ Cancellation Fee	▪ Environmental Control Officer ▪ Permits ▪ Vehicles off Public Roads per Parking Bay
F	Credit Control & Debt Collecting	▪ Administration fee ▪ Notices ▪ Sheriff fee ▪	▪ SMS ▪ Tracing fee
G	Development Contributions	▪ Water ▪ Electricity ▪ Sewerage ▪ Roads ▪ Sanitation	▪ Storm water ▪ Solid Waste ▪ Off Grid Developments ▪ Evaluations/Investigations Levies
H	Electricity	▪ Builders connection ▪ Call-out fee ▪ Cancellation Fee ▪ Capital Contributions ▪ Casual Supplies ▪ Change to SSEG or Time of Use ▪ Change of Circuit Breaker ▪ Commission of Bulk Meter ▪ Connection and Disconnection of Service ▪ Consumer Deposits ▪ Contractor inspections ▪ Conversion of meters ▪ Credit Control and Debt Collection ▪ Damaged cables ▪ Damaged meter ▪ Deposits cables etc. ▪ Development Contribution ▪ Erection & Removal of Banners	▪ Illegal Connection/Tampering Fee ▪ Illuminated Signs ▪ Small Scale Embedded Generation (SSEG) ▪ Meter Testing ▪ Meter Verification ▪ MV Switching ▪ Public Lighting & CCTV ▪ Removal of meter ▪ Replacement ▪ Repositioning of Meter ▪ Service Connections ▪ Special Meter Readings ▪ Sundry Services ▪ Tariff change ▪ Unsafe/illegal connections per visit ▪ Upgrading extension Fee ▪ Way leave

		▪ Fee recalculation – no access ▪ Hire of temporary distribution kiosk ▪ Hire of Sleeve Space for fiber optic cable	
I	Fire Services & Disaster Management	▪ Assistance of motor vehicle accidents and rescues ▪ Burn Permits ▪ Events ▪ Extinguishing of Fires ▪ Fire Prevention inspections ▪ Fire Safety	▪ Plot Clearing ▪ Re-inspection Fee under the By-law ▪ Special Services ▪ Standby at fire scene
J	Housing	▪ Administration	▪ Rental
K	Law Enforcement	▪ Business & Other Events ▪ Bylaw on outdoor advertising ▪ Impoundment of Informal Traders (Hawkers) goods ▪ Impoundment of illegal Advertising/Agent boards ▪ Inspection Fees ▪ Impoundment of Abandoned/ Obstructing Items ▪ Pound Fee Cattle ▪ Pound fee Dogs and Cats ▪ Pound fee Horses	▪ Pound fee other animals ▪ Pound fee Pigs ▪ Pound Fee Poultry ▪ Pound fee Sheep and Goats ▪ Pound fee Shopping Trolley ▪ Re-inspection Fee ▪ Removal of illegal structure ▪ Storage Fee
L	Libraries	▪ Damage or lost Library material ▪ Deposits ▪ Facsimiles ▪ Laminated documents ▪ Lost Cards ▪ Penalty for Late Return	▪ Photocopies ▪ Rental of Library Amenities ▪ Scanning ▪ Special Requests ▪ Subscription ▪ Visitors Fee (Handling)
M	Municipal Buildings	▪ Deposits ▪ Rental of Amenities	▪ Rental of Equipment
N	Off-Grid Developments/Units	▪ Development Contribution	
O	Operational Cost	▪ Street Signage	
P	Parking Fees	* Metered Parking	* Monthly Parking Permit
Q	Property Administration	▪ Application lease/ purchase/ Encroachment **[Fee]** ▪ Leases	▪ Memorial Benches ▪ Radio Mast
R	Public Works	▪ Felling and Pruning of Trees ▪ Private Work ▪ Sale of Miscellaneous Items ▪ Storm Water Drainage	▪ Street Signage ▪ Tar and Patch Work ▪ Vehicle Entrances
R	Recreational Amenities	▪ Affiliated Members ▪ Beaches ▪ Boat Launching ▪ Boat License/Permits ▪ Caravan Parks ▪ Change Rooms ▪ Clubhouses ▪ Commercial Fishing Vessels	▪ Leases of stalls/containers ▪ Non-Affiliated Members ▪ Office Rental ▪ Open Spaces ▪ Parking ▪ Passenger Boats ▪ Plett House ▪ Public Open Space

		▪ Community Halls ▪ Day Camping Site ▪ Deposit ▪ Entrance Fee ▪ Formal Shop Rental ▪ Frank Robb Hut ▪ Hawker Stalls ▪ Informal Trader under cover rental ▪ Kelp Collectors, Whale Watching and Shark Diving	▪ Recreational Fishing Vessels ▪ Rental Units Kleinmond ▪ Rental Wet core Stands ▪ Schuss Houses ▪ Spaces for Sport ▪ Sport Events ▪ Sport Grounds ▪ Support Services ▪ Use of Tractor
T	Roads	▪ Capital Contributions	▪ Development Contribution
U	Refuse Removal	▪ Asbestos Sheet ▪ Baboon Resistant Bins ▪ Deposits ▪ Rental of Bulk Containers	▪ Self-Dumping ▪ Replacement of lock on baboon resistant wheelie bin ▪ Weigh Bridge
V	Sewage	▪ Capital Contributions ▪ Connection of tanks ▪ Development Contribution	▪ Disposal ▪ Tank Services ▪ Testing of tanks
W	Storm water	▪ Development Contribution	
X	Swimming Pool	▪ Entrance Fee ▪ Galas	▪ Training session
Y	Town Planning	▪ Advertising Cost ▪ Application Fee ▪ Closure of Public Place ▪ Contravention ▪ Penalty ▪ Demolition of Administrative Penalty ▪ Departure ▪ Deposit – Appeal ▪ Determination of Zoning ▪ Exemption ito Section 26 ▪ Extension of Time	▪ Formal Structure ▪ Informal Structures ▪ Land use planning Fee ▪ Permission ito Zoning Scheme ▪ Relaxation of Title Deed ▪ Registered Letter ▪ Removal of Title Deed Restrictions ▪ Search Fee ▪ Section 30(2) Certification/Clearance ▪ Spatial Development Framework ▪ Sub-division ▪ Zoning Certificate
Z	Traffic	▪ Business and Other Events ▪ Disabled Parking Tokens ▪ Driver's Licenses ▪ Escorting and Other Services ▪ Hiring Traffic cones ▪ Impoundment of Boats ▪ Impoundment of Public Transport Vehicles ▪ Leaner's Licenses ▪ Parking Meters ▪ Professional Driver's Permits	▪ Removal of Vehicles ▪ Roadworthy Certificates ▪ Storage Fees ▪ Taxi Rank Tokens ▪ Traffic Cones ▪ Towing Charge ▪ Vehicle Registration ▪ Wheel clamping fee
AA	Valuation (Property Information)	▪ Access to Information ▪ Clearance Certificates ▪ Deeds Office Registrations ▪ Extract from Valuation Roll	▪ Revaluation ▪ Valuation Certificates ▪ Valuation Roll ▪ Voters' Roll
BB	Water	▪ Administration Fee – recalculation no meter access ▪ Call-out Fee ▪ Capital Contributions	▪ Meter Testing ▪ Meter verification ▪ Rebates

		▪ Connection & Disconnection ▪ Consumer Deposits ▪ Convert to water flow restrictor meter ▪ Credit Control and Debt Collection ▪ Damaged Water Meter; Water main & Service Connection ▪ Development Contribution ▪ Final meter reading ▪ Irrigation Water ▪ Illegal Connection/Tampering Fee	▪ Reconnection ▪ Registration of borehole ▪ Removal of meter ▪ Repair of meter ▪ Replacement of Damage meter ▪ Repositioning of meter ▪ Service Connections ▪ Special Meter Readings ▪ Still-off" inspections ▪ Sundry Services ▪ Temporary connections
CC	Wayleaves and the use of Municipal Road Reserves for the Installation of services	▪ Administration and Supervision Fee ▪ Roadway Trench Fee ▪ Remedying, Repairing and Cleaning	

9.6.4. The Municipal Manager shall maintain a list of all minor services indicating their unit of service for the purposes of determining tariffs, fees, charges and levies. Such list shall be reviewed annually together with the proposed tariffs, fees charges and levies.

10. NOTIFICATION OF TARIFFS, FEES AND SERVICE CHARGES

10.1. After a draft budget as required by the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) has been tabled, the Municipal Manager must invite the local community to submit representations for consideration by the Council. Such invitation includes the draft resolutions on taxes and tariffs proposed.

10.2. After approval of the budget, the Council will give notice of all tariffs approved at the annual budget meeting at least 30 days prior to the date that the tariffs become effective.

10.3. A notice stating the purport of the council resolution, date on which the new tariffs shall become operational and invitation for objections will be advertised by the Municipality.

10.4. All tariffs approved must have been considered at the annual budget meeting.

11. IMPLEMENTING AND PHASING-IN OF THE POLICY

11.1. The principle contained in this Policy will be reflected in the various budget proposals submitted to the Council on an annual basis, service by-laws as promulgated and adjusted by the Council from time to time and the Tariff By-laws referred to in section 75 of the Act.

11.2. The Council may determine conditions applicable to community service of a regulatory nature. These conditions will be reflected in the standing orders of the Council.

12. PROCEDURES AND ACCOUNTABILITY

12.1. The Municipal Manager shall ensure that procedures to manage all aspects of this Policy are prepared in the form of a manual, reviewed regularly and that these are formally adopted by him/her for implementation. These procedures will include aspects in this Policy and subscribe to sound principles of internal control.

12.2. The Directors and Managers shall ensure compliance with the procedures as approved from time to time by the Municipal Manager to give effect to the provisions of this Policy.

13. IMPLEMENTATION AND REVIEW PROCESS

This policy will come into effect on **1 July 2022** and will be reviewed at least annually or when required by way of a Council resolution.

14. SHORT TITLE

This policy shall be called the **Tariff Policy of the Overstrand Municipality.**

POLICY SECTION:	**MANAGER: INCOME**
CURRENT UPDATE:	31 MAY 2022
PREVIOUS REVIEW:	26 MAY 2021
PREVIOUS REVIEW:	27 MAY 2020
PREVIOUS REVIEW:	29 MAY 2019
PREVIOUS REVIEW:	30 MAY 2018
PREVIOUS REVIEW:	31 MAY 2017
PREVIOUS REVIEW:	25 MAY 2016
PREVIOUS REVIEW:	28 MAY 2015
PREVIOUS REVIEW:	28 MAY 2014
PREVIOUS REVIEW	29 MAY 2013
PREVIOUS REVIEW	30 MAY 2012
PREVIOUS REVIEW:	31 AUG 2011
PREVIOUS REVIEW:	04 MAY 2011
PREVIOUS REVIEW:	26 MAY 2010
PREVIOUS REVIEW:	27 MAY 2009
APPROVAL BY COUNCIL:	31 MAY 2006

OVERSTRAND MUNICIPALITY

CUSTOMER CARE,
CREDIT CONTROL AND
DEBT COLLECTION POLICY

P R E A M B L E

Whereas section 96 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) requires a municipality to adopt, maintain and implement a credit control, debt collection and customer care policy;

And whereas section 97 of the Systems Act prescribes what such policy must provide for;

Now therefore the Municipal Council of the Municipality of Overstrand adopts the Customer Care, Credit Control and Debt Collection Policy as set out in this document:-

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1. DEFINITIONS

For the purpose of this policy, unless the context indicates otherwise, any word or expression to which a meaning has been attached in the Act shall bear the same meaning and means:-

"Act"	The Local Government Act: Municipal Systems Act 2000 (Act No 32 of 2000) as amended from time to time.
"arrears"	means any amount which is due, owing and payable and which remains unpaid by the due date;
"authorised representative"	the person or instance legally appointed by the Council to act or to fulfil a duty on its behalf.
"basic service"	the amount or level of any municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety of the environment and for the purposes of this Policy are restricted to the delivery of electricity, refuse, sewerage and water services.
"Chief Financial Officer"	an officer of the Municipality appointed as the Head of the Finance Department and includes any person:- (a) acting in such position; and (b) to whom the Chief Financial Officer has delegated a power, function or duty in respective of such a delegated power, function or duty.
"child-headed household"	a household where all the occupants of a residential property are younger than 18 years old, i.e. a child-headed household is a household consisting only of children.
"Council" **or** ***"municipal council"***	a municipal council referred to in section 18 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) and for purposes of this policy, the municipal council of the Municipality of Overstrand.
"Credit control" and debt collection"	the functions relating to the collection of any monies due and payable to the Municipality.
"Closely connected person"	any immediate relative of the person namely spouse, child, parent, parent-in-law, life partner.
"customer"	any occupier of any property to which the Municipality has agreed to supply services or already supplies services to, or if there is no occupier, then the owner of the property (including registered indigent household).
"defaulter"	a person who owes money to the Municipality in respect of a municipal account after the due date for payment has expired.
"Director"	the person in charge of the civil and/or electrical component(s) of the Municipality and includes any person:- (a) acting in such position; and (b) to whom the Director has delegated a power, function or duty in respective of such a delegated power, function or duty.
"equipment"	a, structure, pipe, pump, wiring, cable, meter, machine or any fittings.
"household"	all persons who are jointly living on a stand or site on a permanent basis and who receive electricity and/or water from one meter, regardless whether the person rents or owns the property.
"Income"	Income is the gross sum of all monthly income from all sources, including wages, salaries, profits, dividends, pensions, rentals, board & lodging, interest received, grants or investment income and other forms of earnings received by every person residing on the property.
"indigent"	a household which is not financially capable of paying for the delivery of basic services and meeting criteria determined by Council from time to time – this also includes poor households.
"interest"	a levy with the same legal priority as service fees and calculated on the first day of the new month on all arrear amounts older than the most recent monthly service account in respect of assessment rates and service levies at a standard rate as approved by Council.

"Municipality"	the institution that is responsible for the collection of funds and the provision of services to the customers of Overstrand.
"municipal account"* or *"billing"	the proper and formal notification by means of a statement of account, to persons liable for monies levied and indicating the net accumulated balance of the account, specifying charges levied by the Municipality, or any authorised and contracted service provider, in the format of, but not limited to:- (a) show the levies for assessment rates and/or building clause; and (b) *"monthly account"* rendered monthly and shows the levies for assessment rates and/or building clause, availability charge, sewerage, refuse removal, electricity, water, sundries, housing rentals and instalments, as well as the monthly instalment for annual services paid monthly.
"Municipal Manager"	the accounting officer appointed in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) and being the head of administration and accounting officer in terms of section 55 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) and includes any person:- (a) acting in such position; and (b) to whom the Municipal Manager has delegated a power, function or duty in respective of such a delegated power, function or duty.
"municipal services"	those services provided by the Municipality such as, amongst others the supply of water and electricity, refuse removal, sewerage treatment, and for which payment is required by the Municipality or not.
"occupier"	any person who occupies any property or part thereof, without any regard to the title under which he/she so occupies the property – in process of phasing out from 01/07/2010.
"owner"	(a) the person in whom the legal title to the property is vested; (b) a person mentioned below may for the purposes of this Policy be regarded by a municipality as the owner of a property in the following cases: (i) A trustee, in the case of a property in a trust excluding state trust land; (ii) an executor or administrator, in the case of a property in a deceased estate; (iii) a trustee or liquidator, in the case of a property in an insolvent estate or in liquidation; (iv) a judicial manager, in the case of a property in the estate of a person under judicial management; (v) a curator, in the case of a property in the estate of a person under curator ship; (vi) a person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude; (vii) a lessee, in the case of a property that is registered in the name of a municipality and is leased by the lessee; (viii) a buyer, in the case of a property that was sold by a municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer; (c) in the case where the Council is unable to determine the identity of such person, the person who is entitled to the benefit of such property or any building thereon; (d) in the case of a property for which a lease agreement of 30 years or more has been entered into, the lessee thereof; (e) regarding:- (i) a portion of land delineated on a sectional title plan registered in terms of the Sectional Titles Act, 1986 (Act No 95 of 1986), and without restricting the above mentioned stipulations, the developer or body corporate of the communal property; or (ii) a portion as defined in the Sectional Titles Act, the person in whose name that portion is registered under a sectional title deed, including the legally appointed representative of such person; (i) any legal entity, including but not limited to:-

	(i) a company registered in terms of the Companies Act, 2008 (Act No 71 of 2008), a trust *inter vivos*, trust *mortis causa*, a closed corporation registered in terms of the Closed Corporations Act, 1984 (Act No 69 of 1984), and any voluntary organisation; (ii) any local, provincial or national government; (iii) any council, board or entity established in terms of any legislation applicable to the Republic of South Africa; and (iv) any embassy or other foreign entity. (ii) in the case of property owned by the Council and which has been alienated, but which has not been transferred to the person to whom it has been alienated, such person from the date of the alienation concerned; and (iii) in the case of property owned by or under the control or management of the Council while held under a lease or any express or tacit extension thereof or under any other contract or under a servitude or right analogous thereto, the person so holding the right to the immovable property.
"premises"* or *"property"	any portion of land, the external surface boundaries of which are delineated on:- (a) a general plan or diagram registered in terms of the Land Survey Act, 1927 (Act No 9 of 1927) or in terms of the Deeds Registry Act,1937 (Act No 47 of 1937); or (b) a sectional plan registered in terms of the Sectional Titles Act, 1986 (Act No 95 of 1986); which is situated within the area of jurisdiction of the Municipality.
"Residential"	means improved property that is: (a) used predominantly (60% or more) for residential purposes, with not more than two dwelling units per property. (b) a unit registered in terms of the Sectional Title Act 95 of 1986,, used predominantly (60% or more) for residential purposes, and includes any unit in the same Sectional Title Scheme registered in the name of the same owner which is used together with the residential unit as if it were one property, for example a garage or store room. (Any such grouping shall be regarded as one residential property for rate rebate or valuation purposes.) or (c) owned by a share-block company and used predominantly (60% or more) for residential purposes, or (d) a residence used for residential purposes situated on property used for or related to educational purposes.

2. GENERAL OBJECTIVES:

The objectives of this Policy are to:-

2.1 provide a framework within which the Municipality can exercise its executive and legislative authority with regard to credit control and debt collection;
2.2 ensure that all monies due and payable to the Municipality are levied and collected in a financially sustainable manner;
2.3 provide a framework for customer care and indigent support;
2.4 describe credit control measures and sequence of events;
2.5 outline debt collection and credit control procedures and mechanisms; and
2.6 set realistic targets for credit control and debt collection.

3. PRINCIPLES

3.1 The administrative integrity of the Municipality must be maintained at all costs. The democratically elected councillors are responsible for the approval of the policy, while it is the responsibility of the Municipal Manager to ensure the execution of this policy.
3.2 All customers must complete an official application form, formally requesting the Municipality to connect them to service supply lines. Existing customers may be required to complete new application forms from time to time, as determined by the Municipal Manager.

3.3 Application forms, agreements and documents relating to this Policy must be available in Afrikaans and English. Officials designated to control and manage these documents must be able to explain the contents thereof in the three languages of the Western Cape.

3.4 A copy of the application form, conditions of services and extracts of the Council's Customer Care, Credit Control and Debt Collection Policy and By-Laws must be handed to every customer on request at such fees as may be prescribed by Council.

3.5 Billing is to be accurate, timeous and understandable as far as possible.

3.6 The customer is entitled to reasonable access to pay points and to a variety of reliable payment methods which will include cash, cheque, debit or credit card, electronic fund transfer, debit order and bank order payments.

3.7 The customer is entitled to an efficient, effective and reasonable response to appeals, and should suffer no disadvantage during the processing of a reasonable appeal.

3.8 Enforcement of payment must be prompt, consistent and effective.

3.9 Unauthorised consumption, connection and reconnection, the tampering with or theft of meters, service supply equipment and the reticulation network and any fraudulent activity in connection with the provision of municipal services will lead to disconnections, charges, penalties, loss of rights and/or criminal prosecutions. A certificate reflecting the nature and extent of the unauthorized activity must be issued by a duly qualified person to substantiate the claim.

3.10 Incentives and disincentives may be used in collection procedures.

3.11 The collection process must be cost-effective.

3.12 Results will be regularly and efficiently reported and monitored.

3.13 Application forms may be used to, *amongst others*, categorise customers according to credit risk and to determine relevant levels of services and deposits required.

3.14 Targets for performance in both customer service and debt collection will be set and pursued and remedies implemented for non-performance.

3.15 Where practicably possible the Customer Care and Debt Collection Policies will be handled independently of each other and the organisational structure will reflect the separate functions.

3.16 The principle of providing services instead of payment for arrear accounts is supported.

3.17 Customers that meet council's indigent criteria must be identified and supported.

4. PERFORMANCE EVALUATION

This is addressed in the SDBIP and the Municipal Performance Management System.

5. REPORTING

5.1 The Chief Financial Officer (Director: Finance) shall report monthly to the Municipal Manager in a suitable format to enable the Municipal Manager to report to the Executive Mayor, as supervisory authority in terms of section 99 of the Act, read with section 100(c). This report shall contain particulars on:-

(a) Cash collection statistics, showing high-level debt recovery information (number of customers; enquires; arrangements; default arrangements; growth or reduction of arrear debt). Where possible, the statistics should ideally be divided into wards, business (commerce and industry), domestic, state, institutional and other such divisions.

(b) Performance on all areas against targets agreed to in paragraph 5 of this policy document.

5.2 If in the opinion of the Chief Financial Officer, the Municipality will not achieve cash receipt income equivalent of the income projected in the annual budget as approved by Council, the Chief Financial Officer will report this with motivation to the Municipal Manager who will, if he/she agrees with the Chief Financial Officer, immediately move for a revision of the budget according to realistically realisable income levels.

5.3 The Executive Mayor, as supervisory authority, shall report at intervals of 3 months to Council as contemplated in section 99(c) of the Act.

6. CUSTOMER CARE

6.1 Objective

To focus on the customer's need in a responsible and pro-active way to enhance the payment for services and to create a positive and cooperative relationship between the persons responsible for the payment for services received and the Municipality and where applicable, the service provider.

6.2 Communication and feedback

6.2.1 The Municipality will, within its financial and administrative capacity, conduct an annual process of compiling and communicating its budget, which will include targets for credit control and debt collection. This process will include the effort to ensure that the residents and customers understand the costs involved in the service provision, the reasons for payment of service tariffs and the manner in which monies raised from the customers are utilised.

6.2.2 Council will endeavour to distribute a regular newsletter (also available on the website), which will give prominence to customer care and debt collection issues.

6.2.3 Ward councillors will give feedback at ward meetings, at which customer care and debt collection issues will be given prominence.

6.2.4 The press will be encouraged to give prominence to Council's customer care, credit control and debt collection issues, and may be invited to council or committee meetings where these are discussed.

6.2.5 The residents and users of services will be encouraged to give feedback through the established mechanisms to the Municipality regarding the quality of services and the performance of service providers.

6.3 Metering

6.3.1 The Municipality will endeavour, within practical and financial constraints, to provide meters to every paying customer for all measurable services.

6.3.2 All meters will be read monthly, as far as possible. If the meter is not read monthly, the consumption may be estimated in terms of Council's operational procedures.

6.3.3 If any meter is not accessible for meter reading, the customer must apply and pay to have the meter moved out to the borderline and convert the electricity meter to a pre-paid meter.

6.3.4 Customers must:-

(a) safeguard and maintain service meters in a readable condition;
(b) notify the Municipality when services are no longer required at a particular service delivery point;
(c) maintain credit and pre-payment meters; and
(d) supply the Municipality with accurate information with regard to the supply of services or applications for indigent cases.

6.3.5 Customers are entitled to request verification of meter readings at the prescribed tariff.

6.3.6 Customers are entitled to request testing of meters for accuracy within reason. If the test reveals the meter to register outside the norm as prescribed for the service in question (Electricity or Water), the meter will be replaced and the customer's account will be adjusted accordingly. The adjustment may not exceed a period of six (6) months, preceding the date on which the metering equipment was found to be inaccurate. If the outcome shows that the meter was not defective, the consumer is liable for payment for the cost of the test at the prescribed tariff as well as for other amounts outstanding.

6.3.7 Customers must give notice of at least 48 hours to the Municipality should a final reading or discontinuation of service be required. When a customer vacates a property and a final reading of the meter is not possible due to no access, an estimated consumption will be used by the Municipality and the final account rendered accordingly.

6.3.8 If a service is metered but it cannot be read due to financial and/or human resource constraints or circumstances beyond the control of the Municipality or its authorised agent, and the customer is charged for an estimated consumption, the account following the reading of the metered consumption must articulate the difference between the actual consumption and the average consumption, and the resulting credit or debit adjustments.

6.3.9 The Municipality may apply debt collection as a percentage (at least 60%) on the pre-payment electricity system, to ensure collection of all arrear debt on the account of the customer.

6.4 Accounts and billing

6.4.1 The Municipality will as far as possible render to its customers on the billing system an understandable and accurate statement, which will consolidate all service costs and subsidies granted in terms of this Policy for that property.

6.4.2 Accounts will be produced in accordance with the meter reading cycle and due dates will be linked to the statement date.

6.4.3 The customer's municipal account shall be credited for energy generated by the embedded generator and exported to the network in the amount/s reflected in the annual tariff relating to the import and export of electrical energy for embedded generation. Small scale embedded generator customers (SSEG) will be billed as follows:

(a) The service charge and all energy and maximum demand charges, as applicable, will be billed on the monthly electricity account.

(b) A credit will be passed for export of energy monthly against the normal monthly electricity account.

(c) Customers will not be compensated if the monthly export reflects a credit balance. A credit balance for export will be carried forward to the following month.

(d) In the instance where an export credit exists on 30 June, this credit will be forfeited.

(e) At the time that the customer ceases to be on the small scale embedded generation tariff, any remaining credit balance for export, will not be refunded to the customer.

(f) The municipality shall not be obliged to grant credit to the customer for export not received onto the electrical grid due to unavailability of the grid or for any other reason.

6.4.4 If no official complaint in writing is received by the 15th of the month it will be considered that the account delivered is correct.

6.4.5 Accounts will be rendered monthly in cycles of approximately 30 days at the address last recorded with the Municipality or its authorised agent.

6.4.6 It is the customer's responsibility to ensure that his/her postal address and all other required details are correct.

6.4.7 Should an owner have an e-mail address stated on the clearance application form, during and subsequent to the transfer of the property into his or her name, said e-mail address shall take preference over a postal address provided on the said application. The email address shall be regarded as the default address for all correspondence inclusive of the monthly account send to that owner until otherwise advised in writing.

6.4.8 (a) Accounts are delivered monthly. It is the customer's responsibility to enquire from the Municipality should an account not be received in order to ensure timely payment and to obtain a duplicate account when the account is not delivered during the normal billing cycle.

(b) Customers residing outside the borders of the Republic of South Africa will receive only electronic accounts, unless a local address is supplied.

6.4.9 Settlement or due dates will be as indicated on the statement and are normally as follows:-

(a) Monthly accounts are payable before or on the due date in accordance with the specific account billing (invoicing) cycle as indicated on the account, or the first working day thereafter should it fall on a weekend or public holiday, of the month following the month of the statement of the account.
(b) Large Power and Time of Use electricity customer accounts are payable on or before the 15th of each month, or the first working day thereafter should the 15th be on a week-end.
(c) Annual accounts are payable on or before the 30th of September of each year.
(d) Accounts of councillors and employees may be deducted from their salaries/allowances on a monthly basis; alternatively, they may sign a debit order for deduction of the monthly account off their bank account.
(e) Staff arrears will be dealt with in accordance with Schedule 2(10) of Local Government: Municipal Systems Act 32 of 2000 and in terms of any procedures, method or actions referred to in this Policy. Notwithstanding any other procedure, method or action that may be taken in terms of this Policy, the Municipality shall deduct any outstanding amount from such staff members' salary after this 3 (three) month period. Outstanding arrears will be settled out of any annual bonus due to the staff member.
(f) All staff joining the Municipality must, within 30 days, sign an agreement to pay arrears.
(g) Where the Municipality provides temporary employment to members of the community who are in arrears with payments for municipal rates and services, they will be required to enter into a written agreement to pay up to a maximum of 30% of their gross remuneration towards the arrear debt.
(h) In accordance with Schedule 1(12A) of the Local Government: Municipal Systems Act 32 of 2000, a Councillor of the Municipality may not be in arrears to the Municipality for rates and service charges for a period longer than 3 months. Notwithstanding any other procedure, method or action that may be taken in terms of this Policy, the Municipality shall deduct any outstanding amount from such Councillors' remuneration after this 3 (three) month period.

6.4.10 Where an account is not settled in full, any lesser amount tendered and accepted shall not be deemed to be in full and final settlement of such an account.

6.4.11 Where any payment made to the Municipality, or its authorised representative, by negotiable instrument is subsequently dishonoured by a bank, the Municipality or its authorised agent:-

(a) may recover the average bank charges incurred relating to dishonoured negotiable instruments, together with an administration fee, against the account of the customer;
(b) shall regard such an event as a default on payment and services may be discontinued should a valid payment by cash, a bank-guaranteed cheque or electronic fund transfer not be made by the date provided by the authorized official;
(c) may insist on cash, debit order or electronic fund transfer payments for all future accounts;
(d) may only consider application for re-instatement of debit order/cheque after twelve months, except in instances where the Senior Manager: Revenue, or delegated official, authorises otherwise.

6.4.12 The Municipality must issue a duplicate account or any acceptable alternative to a customer on request, at a cost determined by Council from time to time.

6.4.13 The registered owner of a property being leased is at his/her own cost entitled to obtain a copy of the account of a lessor and to be informed if a lessee is in arrears with his/her service charges within 60 days.

6.4.14 All contracts for service delivery with tenants will be phased out over a period of time and all new service contracts will only be with the owners of the property.

6.4.15 Opening of tenant accounts will only be allowed when :

(a) the customer is an indigent household and the property is registered in the name of another person;
(b) the customer is a contractor for municipal projects

6.4.16 When tenants are in default, the service contract with the tenant will be cancelled and services transferred to the owner.

6.4.17 The amount which the Municipality may recover from the tenant or occupier of a property where there exists only an owners account, is limited to the amount of rent or other money due and payable, but not yet paid, by the tenant or occupier to the owner of the property

6.4.18 The tenant or occupier of a property must, on request from the Municipality, furnish the Municipality with a written statement specifying all payments to be made by the tenant or occupier to the owner of the property for rent or other money payable on the property during a period determined by the Municipality.

6.4.19 [When owners are in default, no building plans will be accepted.]

6.5 Payment facilities and methods

6.5.1 The Municipality will operate and maintain suitable payment facilities, which facilities will be accessible to all customers.

6.5.2 The Municipality will, at its discretion, allocate a payment between service debts. A debtor does not have the right to indicate that the payment is for a specific portion of the account.

6.5.3 The Municipality may, in terms of section 103 of the Act and with the consent of a customer, approach an employer of the customer to secure a debit or stop order arrangement.

6.5.4 The Municipality will endeavour to appoint a variety of agents (super markets, SA Postal Service, etc.) for the receipt and transfer of payments to the Municipality. The customer will acknowledge in the customer agreement that the use of customer agents in the transmission of payments to the Municipality is at the risk of the customer – also the time lapse for transfer of the payment.

6.5.5 The Municipality will, in the event of notices sent to customers, as well as in the instance of services having been disconnected or restricted, only accept cash or electronic fund transfer / direct deposit into the Municipality's bank account, or payment at any one of the nominated cash receipting points or agents of the Municipality. Documented proof must be send via e-mail to the sender as stated on the Overstrand Municipality's notice document, during office hours, not later than 16:00.

6.6 Incentives for prompt payment (Annexure "A")

6.6.1 The Council may, to encourage prompt payment and/or to reward regular payers, from time to time consider incentives for the prompt payment of accounts or payment by debit or stop order.

6.6.2 If introduced, the cost associated with the incentive scheme will be reflected in the operational budget as additional expenditure.

6.7 Feedback, enquiries, appeals and service complaints

6.7.1 Within its administration and financial ability the Municipality will establish:-

(a) Decentralised complaints/feedback offices;
(b) A centralised complaints database to enhance co-ordination of complaints, their speedy resolution and effective communication with customers;
(c) Appropriate training for officials dealing with the public to enhance communications and service delivery; and
(d) The introduction of a regular article in the newsletter to inform customers on the safe and economic use of services.

6.7.2 If a customer is convinced that his/her account is inaccurate, he/she can lodge a query, together with supporting documentation and proof, with the Municipality before due date for investigation of this account, and where necessary the relevant alterations.

6.7.3 In the interim the debtor must pay an average based on previous consumption where such history of the account is available. Where no such history is available, the debtor is to pay an estimate provided by the Municipality before payment due date until the matter is resolved.

6.7.4 The relevant department will investigate and endeavour to inform the debtor within 14 days of the outcome of the investigation and the measures that have been or will be taken to correct the situation.

6.7.5 Failure to make such agreed interim payment or payments will result in the customer forming part of the normal credit control procedures.

6.7.6 A customer may appeal against the finding of the Municipality in terms of sub clause (6.7.4).

6.7.7 An appeal and request in terms of sub clause (6.7.6) must be made and lodged with the Municipality within 21 (twenty-one) days after the customer became aware of the finding referred to in sub clause (4) and must:-

(a) set out the reasons for the appeal;

(b) be accompanied by any security determined for the testing of a measuring device, if applicable.

(c) Appeal deposits in accordance with approved tariffs for the review of water rebate applications, will be levied to the customer's municipal account, in the instance of a dismissal of the appeal.

6.8 Customer assistance programs

6.8.1 Water leakages:

(a) If the leakage is on the customer's side of the meter, the customer will be responsible for payment of the full account.

(b) Water leakage discount will not be considered in the instance of irrigation systems.

(c) A customer will qualify for a Water Leakage Discount upon application on the prescribed form within 90 days after the leak has been repaired, which application will only be regarded as a valid application if complete information and documentation as prescribed is received and:-

(i) the leak was repaired within 10 working days since its detection; or any further leakages was prevented effectively after detection, with reference to the subsequent consumption patterns;

(ii) the customer applied only once in a cycle of 30 months for a discount; and in the instance were a customer experience a second leak within the 30 months period as mentioned in above, the customer may apply on the prescribed form within 60 days after the leak has been repaired, which application will only be regarded as a valid application if the customer is prepared to convert to a flow restrictor meter at cost of the customer.

(iii) proof of repair and costs as well as the date of repair, or a sworn affidavit from any person who has repaired the leak, has been submitted, or where the leak was repaired through the client's insurance, all of the following must be submitted:

(1) proof of claim submitted to the insurance;

(2) confirmation letter from the plumber who was appointed by the insurance to repair the leak.

(d) Discount for consumption over the period that the leak was present will be calculated by comparing the average consumption over a corresponding period. Any consumption above the average will be charged at the rebate tariff applicable, subject to a maximum period of 3 months.

(e) A discount will be applicable on the excess sewer consumption charge as calculated.

(f) It is the responsibility of the customer to control and monitor his/her consumption.

6.8.2 Rate rebates:

(a) The municipal council may grant rate rebates annually to certain categories of ratepayers in accordance to the Municipality's Property Rates Policy and By-Laws.

(b) Rate rebates will be subject to certain criteria as determined by Council from time to time.

6.8.3 Arrangements for payment of arrears **(Annexure "B"):**

(a) Customers whose municipal accounts become in arrears may enter into a written arrangement for settlement of the arrears with the Municipality. Such customers may be requested to complete a new application and agreement for Municipal Services.

(b) If required, customers with arrears must agree to the conversion to a pre-payment electricity meter and a flow limiter water meter. If and when implemented, the cost of which, and the arrears total, will be paid off either by:-

(i) adding the debt to the arrears bill and repaying it over the agreed period; or

(ii) adding the debt as a surcharge to the pre-paid electricity cost, and repaying it with each purchase of electricity at a percentage rate (at least 60%), until the debt is liquidated.

(c) In the case of the customer who is not a natural person, an organ of state, a local authority, a public company or a public corporation, the major shareholder or member will be obligated to guarantee the debt of the customer.

(d) Council reserves the right to raise the deposit/security requirement of debtors who seek arrangements and/or other stipulations it may deem necessary.

6.9 Subsidy for indigent households

Please refer Overstrand Municipality, Indigent Policy

6.10 Additional subsidy categories

6.10.1 Subject to an equitable share contribution received from National Treasury, Council may provide, free of charge to a customer, basic services as determined from time to time.

6.10.2 Rebates on property rates may be granted to categories of properties or owners in accordance to Council's Property Rates Policy.

6.11 Customer categories

6.11.1 Customers will be categorised according to specific classifications based on amongst others the type of entity, applicable tariffs and risk levels of the provision of services. Processes for credit control, debt collection and customer care may differ from category to category, as deemed appropriate from time to time by the Municipal Manager.

6.12 Deceased Estates

6.12.1 the death certificate of the deceased person must be presented;

6.12.2 proof from the Registrar of Estates should be obtained that a deceased estate is not liable for any claims;

6.12.3 if the estate will be liable for claims, a claim should be laid against the said estate;

6.12.4 if no estate is registered but a death certificate was obtained, such debts should be written off with effect from the date of death;

6.12.5 if a subsequent new tenant/owner/authorised person qualify for indigent subsidies, the total outstanding amount should be written off;

6.12.6 in the instance that the new tenant/owner/authorised person will not qualify for a subsidy, the new tenant/owner/authorised person shall be responsible to pay the

outstanding amount on the account from the date of death of the deceased person, up to the current date, or to arrange for a settlement agreement;

6.12.7 child headed families, where the parents are both deceased and only unemployed minor children stays in the dwelling, a social worker report must be obtained in order for the debt to be written off. The child headed family may apply for indigent subsidy on the account of the deceased owner;

6.12.8 In the case of a deceased property owner, the authorised person(s) of the family members may give permission with the submission of an affidavit to identify the responsible occupier of the property, to be responsible for the payment of the municipal account on the property. This occupier may apply for indigent subsidy. The account will stay in the name of the registered owner but will be the responsibility of the authorised occupier, regardless of the outcome of any indigent application.

CREDIT CONTROL POLICY

7.1 Objective

7.1.1 To implement procedures which ensure the collection of debt, meeting of service targets and the prevention of escalation in arrear debt.

7.1.2 To facilitate financial assistance and basic services for the community's poor.

7.1.3 To provide incentives for prompt payment.

7.1.4 To limit risk levels by means of effective management tools.

7.2 Service applications and agreements

7.2.1 All customers of services will be required to sign an agreement governing the supply and cost of municipal services. On default by a tenant, the owner will be the debtor of last resort except where the Municipality is the owner of the property.

7.2.2 Prior to signing these agreements, customers will be entitled to access the policy documents. Also available on the official website at: www.overstrand.gov.za.

7.2.3 On the signing of the agreement when requested thereto, customers will receive a copy of the agreement for their records.

7.2.4 Customers will accept responsibility in the agreement for administration costs of collection, interest and penalties in the event of delayed and/or non-payment.

7.2.5 The Municipality may refuse to supply services to an applicant should such applicant owe monies to the Municipality regarding a previous period when he/she was rendered services by the Municipality, until such debt has been settled in full. Should the applicant prove to the Chief Financial Officer that he/she is unable to pay, the application will be dealt with in terms of Council's Indigent Subsidy Scheme.

7.2.6 The Municipality will read the meters within the period stipulated in the agreement after notification of change in ownership or application for the supply of services and render an account within the normal cycle applicable to the property.

7.2.7 Existing customers may be required to sign new agreements in the following instances:

(a) Any change of service profile;

(b) With any instruction given or actual disconnection or restriction of services or any legal action taken;

(c) Any form of tampering with service networks or meters etc (as mentioned in Section 7.5.1 below;

(d) As determined by the Municipal Manager from time to time.

7.2.8 Should a customer fail to enter into such agreement with Council or to provide the security described in clause 7.6, Council may:-

(a) hold the customer liable for all outstanding debt on services for the property; and/or

(b) restrict or discontinue the supply of Municipal services.

7.2.9 The Municipality shall open only one account per property for the rates, fixed levies and service charges.

7.2.10 All arrangements may be subject to periodic review.

7.2.12 Debtors who default on two occasions in respect of arrangements, will be denied the privilege of making further arrangements, and the full amount will be payable. Interest will be calculated from the **[original due date of the debt]** on the first day of the new month on all arrear amounts older than the most recent monthly service account, taking any payments into consideration.

7.2.13 An amount of at least the monetary value of the most recent 3 months accounts must be settled before a recommendation by the Manager: Revenue can be made for further arrangements in excess of the two occasions mentioned above, to be considered by the Senior Manager: Revenue, based on current circumstances.

7.3 Right of access to premises

7.3.1 The owner and/or occupier of a property is to allow an authorised representative of the Municipality access at all reasonable hours to the property in order to read,

inspect, install or repair any meter or service connection for reticulation, or to disconnect, stop or restrict, or reconnect the provision of any service.

7.3.2 The owner is responsible to ensure that all meters installed on his/her property are easily accessible.

7.3.3 The owner is responsible for the cost of relocating a meter if satisfactory access is not possible.

7.3.4 If a person fails to comply to any requirements, the Municipality or its authorised representative may:-

(a) by written notice require such person to restore access at his/her own expense within a specified period.

(b) without prior notice restore access and recover the cost from such person if it is the opinion that the situation is a matter of urgency.

7.4 Enforcement mechanisms

7.4.1 Interest may be raised as a charge on all accounts not paid by the due date in accordance with applicable legislation.

7.4.2 The Municipality shall restrict or discontinue the supply of services or implement any other debt collection actions necessary due to late or non-payment of accounts, relating to any customer, owner or property.

7.4.3 Council reserves the right to deny or restrict the sale of electricity or water to customers who are in arrears with their rates or other municipal charges.

7.4.4 Upon the liquidation of arrears, or the conclusion of acceptable arrangements for term payments, the service will be reconnected as soon as conveniently possible.

7.4.5 The administration cost of the restriction or disconnection, and the reconnection, will be determined by tariffs approved by Council, and will be payable by the customer.

7.4.6 If a person is indigent a pre-paid electricity meter must be installed and a flow limiter water meter may be installed free of charge.

7.4.7 The deposit(s) of any defaulter will be adjusted in terms of paragraph 7.2.2 and brought into line with relevant policies of Council.

7.4.8 Defaulters' deposits will be reviewed annually, based on the debtor's Municipal payment record, indicating no default, over the preceding 12 (twelve) months, excluding customers with current arrangements. The deposit will be adjusted to the minimum deposit required in terms of the approved Tariff Schedule.

7.4.9 Defaulters deposits will be reviewed immediately, where the account was settled in full and a debit order is signed to prevent late payments.

7.4.10 In accordance with Section 102 of the Municipal Systems Act, the Municipality may

Consolidate any separate accounts of persons liable for payments to the municipality;

(b) Credit a payment of such a person against any account of that person; and

(c) Implement any of the debt collection and credit control measures provided for in Chapter 9 of the Act in relation to any arrears on any of the accounts of such a person.

7.5 Theft and fraud

7.5.1 Any person (natural or juristic) found to be illegally connected or reconnected to municipal services, tampering with meters, the reticulation network or any other supply equipment or committing any unauthorised act associated with the supply of municipal services, as well as theft of and damage to Council property, will be prosecuted and/or liable for costs at the prescribed tariffs as determined from time to time.

7.5.2 The Municipality has the right to obtain authorisation from the Magistrate for the imposition of fines for the offences as mentioned in paragraph 7.5.1 above.

7.5.3 The Municipality may terminate and/or remove the electricity supply of services to a customer should such conduct as outlined above, be detected and certified.

7.5.4 The Municipality may install a water flow restrictor meter to a customer should such conduct as outlined above, be detected and certified.

7.5.5 The total bill owing, including administration cost, assessment of unauthorised consumption and discontinuation and reconnection fees, and increased deposits as determined by Council if applicable, will be due and payable before any reconnection can be sanctioned.

7.5.6 Council will maintain monitoring systems and teams in order to identify and monitor customers who are undertaking such illegal actions.

7.5.7 Council reserves the right to lay criminal charges and/or to take any other legal action against both vandals and thieves.

7.5.8 Any person failing to provide information or providing false information on his application for or other document pertaining to the supply of services to the Municipality may face immediate disconnection of services.

7.6 Customer screening and securities

7.6.1 Security deposits, may be required. The minimum deposit being the equivalent of amounts fixed from time to time by the Municipality.

7.6.2 Security deposit in respect of electricity will be adjusted annually, which will be equal to twice the average consumption during the preceding 12 months.

7.6.3 Applicants who are not natural persons, organs of state, local authorities, public companies or public corporations must supply details of their directors, members, partners or trustees and at least the main shareholder must in his/her personal capacity guarantee the payment of the applicant's municipal account and in the case of a trust, all the trustees in their personal capacity.

7.6.4 On the termination of the agreement the amount of the deposit, less any outstanding amount due to the Municipality, will be refunded to the customer.

7.7 Contractors who tender to the Municipality

7.7.3 The Supply Chain and Procurement Management Policy and Tender Conditions of the Municipality will include the following:-

(a) When inviting tenders for the provision of services or delivery of goods, potential contractors may submit tenders subject to a condition that consideration and evaluation thereof will necessitate that the tenderer obtain from the Municipality a certificate stating that all relevant municipal accounts owing by the tenderer and/or its directors, owners or partners have been paid or that suitable arrangements (which include the right to set off in the event of non-compliance) have been made for payment of any arrears.

(b) No tender will be allocated to a person/contractor until a suitable arrangement for the repayment of arrears has been made. No further debt may accrue during contract period.

(c) Tender Conditions will include a condition allowing the Municipality to deduct any moneys owing to the Municipality from contract payments.

(d) A tenderer will be required to declare all the municipal account numbers for which it is responsible and/or partially responsible.

7.8 Pre-payment metering system

7.8.3 The Municipality will use its pre-payment metering system to:-

(a) link the provision of electricity by the Municipality to a "pre-payment" system comprising, pre-payment of electricity units; and

(b) a payment in respect of arrears comprising all accrued municipal taxes and other levies, tariffs and charges in respect of services such as water, refuse removal, sanitation and sewage.

(c) To load an auxiliary on the "pre-payment" system in order to allocate a portion of the rendered amount to the customers arrear account for other services.

(d) To enforce satisfactory arrangements with customers in arrears by blocking access to pre-payment electricity purchases.

(e) Amounts tendered for the purchase of pre-payment electricity will not be refunded after the pre-payment meter voucher has been issued or in case of purchasing against an incorrect meter number.

8. DEBT COLLECTION

8.1 Objective

8.1.1 To provide procedures and mechanisms to collect all the monies due and payable to the Municipality arising out of the supply of services and annual levies, in order to ensure financial sustainability and delivery of municipal services in the interest of the community.

8.2 Personal contact

8.2.1 Personal and Telephonic contact / Agents calling on customers:-

(a) Council, or its agent, may make personal contact with arrear debtors to encourage their payment via electronic, SMS, telephonic or any other officially recognised communication method.

(b) Such contact is not a right for debtors to enjoy and disconnection of services and other collection proceedings will continue in the absence of such contact for whatever reason.

(c) Services as contemplated in 8.2.1(a) will be rendered at a charge as determined during the annual budget process.

8.3 Interruption of service

8.3.1 Customers who are in arrears with their municipal accounts and who have not made arrangements with the Municipality will have their supply of electricity, water and other municipal services, suspended, restricted or disconnected.

8.3.2 Customers who have submitted mobile phone numbers can be notified via SMS at the applicable tariff, if their accounts are not settled on or before the due date.

8.3.3 The disconnection or restriction of services, as mentioned in section 7.4.2, may be enforced should the account remain in arrears after the expiring of the 14 (fourteen) days' notice of restriction of services.

8.3.4 Council reserves the right to deny or restrict the sale of electricity or water to customers who are in arrears with their rates or other municipal charges, or who do not honour their arrangements.

8.3.5 Upon the liquidation of arrears, including the additional levies in terms of clauses 8.3.6 and 8.3.7, or the conclusion of acceptable arrangements for term payments, the services will be reconnected as soon as conveniently possible.

8.3.6 The cost of notice of restriction or disconnection and the reconnection, will be determined by tariffs approved by Council, and will be payable by the customer.

8.3.7 The deposit of any defaulter will be adjusted, and brought into line with relevant policies of Council (refer to Annexure "B").

8.4 **Legal process (Annexure "A") -** (Use of attorneys/Use of credit bureaus)

8.4.1 The Municipality may, when a debtor is in arrears, commence legal process against that debtor, which process could involve final demands, summonses, court trials, judgements, garnishee orders and, as last resort, sales in execution of property.

8.4.2 The Municipality will exercise strict control over this process to ensure accuracy and legality within it and will require regular reports on progress from staff responsible for the process or outside parties, be they attorneys or any other collection agents appointed by Council.

8.4.3 The Municipality will establish procedures and codes of conduct with such outside parties.

8.4.4 In the case of employed debtors, garnishee orders, are preferred to sales in execution, but both are part of the Municipality's system of debt collection procedures.

8.4.5 All steps in the credit control procedure will be recorded for the Municipality's records and for the information of the debtor.

8.4.6 All administration costs of this process will be for the account of the debtor.

8.4.7 Individual debtor accounts are protected and are not the subject of public information. However, the Municipality may release debtor information to credit bureaus and the property owner in respect of his/her lessee(s). This release will be in writing or by electronic means and will be covered in the agreement with customers.

8.4.8 The Municipality may consider the cost effectiveness of the legal process, and will receive reports on relevant matters and report to the Executive Mayor.

8.4.9 Upon recommendation from the Municipal Manager, Council may consider the use of agents and innovative debt collection methods and products. Cost effectiveness, the willingness of agents to work under appropriate codes of conduct and the success of such agents and products will be part of the agreement Council might conclude with such agents or service providers.

8.4.10 Customers will be informed of the powers and duties of such agents and their responsibilities, including their responsibility to observe agreed codes of conduct.

8.4.11 Any agreement concluded with an agent or product vendor shall include a clause whereby breaches of the code of conduct by the agent or vendor will constitute termination of the contract.

8.4.12 If, after the due date an amount due for rates is unpaid by the owner of the property, the Municipality may recover the amount, in whole or in part, from the tenant or occupier of the property, after it has served written notice on the tenant or occupier. The Municipality may recover the outstanding amount despite any contractual obligation to the contrary on the tenant or occupier.

8.4.13 If, after the due date an amount due for rates is unpaid by the owner of the property, the Municipality may recover the amount, in whole or in part, from the agent of the owner, if this is more convenient for the Municipality, after it has served written notice on the agent. The agent must on request from the Municipality, provide a statement reflecting all payments made to the agent for the owner during a period determined by the Municipality.

8.4.14 At any stage while the debt is outstanding, all reasonable steps shall be taken to ensure that the ultimate sanction of a sale-in execution is avoided or taken as a last resort. Overstrand Municipality, however, has total commitment to a sale-in execution should the debtor fail to make use of the alternatives provided for by the Municipality from time to time. This is also applicable to all debt and includes all debt which is a charge against a property as referred to in this policy.
As part of the recovery process the Chief Financial Officer may determine a reserve price to be recovered in terms of arrears, equal to the municipal property value or outstanding debt, whichever is the lowest. In the instance that sales statistics / prices of properties sold in the past 12 months, in the immediate area of the particular property prove that there is no market demand for similar properties, that the reserve price, to be recovered in terms of arrears as mentioned, may be lowered with up to 50%. The remaining outstanding debt in excess of the net proceeds of the auction will be written off, in terms of the prescriptions of this policy.

8.4.15 Adjustments on the accounts will only be calculated for three years. (Prescription Act, 1969 (Act 68 of 1969).

8.5 Cost of collection

All costs of legal processes including interest, penalties, service discontinuation costs and legal costs associated with customer care or credit control, where ever applicable, are for the account of the debtor and should reflect at least the cost of the particular action.

Collection costs on indigent clients, will be kept to a minimum by re-setting the pre-paid electricity debt collection [ratio] percentage to 90%.

8.6 Clearance Certificate

8.6.1 On the sale of any property in the municipal jurisdiction, Council will cause the delay of the registration of transfer until all rates, service and sundry charges and

any estimated amounts for the duration of a certificate in connection with the property are paid, by withholding a clearance certificate. The municipality will issue such clearance certificate on receipt of an application on the prescribed form from the conveyancer.

8.6.2 All payments will be allocated to the registered seller's municipal accounts and all refunds will be made to such seller.

8.6.3 No interest shall be paid in respect of these payments.

8.6.4 The Municipality will only issue a clearance certificate once a completed prescribed application form from the conveyancer has been received.

8.6.5 Where any residential or non-residential debtor has entered into an arrangement with the Municipality in respect of the arrears on a property, the prescribed certificate as referred to in Section 118 of the Systems Act, will not be issued until such time as the full outstanding amount has been paid.

8.7 Irrecoverable debt

8.7.1 Debt will only be considered as irrecoverable if it complies with the following criteria:-

(a) all reasonable notifications and cost effective legal avenues have been exhausted to recover a specific outstanding amount; or

(b) any amount equal to or less than R1 500.00, or as determined by Council from time to time, will be considered too small, after having followed basic checks, to warrant further endeavours to collect it; or

(c) the cost to recover the debt does not warrant the further action; or

(d) the amount outstanding is the residue after payment of a dividend in the rand from an insolvent estate; or

(i) there is a danger of a contribution; or

(ii) no dividend will accrue to creditors; or

(e) a deceased estate has no liquid assets to cover the outstanding amount following the final distribution of the estate; or

(iv) where the estate has not been reported to the Master and there are no assets of value to attach; or

(f) it has been proven that the debt has prescribed; or

(g) the debtor is untraceable or cannot be identified so as to proceed with further action; or

(i) the debtor has emigrated leaving no assets of value to cost effectively recover Councils' claim; or

(h) it is not possible to prove the debt outstanding; or

(i) a court has ruled that the claim is not recoverable; or

(j) the outstanding amount is due to an irreconcilable administrative error by the Municipality.

(k) <u>After the transfer of a property, outstanding debt on the previous owner account older than 2 years;</u>

8.7.2 All debtors who qualify and are registered as indigent, will have their arrears written off once during ownership of the property.

8.8 Abandonment of claims

8.8.1 The Municipal Manager must ensure that all avenues are utilised to collect the Municipality's debt.

8.8.2 There are some circumstances, as contemplated in section 109(2) of the Act, that allow for the valid termination of debt collection procedures, such as:-

(a) The insolvency of the debtor, whose estate has insufficient funds.

(b) A balance being too small to recover, for economic reasons considering the cost of recovery.

(c) Where Council deems that a debtor or group of debtors are unable to pay for services rendered.

8.8.3 The Municipality will maintain audit trails in such an instance, and document the reasons for the abandonment of the action or claim in respect of the debt.

9. SHORT TITLE

This Policy shall be called the **Customer Care, Credit Control and Debt Collection Policy of the Overstrand Municipality**.

CUSTOMER CARE AND DEBT COLLECTION – ANNEXURE "A"

10.1. INCENTIVE MEASURES

10.1.1. Incentive measures may be implemented as per Council resolution.

10.1.2. Where a customer is prepared to pay off the capital amount on an outstanding account, older than two (2) years, in one payment**,** the Municipal Manager will approve the write off of all interest charged with regard to afore-mentioned period;

10.1.3. An agreement to pay off the debt not older than (2) years, must be signed at the time of the implementation of the incentive referred to in 10.1.2;

10.1.4. In the instance where a customer is prepared to pay off the total amount of an outstanding account in one payment, then the Municipal Manager will approve the write off of all interest charged to date for the the total period.

10.2. DEBT COLLECTION

10.2.1. Should annual accounts remain unsettled after 30 September of the applicable year, notice will be given to the owner/customer that the amount owed must be settled within fourteen (14) days, failure of which it will be handed over for collection, including legal proceedings.

10.2.2. Should monthly accounts remain unsettled after the due date, notice will be given to the owner/customer that the amount owed must be settled within fourteen (14) days, failure of which will lead to restriction/disconnection of services, including legal proceedings.

10.2.3 All debtors regarding houses in rental, selling and self-build schemes, without any capital debt, which are still registered in the name of the Municipality, should be notified in writing that if satisfactory arrangements for transfer of the property into his/her name are not made within one (1) month, the property concerned will be put up for sale by Council at a public auction.

10.2.4 Upon handing over of accounts for collection, details of employers and work addresses of the debtors should be made available to the attorneys as far as possible for the purposes of garnishee orders.

10.2.5 Attorneys should report to the Revenue Department on a monthly basis on the progress made and the cost aspect regarding each debtor.

10.2.6 Attorneys should pay monies collected over to the Municipality monthly.

11. ARRANGEMENTS FOR PAYMENT – ANNEXURE "B"

11.1. DEBT FOR WHICH ARRANGEMENTS CAN BE MADE

Arrangements for the payment of outstanding debt can be made according to the procedures described hereafter.

11.2. CONCLUSION OF AGREEMENT

11.2.1 Regardless of the stipulations of sections 11.3.1. and 11.3.2, if a customer cannot pay his/her account with the Municipality then the Municipality may enter into an extended term of payment, only the Chief Financial Officer may consider and approve any extension on these arrangements on receipt of a written recommendation by the Senior Manager: Revenue.

11.2.2 The customer must:-

(a) sign an acknowledgement of debt;
(b) sign a consent to judgement;
(c) in the case of a company, trust or closed corporation, supply the guarantee as prescribed in clause 6.8.3(c) of the Policy.
(d) submit proof of income on the prescribed form;
(e) pay the current portion of the account in cash;
(f) customer deposits may be adjusted to the higher of the sum of twice the average consumption during the preceding 12 months or the minimum deposit required in terms of the approved Tariff Schedule
(g) acknowledge liability of all costs incurred; and

11.3. ARRANGEMENTS THAT CAN BE ENTERED INTO:

11.3.1. Residential Customers:

(a) 1st default within a 12-month period:
  (i) 10% of the outstanding amount plus cost of the credit control actions together with the current account is payable immediately.
  (ii) The balance is payable over a maximum period of twelve months.
  (iii) First offence in 2 years – no deposit increase will be applicable and if already charged, will be reversed on application.
  (iv) Customer deposits may be adjusted to the higher of the sum of twice the average consumption during the preceding 12 months or the minimum deposit required in terms of the approved Tariff Schedule.
(b) 2nd default within a 12-month period:
  (i) An amount of at least the monetary value of the most recent 3 months accounts must be settled before a recommendation by the Manager: Revenue can be made for further arrangements to be considered by the Senior Manager: Revenue, based on current circumstances of the customer.
(c) 3rd default within a 12-month period:
  (i) Metered services will be discontinued or restricted and the account will be handed over for legal proceedings.
(d) An amount of at least 20% of the arrears, plus the current account [the monetary value of the most recent 3 months accounts must] be settled before a recommendation by the Snr Manager: Revenue can be made for further consideration of arrangements in excess of the [three] two occasions mentioned above, to be considered by the Chief Financial Offer, based on current circumstances of the customer.

11.3.2. Non-residential Customers:

(a) 1st default within a 12-month period:-

(i) 50% of the outstanding amount plus cost of the credit control actions.
(ii) The balance is payable over a maximum period of three months.
(iii) First offence in 2 years – no deposit increase will be applicable and if already charged, will be reversed on application.
(iv) Customer deposits will be adjusted to the higher of the sum of three times average consumption during the preceding 12 months or the minimum deposit required in terms of the approved Tariff Schedule.

(a) 2nd default within a 12-month period:-
(i) Full outstanding amount plus cost of credit control actions.
(ii) No arrangements will be allowed.
(iii) Customer deposits will be adjusted to the higher of the sum of four times average consumption during the preceding 12 months or the minimum deposit required in terms of the approved Tariff Schedule.

11.3.3. Government Departments – Customer Accounts:

(a) 1st default within a 12-month period:-
(i) 3 weeks' notice – no arrangements
(ii) First offence in 2 years – no deposit increase will be applicable and if already charged, will be reversed on application.
(iii) Customer deposits will be adjusted to the sum of three time's average consumption during the preceding 12 months.

(b) 2nd default within a 12-month period:-
(i) 2 weeks' notice – no arrangements.
(ii) Customer deposits will be adjusted to the sum of four time's average consumption during the preceding 12 months.

11.3.4. Government Departments – Rates & Taxes:

(a) 1st default within a 12-month period:-
(i) Final demand and legal action in terms of "The Institution of Legal Action against Certain Organs of State Act, 2002 (Act No 40 of 2002)".

11.3.5. Administration:

Where a person has been placed under administration the following procedures will be followed:-

(a) The debt as at the date of the administration court order will be placed on hold, and collected in terms of the court order by the administrator's dividend.
(b) The administrator is to open a new account on behalf of the debtor. No account is to be opened or operated in the debtor's name as the debtor is not entitled to accumulate debt.
(c) Until such time as this new account is opened, the debtor is to be placed on limited services levels. The customer will be compelled to install a pre-paid electricity meter and flow limiter water meter, should one not already be in place. The Municipality will be entitled to recover the cost of the basic services by means of purchases made on the pre-paid meter.
(d) Should there be any default on the current account, the supply of services is to be limited or terminated, and the administrator handed over for the collection of this debt.

11.3.6. Indigent:

All customers (including any other occupants), qualifying as indigent and who accumulated any arrear debt after any relief has been granted, will repay that debt as follows:-

By instalments over 24 months, in addition to monthly service charges, with immediate payment of the cost of the credit control action taken.

There are no limitations on debtors at any time to pay amounts in excess of arrangements towards outstanding debt, than prescribed above.

12. IMPLEMENTATION AND REVIEW PROCESS

This policy will come into effect on **1 July 2022** and will be reviewed at least annually or when required by way of a Council resolution.

POLICY SECTION:	SENIOR MANAGER: REVENUE
CURRENT UPDATE:	31 MAY 2022
PREVIOUS REVIEW:	24 AUG 2021
PREVIOUS REVIEW:	26 MAY 2021
PREVIOUS REVIEW:	30 SEPT 2020
PREVIOUS REVIEW:	27 MAY 2020
PREVIOUS REVIEW:	29 MAY 2019
PREVIOUS REVIEW:	30 MAY 2018
PREVIOUS REVIEW:	31 MAY 2017
PREVIOUS REVIEW	25 MAY 2016
PREVIOUS REVIEW	28 MAY 2015
PREVIOUS REVIEW	28 MAY 2014
PREVIOUS REVIEW	25 SEPT 2013
PREVIOUS REVIEW	29 MAY 2013
PREVIOUS REVIEW	30 MAY 2012
PREVIOUS REVIEW	04 MAY 2011
PREVIOUS REVIEW	26 MAY 2010
PREVIOUS REVIEW	27 MAY 2009
PREVIOUS REVIEW:	30 MAY 2007
APPROVAL BY COUNCIL:	30 JUN 2006

OVERSTRAND MUNICIPALITY



INDIGENT POLICY

P R E A M B L E

Whereas section 96 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) requires a municipality to adopt, maintain and implement a credit control, debt collection and customer care policy;

And whereas section 97 of the Systems Act prescribes that such policy must provide for "provision for indigent debtors that is consistent with its rates and tariff policies and any national policy on indigents."

Now therefore the Municipal Council of the Municipality of Overstrand adopts the Indigent Policy as set out in this document:-

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1. DEFINITIONS

For the purpose of this policy, unless the context indicates otherwise, any word or expression to which a meaning has been attached in the Act shall bear the same meaning and means:-

"authorised representative"	The person or instance legally appointed by the Council to act or to fulfil a duty on its behalf.
"basic service"	the amount or level of any municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety of the environment and for the purposes of this Policy are restricted to the delivery of electricity, refuse, sewerage and water services.
"Chief Financial Officer"	An officer of the Municipality appointed as the Head of the Finance Department and includes any person:- a. acting in such position; and b. to whom the Chief Financial Officer has delegated a power, function or duty in respect of such a delegated power, function or duty.
"Council" **or** ***"municipal council"***	A municipal council referred to in section 18 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) and for purposes of this policy, the municipal council of the Municipality of Overstrand.
"customer"	Any occupier of any property to which the Municipality has agreed to supply services or already supplies services to, or if there is no occupier, then the owner of the property (including registered indigent household).
"defaulter"	A person who owes money to in respect of a municipal account after the due date for payment has expired.
"Household"	Any customer who are jointly living on a stand or site on a permanent basis and who receive electricity and/or water from one meter, regardless whether the person rents or owns the property.
"Income"	Income is the gross sum of all monthly income from all sources, including wages, salaries, profits, dividends, pensions, rentals, board & lodging, interest received, grants or investment income and other forms of earnings received by every person residing on the property. Child Support Government grants will not be added as a financial contribution towards the household income.
"Indigent"	A household which qualifies in terms of clause 5A, and a household which qualified in terms of 5B as at 30 June 2021.
"Indigent-Poor"	A household which qualified in terms of clause 5C as at 30 June 2021.
"interest"	A levy with the same legal priority as service fees and calculated on all amounts in arrears in respect of assessment rates and service levies at a standard rate as approved by Council.
"municipal account" **or** ***"billing"***	the proper and formal notification by means of a statement of account, to persons liable for monies levied and indicating the net accumulated balance of the account, specifying charges levied by the Municipality, or any authorised and contracted service provider, in the format of, but not limited to:- (a) show the levies for assessment rates and/or building clause; and *"monthly account"* rendered monthly and shows the levies for assessment rates and/or building clause, availability charge, sewerage, refuse removal, electricity, water, sundries, housing rentals and instalments, allas well as the monthly instalment for annual services paid monthly
"Municipality"	The institution that is responsible for the collection of funds and the provision of services to the customers of Overstrand.

"the Act"	The Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) as amended from time to time.

2. OBJECTIVES OF POLICY

The objectives of this Policy are to:-

1. provide a framework within which the Municipality can exercise its executive and legislative authority with regard to the implementation of financial aid to indigent and indigent-poor households in respect of their municipal account;
2. determine the criteria for qualification of indigent and indigent-poor households;
3. ensure that the criteria is applied correctly and fairly to all applicants;
4. allow the Municipality to conduct in loco visits to the premises of applicants to verify the actual status of the household;
5. allow the Municipality to maintain and publish the register of names and addresses of account holders receiving subsidies.

3. SUBSIDY FOR INDIGENT AND INDIGENT-POOR HOUSEHOLDS

a. A basic level of services will be provided to qualifying households with:
   (i) a total gross income which is below a determined amount, and
   (ii) according to further specified criteria, as determined by the Municipality from time to time;

b. Indigence subsidies will be funded from the equitable share contribution made by National Treasury and as provided for in the municipal budget. The subsidy can only be credited to the qualifying customers' accounts until the amount received by the Municipality from National Treasury and provided for in the municipal budget for this purpose, has been exhausted, whereupon no further credits will be made until further national funds for this purpose are received or additional funds has been provided for in the municipal budget.

c. Subsidised services are refuse removal, sewerage and consumption service charges.

d. Customers who qualify for an indigent or indigent-poor subsidy must convert to pre-payment electricity meter, except for areas where electricity is not supplied by Overstrand Municipality, and a flow limiter water meter may be installed, free of charge for these customers.

e. If a customer's consumption or use of the municipal service is less than the subsidised amount of the service, the subsidy will be limited to the lesser amount. The unused portion, if any, may not be accrued by the customer and will not entitle the customer to cash or a rebate in respect of the unused portion.

f. If a customer's consumption or use of a municipal service is in excess of the subsidised service, the customer will be obliged to pay for such excess consumption at the applicable rates.

g. All customers who qualify for an indigent subsidy will be considered placed on restricted service levels in order to limit further escalation of debt.

h. Where applicable, indigent customers may be exonerated from a portion of their arrear debt.

i. An indigent customer must immediately request de-registration by the Municipality or its authorised agent if his/her circumstances have changed to the extent that he/she no longer meet the criteria.

j. An indigent customer may, at any time, request de-registration.

k. A list of indigent customers will be maintained and may be made available to the general public, subject to the Promotion of Access to Information Act ("PAIA") and/Protection of Personal Information Act ("POPI Act").

l. The applicant may not be the registered owner of more than one property.

m. <u>Councillors and municipal officials do not qualify for any benefit in terms of this Policy.</u>

4. PRINCIPLES OF POLICY

a. The administrative integrity of the Municipality must be maintained at all costs. The democratically elected councillors are responsible for the approval of this policy, while it is the responsibility of the Municipal Manager to ensure the execution of this policy;
b. Applicants must complete an official application form, which is to be submitted together with the supporting documents as specified in this policy**.**
c. Application forms, agreements and documents relating to this Policy must be available in Afrikaans, English and isiXhosa.
d. The customer is entitled to an efficient, effective and reasonable response to appeals, and should suffer no disadvantage during the processing of a reasonable appeal.
e. Compliant applications received before the 15th of a particular month will be considered for subsidy for that account levied for the month.

5. CATEGORIES AND CRITERIA OF SUBSIDY

A category of needy households is recognised for purposes of receiving an indigent subsidy.

The criteria for Category A, will be appliable from 1 July 2021 for all implementations of payment of an Indigent Subsidy, only on receipt of application for indigent subsidy, submitted on the prescribed application form and accompanied by the required documentation in accordance with clause 6 :-

A. Indigent household with income less than four times the Government Old Age Pension and electricity units purchase less than 500 kWh

(i) The total household income may not be more than four times the Government State Old Age pension amount plus R1 per month;
(ii) Average monthly units purchase of electricity over the previous 6 months may not exceed 500 kWh;
(iii) Average monthly consumption of water over the previous 6 months may not exceed 20 kℓ;
Or: A flow limiter meter will be installed immediately on application for a flow limiter meter and flow will be limited to a maximum of 20 kl per month;
(iv) Occupy the property as his/her primary residence;
(v) Must be a South African citizen; and
(vi) [The applicant may] The recipient of an indigent benefit in terms of this policy must not be the registered owner of more than one property.
(vii) The property may only be used for residential purposes.
(viii) **Categories B and C Indigents as at 1 July 2022 in this policy, must re-apply formally by submitting an application for Category A on the prescribed application form and accompanied by the required documentation in accordance with clause 6, in order to phase out Indigent Categories B and C, which will be discontinued as from 1 July 2022**..

If any of the above criteria is not complied with, the household will immediately be given notice and will loose the status of "indigent" and the subsidy will be forfeited.

Subsidy

(i) 100% of the basic levy for electricity for one service point per month;
(ii) 100% of the basic levy for water for one service point per month;
(iii) 100% of the basic levy for sewage for one service point per month;
(iv) 100% of 1 X vacuum tanker service after hours, per annum;
(v) 100% of the basic levy for refuse removal for one service point per month;
(vi) The first 50 kWh in the tariff block 0-350 of electricity per month shall be free of charge;
(vii) 10 **[6]** kℓ of water;

(viii) 7 **[4,2]** kℓ of water consumption for sewerage; and
(ix) R11.84 in regard of Infrastructure Levy.

B. Indigent household with a property value up to R220 000.00 and electricity units purchase less than 500kWh (no income restriction), with category B subsidy only applicable to existing category B recipients as at 30 June 2021, of a benefit in terms of this policy:-

(i) All properties with a municipal valuation of R220 000.00 or less, used for residential purposes, are classified as Indigent;
(ii) Average monthly units purchase of electricity over the previous 6 months may not exceed 500kWh;
(iii) Average monthly consumption of water over the previous 6 months may not exceed 20kl;
(iv) The recipient of an indigent benefit in terms of this policy must not be the registered owner of more than one property.
(v) A property may only be used for residential purposes**.**
(vi) Must be a South African citizen
(vii) Occupy the property as his/her primary residence

In order to facilitate phasing out of Category B and to encourage applicants to apply for Category A, subsidies will be allocated as follows from 01 July 2022:

Category B Subsidy benefit from 01 July 2022 to 31 October 2022:

(i) R291.60 of the basic levy for electricity for one service point per month;
(ii) R129.14 of the basic levy for water for one service point per month;
(iii) R115.09 of the basic levy for sewage for one service point per month;
(iv) 100% of 1 X vacuum tanker service after hours, per annum;
(v) R185.49 of the basic levy for refuse removal for one service point per month;
(vi) 10 **[6]** kℓ of water;
(vii) **[Indigent households with a property value of R220 000.00 or less, could apply up to 30 June 2021 for 50kWh of free electricity units where the household income does not exceed four times the social pension amount plus R1 per month and where the average monthly consumption of electricity over the previous 6 months does not exceed 500Wh**;]
(viii) 7 **[4,2]** kℓ of water consumption for sewerage; and
(ix) R11.84 in regard of Infrastructure Levy.

Category B Subsidy benefit from 01 November 2022 to 28 February 2023:

(i) R194.40 of the basic levy for electricity for one service point per month;
(ii) R 86.09 of the basic levy for water for one service point per month;
(iii) R 76.73 of the basic levy for sewage for one service point per month;
(iv) 100% of 1 X vacuum tanker service after hours, per annum;
(v) R123.66 of the basic levy for refuse removal for one service point per month;
(vi) 6.67 kℓ of water;
(vii) 4.67 kℓ of water consumption for sewerage; and
(viii) R 7.89 in regard of Infrastructure Levy.

Category B Subsidy benefit 01 March 2023 to 30 June 2023:

(i) R 97.20 of the basic levy for electricity for one service point per month;
(ii) R 43.05 of the basic levy for water for one service point per month;
(iii) R 38.36 of the basic levy for sewage for one service point per month;
(iv) 100% of 1 X vacuum tanker service after hours, per annum;
(v) R 61.83 of the basic levy for refuse removal for one service point per month;
(vi) 3.33 kℓ of water;
(vii) 2.33 kℓ of water consumption for sewerage; and

(viii) R 3.95 in regard of Infrastructure Levy.

NOTE: Subsidy for Category B benefit will be discontinued from 01 July 2023.

C. Indigent households with a property value up to R220 000.00 and electricity units purchase less than 500 kWh (no income restriction).

Only applicable for existing category C recipients as at 30 June 2021, of a benefit in terms of this policy:

(i) The property value must be less than R220 000.00;
(iii) The average monthly units purchase of electricity by the household over the previous 6 months may not exceed 500kWh;
(iv) The average monthly consumption of water by the household over the previous 6 months may not exceed 20kℓ;
(v) Occupy the property as his/her primary residence;
(vi) Must be a South African citizen; and
(vii) The recipient of an indigent benefit in terms of this policy must not be the registered owner of more than one property.
(viii) The property may only be used for residential purposes.

In order to facilitate phasing out of Category C, and to encourage applicants to apply for Category A, subsidies will be allocated as follows from 01 July 2022:

Category C Subsidy benefit from 01 July 2022 to 31 October 2022:

(i) R115.09 of the basic levy for sewage per month for one service point;
(ii) R185.49 of the basic levy for refuse removal per month for one service point.

Category C Subsidy benefit from 01 November 2022 – 28 February 2023:

(i) R 76.73 of the basic levy for sewage per month for one service point;
(ii) R123.66 of the basic levy for refuse removal per month for one service point

Category C Subsidy benefit from 01 March 2023 – 30 June 2023

(i) R 38.36 of the basic levy for sewage per month for one service point;
(ii) R 61.83 of the basic levy for refuse removal per month for one service point

NOTE: Subsidy for Category C benefit will be discontinued from 01 July 2023.

6. APPLICATION FOR A SUBSIDY

A. Applications for indigent subsidy must be submitted on the prescribed application form and must be accompanied by the following documentation:-

(i) the latest municipal account of the account holder;
(ii) proof of the applicant's identity and an affidavit confirming responsibility for the account in the instance where the applicant is not the account holder, but reside on the property; and a letter from account holder;
(iii) In the instance of a deceased estate, indigent applications will be considered in accordance with requirements for Deceased Estates as stipulated in the Overstrand Customer Care, Credit Control and Debt Collection Policy, inclusive of submission of the executors letter, or letter of authority from the Master/Court and a letter from the relatives of the deceased confirming responsibility for the account and In the instance of a child headed household, also a report from a social worker,
(iv) proof of the total gross household income, e.g. a letter from his/her employer, salary slip/envelope, pension card, unemployment insurance fund (UIF) card.; and

(v) proof of medical condition when requiring additional water and electricity.

B. Incomplete forms or forms without the required documentation attached thereto will be rejected.

7. SWORN STATEMENT

The applicant must complete the sworn statement that forms part of the application form. Failure to do so will render the application invalid.

8. CONVERSION OF METERS

The applicant must agree to the conversion to pre-payment electricity meter and flow limiter water meter. Refer clause 3(d) of Policy.

9. PUBLICATION OF NAMES

The applicant must grant permission for the Municipality to publish his/her name and address on a list of account holders receiving subsidies in terms of this Policy. Refer clause 3(k) of Policy.

10. FALSE OR MISLEADING INFORMATION

A person who provides false information will be disqualified and be refused further participation in the subsidy scheme. In addition he/she may be held liable for the immediate repayment of any subsidies already granted and legal action may be instituted against the guilty party/parties. A person who provides misleading information may only apply again for Indigent Subsidy after a period of 6 months.

11. CALCULATION OF SUBSIDY

a. The subsidies below will be funded from the "equitable share" contribution received from National Treasury, plus an amount from the Municipality's own income as budgeted for in the financial year in question. The subsidies will only be granted to qualifying households to the extent that the above-mentioned funds are available for allocation.
b. The accounts of qualifying applicants are credited monthly by the subsidies calculated in section 5**[A, B and C]**.

12. VERIFICATION AND AMNESTY PERIOD

12.1 The Municipality reserves the right to send officials and/or representatives of the Municipality to the household or site of the recipient(s) of a subsidy at any reasonable time with the aim of carrying out an ongoing audit on the accuracy of the information provided.

12.2 The municipality **[is]** implemented **[ing]** an amnesty period, for a six (6)-month period from 1 July 2021 to 31 December 2021, to customers who received, or who are receiving an indigent subsidy, on reporting of transgressions of the stipulations of this policy, to avoid the retrospective repayment of any indigent subsidy received during the period of the transgression with regard to the following:

12.2.1 Requirement for a customer to occupy the property as his/her primary residence:

This amnesty offered**[s]** customers, who have not, or who are not occupying the property as his/her primary residence, to make use of the window period (1 July 2021 to 31 December 2021) to report any transgressions in this regard in writing to the

municipality, to avoid the retrospective repayment of any indigent subsidy received during the period of the transgression;

12.2.2 The recipient of an indigent benefit in terms of this policy must not be the registered owner of more than one property:

This amnesty was offered**[s]** customers, who were, or who are, the registered owner of more than one property, to make use of the window period (1 July 2021 to 31 December 2021), to report any transgressions in this regard in writing to the municipality, to avoid the retrospective repayment of any indigent subsidy received during the period of the transgression.

12.3 The municipality [s] also implemented the retrospective exemption, which was available up to 31 December 2021, of the recovery of any indigent subsidy payment to a customer prior to 30 June 2021, who received an indigent subsidy in conflict of the following requirements in terms of this policy –

12.3.1 occupation of the property by the recipient of an indigent benefit, as primary residence;
12.3.2 the recipient of an indigent benefit in terms of this policy must not be the registered owner of more than one property.

13. DURATION OF SUBSIDY

a. If an application is approved, the subsidy will be applicable up until the equitable share contribution made from the National Governments' fiscus and as provided for in the municipal budget is depleted.
b. If the Municipality obtains information that indicates that the circumstances of the applicant have changed to such an extent that he/she no longer qualifies for the subsidy, the Municipality reserves the right to cancel the subsidy immediately.
c. If any of the criteria, as set out in 5A, B, C, is not complied with any more, the onus is on the recipient of the subsidy to notify the Municipality within 7 days after such criteria is no longer complied with. If a recipient cannot write, a designated official must be informed in person.
d. If any of the above criteria is not complied with, the household will immediately be given notice and will lose its Indigent status and the subsidy will be forfeited
e. In the case of misrepresentation or false declaration, including subsidy recipients of qualifying properties, the Municipality reserves the right to refuse the approval of the subsidy and to recover any subsidy amount if already granted an may institute appropriate legal action civil or otherwise, against guilty party(ies).
f. If a category B, C subsidy is cancelled due to excessive water consumption and/or electricity units purchase, in terms of the conditions of this policy, the consumer must apply in terms of category A to be considered for indigent status.

14. ACCOUNTS IN ARREAR

Applicants, whose municipal accounts show arrear amounts at the time of the application for a subsidy, will have to make arrangements with the Municipality for paying off the amounts in arrears.

15. REGISTER

a. The Municipality will compile a register of households that qualify as "indigent".
b. The register will be updated continually and reconciled with the relevant subsidy account in the general ledger on a monthly basis.

16. ENCOURAGEMENT

Councillors should encourage tax payers/customers in their various wards to apply for participation in the indigent subsidy scheme.

17. REVIEW AND IMPLEMENTATION PROCESS

This policy will come into effect on **1 July 2022;**

This policy will be reviewed at least annually or when required by way of a Council resolution.

POLICY SECTION:	**SENIOR MANAGER: REVENUE**
CURRENT UPDATE:	31 MAY 2022
PREVIOUS REVIEW:	26 MAY 2021
PREVIOUS REVIEW	25 NOV 2020
PREVIOUS REVIEW	27 MAY 2020
PREVIOUS REVIEW	29 MAY 2019
PREVIOUS REVIEW	30 MAY 2018
PREVIOUS REVIEW	26 JUN 2017
PREVIOUS REVIEW	31 MAY 2017
PREVIOUS REVIEW	31 AUG 2016
PREVIOUS REVIEW	28 MAY 2015
PREVIOUS REVIEW	28 MAY 2014
PREVIOUS REVIEW	29 MAY 2013
PREVIOUS REVIEW:	30 MAY 2012
PREVIOUS REVIEW:	04 MAY 2011
PREVIOUS REVIEW:	26 MAY 2010
PREVIOUS REVIEW	27 MAY 2009
PREVIOUS REVIEW	31 MAY 2006
APPROVAL BY COUNCIL:	30 JUNE 2004

OVERSTRAND MUNICIPALITY



SPECIAL RATING AREA POLICY

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1. DEFINITIONS

In this Policy words or expressions shall bear the meaning assigned to them and, unless the context otherwise indicates –

"additional rate"	means a rate as contemplated in sections 19(1)(d) and 22(1)(b) of the MPRA read together with section 10 of the Municipality's Property Rates Policy and section 12(2) of the Municipality's Special Ratings Area By-law, which Additional Rate shall be determined on an annual basis by the Municipality and shall be a debt due to the Municipality by the registered owner of a property within the SRA, and collected in the same manner as other property rates imposed by the Municipality;
"applicant"	means any owner who makes an application for the determination of a special rating area in accordance with Chapter 1 of the By-law, or if a management body is established in terms of section 10 thereof, any reference to ***"the Applicant"*** means the management body;
"business plan"	means a motivation report, implementation plan and term budget as contemplated in section 10 of the By- law;
"By-law"	means the Overstrand Municipality: Special Rating Area By – law;
"CFO"	means the Chief Financial Officer;
"Companies Act"	means the Companies Act, 2008 (Act No. 71 of 2008), as amended or replaced;
"Council"	means the Council of the Overstrand Municipality
"IDP"	means Integrated Development Plan
"majority"	means the majority of property owners as contemplated in paragraphs 6.5 and 6.6 of the Policy;
"management body"	means the management body of a special rating area to be established in accordance with the provisions of section 11 of the By-law; ***"owner"*** has the meaning assigned to it in section 1 of the Property Rates Act;
"non-profit company"	defined as a non-profit company with members as defined in section 1 of the Companies Act No 71 of 2008
"Policy"	means the Policy for the determination of special rating areas, or any other policy adopted by the Council in relation to special rating areas, as in force from time to time;
"Property Rates Act"	means the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004);
"rateable property"	has the meaning assigned to it in section 1 of the Property Rates Act;
"special rating area" ***or "SRA"***	means a special rating area approved by the Council in accordance with the provisions of section 22 of the Property Rates Act;
"steering committee"	means the steering committee of a special rating area to be established in accordance with the provisions of paragraph 9.1.1 of the Policy;

"term budget" means the budget of the management body contemplated in section 6 of the By-law.

2 INTRODUCTION

2.1 This Policy for the establishment of special rating areas must be read together with the Property Rates Act and the By-Law.

2.2 All words and phrases defined in the Property Rates Act and the By-law have the same meaning in this Policy.

2.3 In the event of any conflict between the provisions of the By-law and the provisions of this Policy, the By-law prevails.

2.4 The Policy should at all times be read together with the Rates Policy of Overstrand Municipality.

3 AIM OF THE POLICY

This Policy aims to –

3.1 set out Council's position on special rating areas and the factors that will influence Council's decision whether or not to determine a particular special rating area;

3.2 provide guidance to members of the local community and to decision- makers within the Overstrand Municipality in relation to the establishment of special rating areas;

3.3 strike an appropriate balance between facilitating self-funded community initiatives that aim to improve and/or upgrade neighborhoods by making use of a non-profit company ("**NPC**") structure as contemplated in the Companies Act, which is referred to in the By-law as "the management body"; and ensure commitment to good, fair and transparent governance by the management body as defined in the By-law, by implementing a transparent process when appointing service providers to improve and/or upgrade the special rating area in the public areas and ensuring that these improved and/or upgraded services are not provided for private properties.

4 EXCLUSION

This Policy does not apply to privately-owned property developments.

5 POLICY STATEMENT

5.1 The special rating area model is based on international best practice. It is aimed at preventing the degeneration of towns and the consequential urban decay, and facilitating their upliftment, economic growth and sustainable development.

5.2 The purposes of a special rating area is to –

5.2.1 enhance and supplement the **municipal services** provided by the Overstrand Municipality;

5.2.2 facilitate investment in the special rating area;

5.2.3 facilitate a co-operative approach between the Municipality and the private sector in the provision of municipal services;

5.2.4 halt the degeneration and facilitate the upliftment of distressed business and mixed-use areas; and

5.2.5 promote economic growth and sustainable development and in this way assist the Council in the fulfilment of its objects and developmental duties as set out in its Integrated Development Plan ("**IDP**").

5.3 The Overstrand Municipality recognises special rating areas as a potential tool for assisting it to fulfill its constitutional and statutory obligations to allow property owners within a geographical area to improve and upgrade their area by means of a property rate in addition to the standard property rate.

5.4 The Overstrand Municipality does not see its role as advocating or initiating the establishment of special rating areas, but rather facilitating the process with guidance and advice and assisting and helping to capacitate management bodies

6 FACTORS CONSIDERED WHEN DETERMINING A SPECIAL RATING AREA

The Council will consider determining a special rating area where the requirements of section 22 of the Property Rates Act are complied with, including that-

6.1 the purpose of the special rating area is to allow an additional rate to be levied on property in the defined area to raise funds for improving or upgrading the area;

6.2 the special rating area will not be used to reinforce existing inequities in the development of the Overstrand's area of jurisdiction;

6.3 the determination of the special rating area is consistent with the IDP;

6.4 residential special rating areas mean an area in which more than 40% (forty percent) of the rates base value consists of Residential Property as defined in the Municipalities Rates Policy;

6.5 any residential special rating area must comply fully with the provisions of the By-law, save that, with reference to the majority support, the applicant must provide written proof to the Council that owners of rateable property within the boundary of the special rating area who own not fewer than 50% (fifty percent) plus 1 in number of such properties, approve the formation of the special rating area;

6.6 any non-residential special rating area must comply fully with the provisions of the By-law, save that, with reference to the majority support, the applicant must provide written proof to the Council that owners of rateable property within the boundary of the special rating area who own not fewer than 50% (fifty percent) plus 1 in number of such properties, approve the formation of the special rating area;

6.7 the procedural requirements of section 22 of the Property Rates Act as well as the By-law and the Policy, are complied with, including the community consultation requirement, as determined by the CFO;

6.8 the proposed improvement or upgrade has been clearly and fully defined;

6.9 the proposed improvement or upgrade can be clearly and logically linked to a geographical area, the boundaries of which can be clearly determined;

6.10 there is evidence that it will be financially viable to use a special rating area to raise funds for the proposed improvement or upgrade;

6.11 Overstrand is satisfied with the institutional arrangements proposed in respect of the special rating area; and

6.12 ultimately, the decision whether or not to determine a special rating area rests with the Council in its sole discretion.

7 APPLICABILITY OF THE OVERSTRAND MUNICIPALITIES RATES POLICY AND OTHER POLICIES

7.1 The Overstrand Municipality's rates policy applies with the necessary changes to this Policy. In particular, and without limiting the generality of the afore-going, Section 17 of the Property Rates Act, the exemptions, rebates and reductions set out in the Rates Policy apply with the necessary changes in relation to the levying of an additional rate for special rating area purposes.

7.2 Notwithstanding the provisions of paragraph 7.1 above, when the Municipality grants a partial rebate as set out in the Rates Policy, the relevant property owner will be granted a full (100%) rebate in relation to the additional rate.

7.3 Other policies approved by the Council apply with the necessary changes to the collection of additional rates in terms of the Policy, the By-Law and section 22 of the Property Rates Act, including, but not limited to, the Overstrand Municipality Credit Control and Debt Collection Policy.

8 PROCESS

This Policy sets out –

8.1 the institutional arrangements for special rating areas (paragraph 9);

8.2 the establishment principles (paragraph 10);

8.3 the information to be included in the business plan which needs to be submitted to the Overstrand Municipality in order to motivate a request for determination of a special rating area (paragraph 11); and

8.4 the annual requirements for Special Rating Areas (paragraph 12);

8.5 the amendment and/or extension of term for special rating area (paragraph 13 and 14);

8.6 the dissolution requirements which must be followed (paragraph 15);

8.7 the financial arrangements (paragraph 16).

9 INSTITUTIONAL ARRANGEMENTS

Section 22 of the Property Rates Act is not prescriptive as to the structural arrangements which need to be put in place to administer a special rating area. The structural arrangements that will be supported by the Overstrand Municipality are the following:

9.1 Administration by a NPC

9.1.1 The ratepayers within the special rating area must establish and participate in an appropriate structure to carry out planning, contracting, financial control and administrative functions within the special rating area, in order to manage and implement the services and upgrades.

9.1.2 This structural arrangement does not entail ratepayers *setting* the additional rate, which under law can only be done by the Council.

9.1.3 Councilors who are actively involved in pursuing and promoting the establishment of a special rating area must recuse themselves when Council considers the application for establishment of a special rating area.

9.1.4 Amongst other reasons, because funds collected by government are placed in the hands of the private sector through this structural arrangement, the requirements set out in this Policy must be met.

9.1.5 The functions of the structure would include:

(a) determining the funding required each year (paragraph 16.2);

(b) appointing contractors to effect the improvement/s or upgrade/s and

(c) receiving the additional rate collected by the Overstrand Municipality and expending the funds in accordance with the approved business plan.

9.2 **Structural requirements:**

9.2.1 Before Overstrand Municipality will consider allowing ratepayers in a special rating area to carry out administrative and other functions in relation to the area, the Steering Committee must establish a non-profit company ("**NPC**") in terms of the Companies Act for that purpose.

9.2.2 The inaugural memorandum of incorporation ("**MOI**") of the NPC must be aligned with the prescribed format determined by the CFO; and any amendments thereto must be approved by the CFO;

9.2.3 The NPC must be managed in terms of the Companies Act, and must also comply with any other legislation as a result of the financial connection to Council;

9.2.4 The NPC must have at least 3 (three) directors, each with specific portfolio(s) aligned with the business plan;

9.2.5 The Executive Mayor will appoint councilor(s) as director(s) and alternate director(s) as representative(s) of the Municipality, who shall attend and participate in, but not vote at meetings of the management body, to the board of the management body in accordance with sections 11(4) and 11(5) of the By-law. The director(s) appointed by the Executive Mayor will not have the powers and duties of directors as set out in the Companies Act and the management body's MOI;

9.2.6 The NPC must give a written notice to all the affected property owners within the special rating area of the intention to hold a members meeting within six months of the establishment of the NPC and thereafter an annual general meeting ("**AGM**") (paragraph 12.2) on the date stated in the notice by advertising in one English and one Afrikaans daily newspaper and must also give notice in a community (local) newspaper to accommodate other official languages where applicable; and

9.2.7 The purpose of the meetings referred to in paragraph 9.2.6 will be to, amongst other items on the agenda:

(a) appoint directors, other than the director(s) appointed in terms of paragraph 9.2.5;

(b) amend the NPC's MOI if required and with prior written consent of the CFO; and

(c) approve the following year's budget and implementation plan (paragraph 16.2).

10 ESTABLISHMENT PRINCIPLES OF A SPECIAL RATING AREA

The process for establishing special rating areas as set out in Chapter 1 of the By-law, must be followed.

10.1 **Initiation Phase**

10.1.1 The applicant must form a steering committee that is representative of property owners within the proposed special rating area.

10.1.2 The Steering Committee must keep a comprehensive portfolio of evidence of the establishment process.

10.1.3 The Steering Committee must meet with the CFO before commencing with the establishment process to ensure that the special rating area is the appropriate vehicle.

10.1.4 All documents relating to the establishment process must be approved by the CFO before circulating them to the public.

10.1.5 After the Steering Committee confirms in writing that it will engage in the pursuit of establishing a special rating area it must supply the Overstrand Municipality with a map depicting the boundaries of the special rating area.

10.1.6 The Overstrand Municipality will extract a property database which the Steering Committee, with the assistance of the Municipality, must verify as correct. Any anomalies must be reported to the Municipality for remedial action.

10.1.7 All properties except municipal properties predominantly used for municipal purposes or properties exempted from paying property rates or receiving partial rates relief (paragraph 7.1) will form part of the property database of the proposed special rating area.

10.1.8 After the Overstrand Municipality has prepared a total arrears profile of the area and is satisfied with the outcome thereof the Steering Committee may proceed with the establishment process.

10.1.9 The Steering Committee will be required to conduct an urban management survey (only one survey per property owner) of not less than 20% of properties in the database (proportional split in terms of the usage code is required). In addition a random sample of people within the area, which is equal in number to not less than 5% of the properties in the database, is also required. Where a reduction in the number of survey forms is required it may be motivated for consideration by the CFO.

10.1.10 The Steering Committee must consult with the respective Overstrand Municipality Directorate(s) regarding the current service(s) provided and the levels thereof as well as the SRA anticipated service(s) and level thereof.

10.1.11 The Steering Committee must compile a business plan in accordance with the provisions of paragraph 11 of this Policy.

10.2 **First Public Meeting**

10.2.1 The public meeting must be conducted in accordance with section 5 of the By-law.

10.3 **Obtaining Support**

10.3.1 Support may only be obtained after the public meeting and on the consent form provided by the Overstrand Municipality.

10.3.2 All support forms must be filed and cross-referenced to the property database in terms of paragraph 10.1.6 of the Policy to verify the accuracy thereof.

10.3.3 Any property owner that wants to object to the establishment of a special rating area or to the provisions of the business plan can do so by indicating it on the consent form. The objector will be required to submit an objection letter once an application for the establishment of a special rating area is submitted to Council.

10.4 **Application**

10.4.1 An application must be submitted in terms of paragraph 11 of this Policy.

10.4.2 The application must be advertised in terms of paragraph 9.2.6 and also set a date for a second public meeting to occur not more than twenty days or less than seven days before the objection period closes.

10.4.3 Prior to submitting an application the Steering Committee will be required to set up a website that displays the following:

- application letter;
- business plan;
- urban management perception report;
- public meeting presentations and minutes;
- By-law;
- Policy;
- SRA frequently asked questions;
- notices; and
- blank consent / objection form.

10.4.4 The special rating area application must be submitted by 30 September of the financial year preceding the establishment of the special rating area. The CFO may extend this date if a properly motivated request is received. This will depend on Council's ability to accommodate the late application within the budget process.

10.5 **Objections**

10.5.1 Consents and objections will be considered only if they are submitted to Council by the last day specified in the application notice.

10.5.2 Property owners objecting to the establishment of a special rating area in terms of paragraph 10.3.3 must do so in writing and include a motivation for their objection.

10.5.3 The Steering Committee must engage with all the objectors and provide them and Council with minutes of these meetings. The objector/s will be allowed to respond to the minutes.

10.5.4 Any property owner who wants to make oral representations for submission to Council in terms of section 7(4) of the By-law will be assisted by an official to document this for inclusion in the report to be considered by Council.

10.6 **Inaugural Phase**

10.6.1 The process and appointment of all service providers must be communicated to the property owners on the NPC's website and in newsletters.

10.6.2 The application form to become a member of the NPC must also be available on the website.

10.6.3 Any special rating area that is approved more than nine months prior to the effective date may:

10.6.3.1 delay the implementation of the special rating area and commence with year two of the business plan. This will imply that the term is effectively reduced by one year; or

10.6.3.2 implement the original business plan.

11 BUSINESS PLAN CONTENT

The business plan comprises of the following:

- a motivation report;
- an implementation plan; and
- a term budget.

11.1 Motivation report

The motivation report must contain the following:

11.1.1 Introduction:

11.1.1.1 an executive summary of the improvement or upgrade proposed for the special rating area as set out in the business plan;

11.1.1.2 an explanation of how the proposed improvement or upgrade is linked to the geographical area of the proposed special rating area;

11.1.1.3 an explanation of why the proposed special rating area will not reinforce existing inequities in the development of the Overstrand Municipality;

11.1.1.4 an explanation of how the special rating area, if determined, will be consistent with the Overstrand Municipalities IDP as per the Service Departments' business plans;

11.1.1.5 an explanation of the institutional arrangements proposed in relation to the special rating area;

11.1.2 Vision;

11.1.3 Mission;

11.1.4 Goal;

11.1.5 A diagram clearly indicating the boundaries of the proposed special rating area;

11.1.6 Proposed management structure:

- composition of special rating area board including allocation of portfolios; and
- operational arrangements;

11.1.7 Services:

11.1.7.1 Service providers to be appointed as contemplated in paragraphs 2.1.4 and 9.6.1.

11.1.8 Financial Impact:

- provide details regarding the calculation of the additional rate;

- provide details of criteria to qualify for exemption from paying the additional rate as per paragraph 10.1.7;

11.1.9 A list of all rateable properties within the proposed special rating area, contact details of all property owners and the value of each property as set out in the Council's general valuation roll. Differentiation between categories of properties, as provided for in section 8 of the Property Rates Act, must be considered;

11.1.10 Proof of the consent of the majority of the members of the local community in the proposed special rating area who will be liable for paying the additional rate;

11.1.11 Proof of the notice of the public meeting or meetings contemplated in the By-law;

11.1.12 Minutes of the public meeting or meetings; and

11.1.13 Compilation date.

11.2 **Implementation plan**

The implementation plan is a schedule of goals to implement improvements or upgrades as per the motivation report and must at least address the following:

11.2.1 Milestones;

11.2.2 Tasks per milestone;

11.2.3 Start and finish date per task;

11.2.4 Assign responsibility per goal, milestone & task; and

11.2.5 Performance indicators per milestone.

11.3 **Term budget**

11.3.1 The budget for the proposed improvements or upgrades must at least address the following:

11.3.1.1 an annual budget per line item commencing on 1 July of the first year and ending on 30 June of the last year of the term; and

11.3.1.2 a budget split for the provision of improvements or upgrades between the different categories of properties.

11.3.2 subject to the provisions of the Property Rates Act, the additional rate in any category of property must not exceed 25% of the municipal property rate. Any deviation must be fully motivated to Council for consideration.

12. ANNUAL REQUIREMENTS

12.1 The NPC must confirm the property data base which the Steering Committee must verify as correct or report anomalies to the Overstrand Municipality for remedial action.

12.2 The NPC must hold its AGM before 31 December as per the MOI requirements.

12.3 Within two months of the end of each financial year the NPC must provide the CFO with its Audited Financial Statements for the immediately preceding year.

12.4 Within three months after the AGM the NPC must provide Council with its audited Financial Statements for the immediately preceding year and an Annual Report on its progress in carrying out the provisions of the Business Plan in the preceding year to improve and upgrade the Special Rating Area.

12.5 The NPC must submit an annual budget and implementation plan for comment by the CFO before approval at the AGM (paragraph 16.2), and ensure that -

12.5.1 the quantum of financial reserves is not less than two months of revenue received from the Overstrand Municipality in terms of the approved budget per SRA except if these funds have been duly allocated to a project;

12.5.2 the implementation plan is aligned with the proposed budget.

12.6 The submission of the annual budget and implementation plan as referred to in paragraph 12.5 will be subject to approval by Council during the municipalities annual budget process.

12.7 The NPC must by 31 January each year provide the CFO with a mid- year performance scorecard based on the activities set out in the implementation plan.

12.8 The NPC will within one month after the AGM provide the CFO with draft minutes of the AGM to ensure compliance with the legal requirements.

13 AMENDMENT TO THE BUSINESS PLAN

13.1 In the event that a NPC seeks to amend the boundaries of the SRA and/or the business plan content then the procedures set out in section 14 of the By-law must be followed and submitted by 30 September.

13.2 The following factors, although not limited to, must be addressed in the motivation:

- explanation of impact on costs, budget and implementation plan expectations;
- cross subsidisation by existing members;
- fairness and equity;
- affordability and sustainability of the existing SRA;
- intention of the legislation prescribing that all property owners; must be allowed to participate in the formation of a SRA;
- priorities of the new area may differ from the existing SRA priorities; and
- arrears profile

13.3 The boundary changes must not affect the vested rights of existing property owners as per the Business Plan.

13.4 Boundary changes are subject to the following criteria:

13.4.1 Obtaining by special resolution the support from existing NPC members at a members meeting before expansion is pursued;

13.4.2 Determining the profile of the new total SRA as it could change from non-residential to residential and vice versa;

13.4.3 Obtaining the required majority support from the property owners in the new area only, based on the determination referred to in paragraph 13.4.2.

13.4.4 Any geographical boundary changes must be continuous with the existing SRA geographical area.

13.5 Property owners in the new area must follow the establishment process as per Chapter 1 of the By-law.

14 EXTENSION OF THE SRA TERM

In the event that a NPC seeks to extend the term of the special rating area for a further period then the procedures set out in section 15 of the By-law must be followed.

15 DISSOLUTION

The special rating area may be dissolved by resolution of the Council in terms of section 16 of the By-law. Thereafter the management body may be wound up in terms of the provisions of section 16 of the By-law and the NPC's MOI.

16 FINANCIAL CONTROL

16.1 As stated in the By-law, the amount of any additional rate levied in a special rating area is determined by Council. The additional rate is imposed by the Council, is a debt owing to the Overstrand Municipality and is payable and collected in the same manner as other property rates imposed by the Council.

16.2 The NPC must submit an annual budget as approved at an AGM or Special General Meeting ("**SGM**") to the Overstrand Municipality by 31 January, with appropriate motivation including an implementation plan for the next financial year, and the Council will consider the recommendation during its budgeting process.

16.3 Before the Overstrand Municipality will pay over any additional rate collected to the NPC, the NPC and the Overstrand Municipality must have concluded a written finance agreement regulating, amongst other things:

16.3.1 the mechanisms and manner of payment;

16.3.2 how the additional rate is to be held by the NPC;

16.3.3 any parameters relating to expenditure; and

16.3.4 any obligations on the NPC to take out and maintain appropriate insurance.

16.4 The CFO may request a forensic audit should he deem it necessary.

16.5 The CFO may request a special board meeting.

16.6 The CFO may amend the percentage retained as a provision for bad debt for SRA's with high arrears, as contemplated in the Finance Agreement concluded between the Overstrand Municipality and each SRA, should he/she deems it necessary.

17 COMMENCEMENT AND IMPLEMENTATION

17.1 This Policy will come into effect on **1 July 2022.**

17.2 Where the Overstrand Municipality is legally empowered to do so, requirements set out in this Policy may be imposed as conditions attached to the determination of a special rating area.

17.3 This Policy and its implementation must be reviewed annually.

18 COSTS

Unless otherwise agreed by the Municipal Manager or his/her nominee, the Overstrand Municipality shall not be liable for any costs incurred by ratepayers within the relevant proposed special rating area in respect of the implementation of the steps set out in this Policy and in the By-law.

19 SHORT TITLE

This policy will be referred to as the **Special Rating Area Policy of the Overstrand Municipality**.

POLICY SECTION:	SENIOR MANAGER: REVENUE
CURRENT UPDATE:	31 MAY 2022
PREVIOUS REVIEW:	26 MAY 2021
PREVIOUS REVIEW:	27 MAY 2020
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PREVIOUS REVIEW:	31 MAY 2017
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OVERSTRAND MUNICIPALITY



ASSET MANAGEMENT POLICY

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1. OBJECTIVE

1.1. To ensure the effective and efficient control of the municipality's assets through:

1.1.1 proper recording of assets from authorisation to acquisition and to subsequent disposal;

1.1.2 providing for safeguarding procedures;

1.1.3 setting proper guidelines as to authorised utilisation; and

1.1.4 prescribing for proper maintenance.

1.2. To assist officials in understanding their legal and managerial responsibilities with regard to assets.

2. BACKGROUND

2.1. The proper utilization and management of its assets is one of the prime mechanisms by which a municipality can fulfill the constitutional objects for:

2.1.1 Delivery of sustainable services;

2.1.2 Promotion of Social and economic development;

2.1.3 Promoting a safe and healthy environment and,

2.1.4 Providing for the basic needs to the community.

2.2. The municipality has a legal and moral obligation to ensure it implements policies to provide for the effective and efficient usage of its assets over the useful life thereof.

2.3. The asset management policy deals with the municipal rules required to ensure the enforcement of appropriate stewardship of assets.

2.4. Stewardship has three components being the:

2.4.1. Management, utilization and control by municipal officials;

2.4.2. Financial administration by the Director: Finance, and

2.4.3. Physical administration by the Manager: Expenditure & Asset Management.

2.5. Statutory provisions exist to protect public property against arbitrary and inappropriate management or disposal by a municipality.

2.6. Accounting standards are set to ensure the appropriate financial treatment for property, plant or equipment. The requirements of these accounting standards include:

2.6.1. The compilation of asset registers recording all assets controlled by the municipality;

2.6.2. Accounting treatment for the acquisition, disposal, recording and depreciation of property, plant or equipment, and

2.6.3. The standards to which these financial records must be maintained.

3. DEFINITIONS

"Accounting Standards Board"	*was established by the Public Finance Management Act to set standards of Generally Recognized Accounting Practice (GRAP) as required by the Constitution of the Republic of South Africa.*
"Amortization"	*is the systematic allocation of the depreciable amount of an intangible asset over its useful life.*
"Assets"	*are resources controlled by the municipality as the result of past events and from which future economic benefits or future service potential are expected to flow to the municipality and for the purpose of this policy refers to property, plant and equipment but excludes Investment Properties.*
"Assets below capitalization threshold"	*are items of assets that are not significant enough for financial recognition but are valuable enough to warrant special safe-guarding,* ***[same]*** *previously referred to as Control Items.*
"Asset categories"	*are the asset categories as per the Overstrand Asset Register.*
"Basic Municipal Services"	*means the amount or level of any municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety of the environment and for this Policy includes, but is not restricted to electricity, refuse collection, sanitation, local roads, storm water drainage, fire services and water services.*
"Capitalization"	*is the recognition of expenditure as an Asset in the Financial Asset Register.*
"Carrying amount"	*is the amount at which an asset is included in the Statement of Financial Position after deducting any accumulated depreciation and accumulated impairment thereon.*
["Control items"]	***[are items of assets that are not significant enough for financial recognition but are valuable enough to warrant special safe-guarding.]***
"Cost"	*is the amount of cash or cash equivalents paid or the fair value of the other consideration given or received to acquire an asset at the time of its acquisition or construction.*
"Cost of acquisition"	*is all the costs incurred in bringing an asset item to the required condition and location for its intended use.*
"Depreciation"	*is the systematic allocation of the depreciable amount of an asset over its useful life.*
"Depreciable amount"	*is the cost of an asset, or other amount substituted for cost in the financial statements, less its residual value.*
"Director"	*is the "head of each Directorate" that has the functional accountability for and control of the physical management of a particular set of assets in order to achieve the municipality's strategic objectives relevant to that directorate. The execution of this responsibility will require the relevant asset manager to control the acquisition, utilization, management and disposal*

	of this set of assets to optimize the achievement of these objectives.
"Disposal"	*in relation to a capital asset, includes:* *(a) the demolition, dismantling or destruction of the capital asset; or* *(b) any other process applied to a capital asset which results in loss of ownership of the capital asset otherwise than by way of transfer of ownership.*
"Fair value"	*is the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction.*
"Finance Lease"	*is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred.*
"Financial asset register"	*is the control register recording the financial and other key details for all municipal assets recognized in accordance with this policy.*
"Fixed Asset"	*(also referred to as a "non-current asset") is an asset with an expected useful life greater than 12 months and includes moveable and immovable assets.*
"Grantor"	*is the entity that grants the right to use the service concession asset to the operator.*
"Heritage Assets"	*are assets defined as culturally, environmental, historical, natural, scientific, technological or artistic significant and are held indefinitely for te benefit of present and future generations. Examples are works of art, historical buildings and statues.*
"Immovable Assets"	*are fixed structures such as buildings and roads, tied to the land, meaning it cannot physically be move somewhere else. A plant that is built-in to the fixed structures and is an essential part of the functional performance of the primary asset is considered an immovable asset (though it may be temporarily removed for repair).*
"Impairment loss" of a cash-generating asset	*is the amount by which the carrying amount of an asset exceeds its recoverable amount.*
"Impairment loss" of a non-cash-generating asset	*is the amount by which the carrying amount of an asset exceeds its recoverable service amount.*
"Infrastructure assets"	*are defined as any assets that are part of a network of similar assets. Examples are roads, water reticulation schemes, sewerage purification and trunk mains.*
"Intangible assets"	*are defined as identifiable non-monetary assets without physical substance.*
"Investment properties"	*are defined as properties that are acquired for economic and capital gains.*
"Mandated Function"	*involves the delivery of a public service by an operator on*

	behalf of a grantor that falls within the grantor's mandate.
"Minor Assets"	*are moveable assets with the exception of items specifically excluded in Annexures 1, 2 & 3 of this Policy*
"Movable Assets"	*are the stock of equipment owned or leased by the municipality such as office equipment and furniture, motor vehicles and mobile plant.*
"Operator"	*is the entity that uses the service concession asset to provide a mandated function subject to the grantor's control of the asset.*
"Organ of State"	*in terms of this policy, means –* *(a) a national department or national public entity;* *(b) a provincial department or provincial public entity;* *(c) a municipality or municipal entity; or* *(d) any other organ of state within the meaning assigned to "organ of state" in section 239 of the Constitution.*
"Other assets"	*are defined as assets utilized in normal operations. Examples are plant and equipment, motor vehicles and furniture.*
"Prescribe"	*means as prescribed by the Minister of Finance by regulation.*
"Property, plant or equipment" (PPE)	*Means tangible assets that:* *(a) are held by a municipality for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and* *(b) are expected to have a useful life extending for more than one financial year.*
"Recoverable amount"	*is the amount that the municipality expects to recover from the future use of an asset, including its residual value on disposal.*
"Residual value"	*is the net amount that the municipality expects to obtain for an asset at the end of its useful life after deducting the expected costs of disposal.*
"Service concession arrangement"	*is a contractual arrangement between a grantor and an operator in which:* *(a) the operator uses the service concession asset to provide a mandated function on behalf of the grantor for a specified period of time; and* *(b) the operator is compensated for its services over the period of the service concession arrangement.*
"Service concession asset"	*is an asset used to provide a mandated function in a service concession arrangement that:* *a) is provided by the operator which:* *i. the operator constructs, develops, or acquires from a third party; or* *ii. is an existing asset of the operator; or* *b) is provided by the grantor which:* *i. is an existing asset of the grantor; or* *ii. is an upgrade to an existing asset of the grantor.*

"Useful life"	*is either:* *(a) the estimated period of time over which the future economic benefits or future service potential embodied in an asset are expected to be consumed by the municipality,* ***or*** *(b) the estimated total service potential expressed in terms of production or similar units that is expected to be obtained from the asset by the municipality.*

4. STATUTORY AND REGULATORY FRAMEWORK

4.1. This policy must comply with all relevant legislative requirements including:

4.1.1 The Constitution of the Republic of South Africa, 1996

4.1.2 Municipal Structures Act No 117 of 1998

4.1.3 Municipal Systems Act No 32 of 2000

4.1.4 Division of Revenue Act (enacted annually)

4.1.5 Municipal Finance Management Act No 56 of 2003

4.1.6 Local Government: Municipal Asset Transfer Regulations, 2008

4.2. Also, this policy must comply with the standards specified by the Accounting Standards Board. The relevant currently recognized accounting standards include:

4.2.1	GRAP 5	Borrowing Costs
4.2.2	GRAP 11	Construction Contracts
4.2.3	GRAP 12	Inventories
4.2.4	GRAP 13	Leases
4.2.5	GRAP 16	Investment property
4.2.6	GRAP 17	Property, Plant and Equipment
4.2.7 **[3]**	GRAP 21	Impairment of Non-Cash Generating Assets
4.2.8 **[4]**	GRAP 26	Impairment of Cash Generating Assets
4.2.9 **[5]**	GRAP 31	Intangible Assets (Previously GRAP 102)
4.2.10 **[6]**	GRAP 32	Service Concession Arrangements: Grantor
4.2.11 **[7]**	GRAP 100	Discontinued Operations
4.2.12 **[8]**	GRAP 103	Heritage Assets
4.2.13	GRAP 110	Living and Non-Living Resources

4.3. This policy does not overrule the requirement to comply with other policies such as Supply Chain Management policy, Budget policies or the Administration of Immovable Property policy.

5. RESPONSIBILITIES AND ACCOUNTABILITIES

5.1. **The Municipal Manager** is responsible for the management of the assets of the municipality, including the safeguarding and the maintenance of those assets.

5.2. **The Municipal Manager** must take all reasonable steps to ensure that:

5.2.1 the municipality has and maintains a management, accounting and information system that accounts for the assets of the municipality;

5.2.2 the municipality's assets are valued in accordance with standards of GRAP;

5.2.3 the municipality has and maintains a system of internal control of assets, including an asset register, and

5.2.4 the Directors comply with this policy.

5.3. **The Director: Finance** is responsible to the Municipal Manager to ensure that the financial investment in the municipality's assets is properly recorded.

5.3.1. The Director: Finance must take all reasonable steps to ensure that:

a) appropriate systems of financial management and internal controls are established and carried out diligently;

b) the financial and other resources of the municipality are utilized effectively, efficiently, economically and transparently;

c) any unauthorized, irregular or fruitless or wasteful expenditure, and losses resulting from criminal or negligent conduct, are prevented;

d) the systems, processes and registers required to substantiate the financial values of the municipality's assets are maintained to standards sufficient to satisfy the requirements of all statutes;

e) financial processes are established and maintained to ensure the municipality's financial resources are optimally utilized through appropriate asset plans, budgeting, purchasing, maintenance and disposal decisions;

f) the Municipal Manager is appropriately advised on the exercise of powers and duties pertaining to the financial administration of assets, and

g) the Directors are appropriately advised on the exercise of their powers and duties pertaining to the financial administration of assets.

5.3.2. The Director: Finance may delegate or otherwise assign responsibility for performing these functions but will remain accountable for ensuring these activities are performed.

5.4. **The Directors** must take all reasonable steps to ensure that:

5.4.1 appropriate systems of physical management and controls are established and carried out for assets in their areas of responsibility;

5.4.2 the municipal resources assigned to them are utilized effectively, efficiently, economically and transparently;

5.4.3 the assets under their control are appropriately safeguarded and maintained to the extent necessary and that risk management systems are in place and applied;

5.4.4 any unauthorized, irregular or fruitless or wasteful expenditure, and losses resulting from criminal or negligent conduct, are prevented;

5.4.5 their asset management systems and controls can provide an accurate, reliable and up to date account of assets under their control;

5.4.6 they are able to justify that their asset plans, budgets, purchasing, maintenance and disposal decisions optimally achieve the municipality's strategic objectives;

5.4.7 the purchase of assets complies with all municipal policies and procedures, including the procurement of items from the correct budget allocation;

5.4.8 all moveable property, plant and equipment is duly processed and identified when it is received into his/her stewardship;

5.4.9 all moveable assets received into his/her stewardship are appropriately safeguarded against inappropriate use or loss. This will include control over the physical access to these assets and regular asset counts to ensure any losses have not occurred. Any known losses should be immediately reported to the Director: Finance, and

5.4.10 assets are appropriately utilized for the purpose for which the municipality acquired them.

5.4.11 The Director may delegate or otherwise assign responsibility for performing these functions but will remain accountable for ensuring these activities are performed.

5.5 Safe-guarding of assets.

Directors shall be directly responsible for the physical safe-guarding of any fixed asset controlled or used by the department in question.

In exercising this responsibility, Directors shall adhere to the stipulations of this policy as well as any other written directives issued by the municipal manager to the department in question, or generally to all departments, in regard to the control of or safe-guarding of the municipality's fixed assets.

6. FINANCIAL MANAGEMENT

6.1 Approval to acquire Property, Plant or Equipment

Money can only be spent on a capital project if:

6.1.1 the money has been appropriated in the capital budget, and the future annual operations and maintenance needs have been calculated and have been budgeted for in the operations budget;

6.1.2 the project, including the total cost and funding sources, has been approved by Council;

6.1.3 the Director: Finance confirms that funding is available for that specific project, and

6.1.4 the Supply Chain Management prescripts/procedures have been adhered to.

6.2 Funding period of capital projects

The acquisition of assets will not be funded over a period longer than the useful life of that asset.

6.3 Disposal of assets (excluding immovable property covered under the Administration of Immovable Property Policy)

6.3.1 The municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of an asset needed to provide the minimum level of basic municipal services, unless such asset is obsolete or surplus to requirements or beyond a state of good repair or being replaced and provided that the delivery of the minimum level of basic municipal services must not be compromised as a result of the disposal of the asset.

6.3.2 The decision that a specific asset is not needed to provide the minimum level of basic municipal services, may not be reversed by the municipality after that asset had been sold, transferred or otherwise disposed of.

6.3.3 The disposal of an item of property, plant or equipment must be fair, equitable, transparent, competitive and cost effective and comply with a prescribed regulatory framework for municipal supply chain management and the Supply Chain Management Policy of the municipality.

6.3.4 The transfer of assets to another municipality, municipal entity, national department or provincial department is excluded from these provisions, provided such transfer is being done in accordance with a prescribed regulatory framework.

6.3.5 Directors shall report in writing to the Director: Finance on all fixed assets controlled or used by the department concerned, which such Director wishes to alienate by public auction or public tender. The Director: Finance shall thereafter consolidate the requests received from the various departments, and shall promptly report such consolidated information to the council or the municipal manager of the municipality, as the case may be, recommending the process of alienation to be adopted.

6.3.6 Fixed assets identified to be disposed of by means of auction / tender must have been considered for impairment.

6.3.7 Once the fixed assets are alienated, the Director: Finance shall de-recognize the asset from the accounting records and the fixed asset register.

6.3.8 All gains and losses realized on the alienation of fixed assets shall be accounted for according to section 11.13 below (Accounting treatment on disposal).

6.3.9 Disposal of immovable property is dealt with in terms of the Overstrand Administration of Immovable Property Policy.

6.4 Loss, Theft, Destruction or Impairment of assets

6.4.1 Directors shall ensure that any incident of loss, theft, destruction, or material impairment of any asset controlled or used by the department in question is promptly reported in writing to the Director: Finance, to the internal auditor, and – in cases of suspected theft or malicious damage – also to the South African Police Service.

6.4.2 Directors shall further ensure that all the required insurance claim documentation and information is promptly submitted to the Director: Finance in terms of the prescribed claims procedures.

7. INTERNAL CONTROLS

7.1 Financial Asset registers

7.1.1 Establishment and Management of the Financial Asset Register:

a) The Director: Finance will establish and maintain the Asset Register containing key financial data on each item of Assets that satisfies the criterion for recognition.

7.1.2 Contents of the Financial Asset Register:

a) The fixed asset register shall be maintained in the format determined by the Director: Finance, which format shall comply with the requirements of generally recognized accounting practice (GRAP) and any other accounting requirements which may be prescribed.

b) Directors under whose control any fixed asset falls shall promptly provide the Director: Finance in writing with any information required to compile the fixed asset register, and shall promptly advise the Director: Finance in writing of any material change which may occur in respect of such information.

7.1.3 Internal Controls over the Financial Asset Registers:

a) Controls around the asset registers should be sufficient to provide Directors with an accurate, reliable and up to date account of assets under their control to the standards specified by the Director: Finance and required by relevant legislation.

b) These controls will include the physical management and recording of all acquisitions, assignments, transfers, losses and disposals of assigned assets as well as regular asset counts and systems audits to confirm the adequacy of controls.

c) The Municipal Manager shall ensure that the municipality maintains a fixed asset identification system which shall be operated in conjunction with its computerized fixed asset register.

7.2 Responsibilities: Physical Receipting and Management

7.2.1 The Manager: Expenditure & Asset Management will undertake at least a bi-annual count of assets as part of the annual reporting process.

7.2.2 The date of acquisition of assets is deemed to be the time when legal title or control passes to the municipality.

7.2.3 The date of acquisition of assets may vary for different categories of assets but will be the point of time when the asset is in the final condition and location as intended for use by the Director.

7.2.4 A Director must advise the Director: Finance, in writing, of capital work-in-progress at the end of the financial year.

7.2.5 A Director must advise the Director: Finance, promptly in writing whenever capital work-in-progress is completed, for inclusion in the Asset Register.

7.3 Transfers between Directorates

7.3.1 Permanent transfers to another Directorate

a) A Director retains managerial accountability and control for a particular asset unless:

i. another Director agrees in writing to accept responsibility for the assets, and

ii. the Director: Finance endorses the transfer.

b) The Finance Directorate must appropriately amend the Financial Asset register by accounting for all approved transfers.

c) The Director to whom the asset is transferred must assume accountability for the transferred asset.

7.3.2 Relocation or Re-assignment of Assets:

a) A Director must ensure that assets are appropriately safeguarded for loss, damage or misuse wherever it is located. Safeguarding includes ensuring reasonable physical restrictions.

b) A Director must advise the Director: Finance, in writing, whenever an asset is permanently relocated or reassigned from the location (or base) or cost centre recorded in the Financial Asset Register.

c) A Director must advise the Director: Finance, in writing, whenever an asset is temporarily relocated or reassigned from the location (or base) or cost centre recorded in the Financial Asset Register. In this case, the Director must also advise the Director: Finance when the asset is returned. In the case of assets being utilized in the normal course of operations away from its base, such as vehicles, reporting is not necessary.

7.4 Verification of fixed assets

7.4.1 Directors shall at least twice during each year undertake a comprehensive verification of all fixed assets controlled or used by the department concerned.

7.4.2 Directors shall promptly and fully report in writing to the Director: Finance in the format determined by the Director: Finance, all relevant results of such fixed asset verification. The resultant reports shall be submitted by Directors, to the Director: Finance, by not later than 30 days after the last day of the period in question.

7.5 Insurance of fixed assets

7.5.1 The Municipal Manager shall ensure that movable fixed assets are insured at least against fire and theft, and that all municipal buildings are insured at least against fire and allied perils.

7.5.2 If the municipality operates a self-insurance reserve, the Director: Finance shall annually determine the contribution to be made to the self-insurance reserve.

7.6 Recovery of loss

7.6.1 A Claims and Asset Loss Control Committee, appointed by the Accounting Officer, must be established to investigate all losses and to consider the settlement of third party insurance claims falling within the relevant excess limits.

7.6.2 The Claims and Asset Loss Control Committee must comprise of a representative from Legal Services, Human Resources (Labour Relations), Finance (Asset Management) and the senior manager within whose vote

the transaction occurs or a senior official as representative for his/her department or division.

7.6.3 Where applicable, the matter must be referred to the relevant Department in order to institute disciplinary action in order to recover any possible loss in incidents where negligence or misconduct may be suspected.

8. MANAGEMENT OF ITEMS BELOW CAPITALIZATION THRESHOLD [(Control Items)]

8.1 The Director Finance has identified asset items which will not be capitalized. These assets are qualitative and quantitatively immaterial and the costs to maintain these assets were considered and found to exceed the economic benefit if considered over the life cycle of the assets. Three types of assets were defined as per the annexures hereto.

8.2 The requirements to manage assets below threshold **[control items]** include:

- Receipting and bar-coding of these items.
- Maintaining and updating a register.
- Regular asset counts by the assigned person to ensure these assets below threshold **[control items]** are being appropriately safeguarded.
- Recording and reporting of any disposal, transfer or loss of assets below threshold **[control items]** by the assigned official to the CFO and adjustment of the assets below threshold **[control items]** register.

8.3 Assets below threshold **[Control items]** will **not** be:

- capitalized as an asset,
- depreciated,
- revalued,
- recorded in the financial asset register, or
- otherwise treated as an asset.

8.4 On an annual basis, the Director: Finance will review the listing of items not capitalized in order to ensure that the effect of the treatment is not material in any aspects.

9. MANAGEMENT AND OPERATION OF ASSETS

9.1 Accountability to manage assets

- Each Director is accountable to ensure that municipal resources assigned to him are utilized effectively, efficiently, economically and transparently.
- Directors need to manage assets under their control to provide the required level of service or economic benefit at the lowest possible long-term cost.

9.2 Reporting on Impeding Issues

- Each Director should report to the Municipal Manager on issues that will significantly impede the assets capability to provide the required level of service or economic benefit.

10. CLASSIFICATION & COMPONENTS

10.1 Classification of assets

10.1.1 Any asset recognized as an asset under this policy will be classified according to categories as per the Overstrand Asset Register.

10.1.2 All fixed assets should be classified under the following headings in the Asset Register:

a) Property, plant and equipment:

- land (not held as investment property)
- buildings (not held as investment property)
- community assets (resources contributing to the general well-being of the community)
- infrastructure assets (assets which are part of a network of similar assets)
- other assets (ordinary operational resources, consisting of Furniture, Equipment and Vehicles)

b) Heritage Assets

- heritage assets (culturally, environmental, historical, natural, scientific, technological or artistic significant assets)

c) Investment property

- investment assets (resources held for capital or operational gain)

d) Intangible Assets

- non-monetary assets without physical substance such as computer software, licenses etc.

e) Leased Assets

- asset financed through a lease arrangement such as cell phone contracts or finance leases

f) Service Concession asset

- is the asset used in a service concession agreement in order to provide services to the public within the juristic boundaries of the municipality
- Examples hereof include water treatment plants being operating by a third party or a toll road operated by a third party if the conditions of GRAP 32 are met

g) Living and Non-Living Resources

- Assets that undergo biological transformation (living resources) or assets that occur naturally and that are not extracted (non-living resources)

10.1.3 The Director: Finance may agree to subdivide these classifications further. This decision will be noted as an amendment to the Asset Register of the Overstrand Municipality.

10.2 Treatment of Major Components

- All parts of an asset that is significant to the cost of the item as a whole shall be treated as a separate major component and each major component shall be treated as described below.
- A Director may, with agreement of the Director: Finance, treat other non-significant parts as major components of an item of property plant or equipment as a separate asset for the purposes of this policy.
- These major components may be defined by its physical parameters (e.g. a reservoir roof) or its financial parameters (e.g. a road surface).
- In agreeing to these treatments the Director: Finance must be satisfied that these components:
  - *have a significantly different useful life or usage pattern to the main asset,*
  - *align with the asset management plans,*
  - *justify the costs of separate identification,*
  - *have probable future economic benefits or potential service delivery associated with the asset which will flow to the municipality,*
  - *is such that the cost of the asset to the municipality can be measured reliably,*
  - *is such that the municipality has control over the asset,*
  - *the item is not listed as an expense or asset below threshold* **[control item]** *in the appendixes hereto, and*
  - *is such that the asset is expected to be used during more than one financial year.*
- Once a major component is recognized as a separate asset, it may be acquired, depreciated and disposed of as if it was a separate asset.

11. ACCOUNTING FOR ASSETS

11.1 Recognition of assets

- An item of property, plant or equipment will be recognized as an asset when:
  - *it is probable that future economic benefits or potential service delivery associated with the asset will flow to the municipality,*
  - *the cost of the asset to the municipality can be measured reliably,*
  - *the municipality has control over the asset,*
  - *the item is not listed as an expense or asset below threshold* **[control item]** *in the appendixes hereto, and*
  - *the asset is expected to be used during more than one financial year.*

11.2 Initial measurement

- An item of property, plant or equipment that qualifies for recognition as an asset should be initially measured at its “cost of acquisition”.
- This “cost of acquisition” usually include the following:

- *Purchase costs (less any discounts given)*
- *Delivery costs*
- *Installation costs*
- *Professional fees for architects, engineers and attorneys*
- *Import duties*
- *Non-refundable taxes*
- *Site development costs*
- *Contractor fees*

11.3 Donations or exchanges

Where an item of property plant or equipment is acquired at no cost, or for a nominal cost, it will be initially measured at its fair value as at the date of acquisition and included in the asset register if the item is considered an asset other than asset below threshold **[control item]** or expense.

11.4 Recognition threshold

The municipality does not utilize a recognition threshold, but has rather identified items that are insignificant and thus would not be capitalized. The listing of items and methodology for identifying such items are listed in the appendixes hereto.

11.5 Carrying amount of assets

Subsequent to initial recognition as an asset, an item of property, plant or equipment should be carried at its cost of acquisition less any accumulated depreciation and accumulated impairments.

11.6 Depreciation

- All fixed assets, except land and heritage assets, shall be depreciated.
- The depreciable amount of an item of property, plant or equipment should be allocated on a systematic basis over its useful life.
- The depreciation method used should reflect the pattern in which economic benefits or potential service provisions are consumed by the municipality.
- The depreciation charge for each period will be recognized as an expense against the budget of the relevant Director unless it is included in the carrying amount of another asset.
- The depreciation method used shall reflect the pattern in which the assets future economic benefits or service potential are expected to be consumed by the municipality.
- A variety of depreciation methods can be used to allocate the depreciable amount of an asset on a systematic basis over its useful life. These methods include the straight-line method, the diminishing balance method and the units of production method. Straight-line depreciation results in a constant charge over the useful life if the asset's residual value does not change. The diminishing balance method results in a decreasing charge over the useful life. The units of production method results in a charge based on the expected use or output. The entity selects the method that most closely reflects the expected pattern of consumption of the future economic benefits or service potential embodied in the asset. That method is applied consistently from period to

period unless there is a change in the expected pattern of consumption of those future economic benefits or service potential.

- The depreciation method will be the straight-line method unless otherwise agreed to in writing by the Director: Finance.
- Depreciation shall be calculated from the day the fixed asset is available for use (GRAP 17).
- Directors, acting in consultation with the Director: Finance, shall ensure that reasonable budgetary provision is made annually for the depreciation of all applicable fixed assets controlled or used by the department in question or expected to be so controlled or used during the ensuing financial year.
- The procedures to be followed in accounting and budgeting for the amortization of intangible assets shall be identical to those applying to the depreciation of other fixed assets.

11.7 Initial determination of useful life

- Directors need to determine the useful life of a particular item or class of asset through the development of a strategic asset management plan. The determination of useful life should be developed as part of any pre-acquisition planning that would consider, inter alia, the following factors:
  - The program that will optimize the expected long term costs of owning that asset,
  - Economic obsolescence because it is too expensive to maintain,
  - Functional obsolescence because it no longer meets the municipality's needs,
  - Technological obsolescence,
  - Social obsolescence due to changing demographics, and
  - Legal obsolescence due to statutory constraints.
- The Table of Useful Lives is provided in the MFMA Local Government Capital Asset Management Guideline. These should be used as a guide to the minimum useful lives only because actual asset lives experienced greatly exceed those recommend lives.

11.8 Review of useful life

- Only the Director: Finance may amend the useful operating life assigned to any fixed asset, and when any material amendment occurs, the Director: Finance shall inform the council of the municipality of such amendment.
- The Director: Finance shall amend the useful operating life assigned to any fixed asset if it becomes known that such asset has been materially impaired or improperly maintained to such an extent that its useful operating life will not be attained, or any other event has occurred which materially affects the pattern in which the asset's economic benefits or service potential will be consumed.
- The useful life of an item of property, plant or equipment should be reviewed only when there is an indicator that the current useful lives are not appropriate. Annually the Director: Finance will review a list of circumstances that could indicate the need to revise the useful lives of assets. If any indicators require useful lives to change and these revised expectations are significantly different from previous estimates, then the depreciation charge for the current and future

periods should be adjusted and the additional depreciation expenses shall be debited to the department or vote controlling or using the fixed asset in question. The indicators are those listed under impairment indicators.

11.9 Review of depreciation method

- The depreciation method applicable to property, plant or equipment should be reviewed annually, and if there has been a significant change in the expected pattern of economic benefits or potential service delivery from those assets, the method should be changed to reflect the changed pattern.
- When such a change in depreciation method is necessary the change should be accounted for as a change in accounting and the depreciation charge for the current and future periods should be adjusted.

11.10 Subsequent expenditure on property plant or equipment

- Subsequent expenditure relating to an item of property, plant or equipment that meets the definition of an asset should be added to the carrying amount of the asset when such expenditure will increase the useful life of the asset or increase the efficiency of the asset or reduce the cost of operating the asset, resulting in financial or service delivery benefits.
- All other expenditure should be recognized as an expense in the period in which it occurred.
- Before allowing the capitalization of subsequent expenditure, the Director: Finance must be satisfied that this expenditure will significantly:
  - increase the life of that asset beyond that stated in the asset register, or
  - increase the quality of service provided by that asset beyond the existing level of service, or
  - increase the quantity of services that asset can provide, or
  - reduce the future assessed costs of maintaining that asset.

  Expenditure that is proposed to be capitalized must also conform to recognition criteria for assets and should also be appropriately included in the approved capital budget.

11.11 Impairment of assets

The accounting treatment relating to impairment losses is outlined as follows in **GRAP 21 & 26:**

The carrying amount (Book value) of an item or a group of identical items of property, plant and equipment should be reviewed periodically in order to assess whether or not the recoverable amount has declined below the carrying amount**.**

Recoverable amount is the amount that the municipality expects to recover from the future use of an asset, including its residual value on disposal. When such a decline has occurred, the carrying amount should be reduced to the recoverable amount. The amount of the reduction should be recognized as an expense immediately.

The recoverable amount of individual assets, or groups of identical assets, is determined separately and the carrying amount reduced to recoverable amount on an individual asset, or group of identical assets, basis. However, there may be circumstances when it may not be possible to assess the recoverable amount of an asset on this basis, for example when all of the plant and equipment in a sewerage

purification work is used for the same purpose. In such circumstances, the carrying amount of each of the related assets is reduced in proportion to the overall decline in recoverable amount of the smallest grouping of assets for which it is possible to make an assessment of recoverable amount.

The following may be indicators that an item of PPE has become impaired:

- The asset has been damaged.
- The asset has become technologically obsolete.
- The asset remains idle for a considerable period either prior to it being put into use or during its useful life.
- Land is purchased at market value and is to be utilized for subsidized housing developments, where the subsidy is less than the purchase price.

Example:

An example of where the municipality has suffered an impairment loss is the purchase of land for an amount of R 5 000 000. The land will be utilized for new subsidized housing developments. If at year end the expectation is that the Municipality will receive only R 1 000 000 by way of subsidies an impairment loss of R4 000 000 needs to be recognized. The recoverable amount (R 1 m) is calculated as being the larger of:

- **Net Selling price** of the land which is the amount obtainable from the sale of the market in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.
- **Value in use** of the land which is the present value of the estimated future net cash inflows expected from the continuing use of the asset and from its disposal at the end of its useful life.

The following steps will have to be performed regularly during the year to account for impairment losses:

- Directorates will identify and inform Finance Department - Asset Control of assets that:
    - Are in a state of damage at year end.
    - Are technologically obsolete at year end. This can be facilitated if Directorates require Finance Department - Asset Control, to supply them with a Fixed Asset Register pertaining to major assets showing the remaining useful lives of assets. The Directorates can then assess and indicate cases where the assessed remaining useful life is shorter than the remaining useful life on the printout.
    - Have remained idle for a considerable period either prior to them being put into use at year end or during their useful life.
    - Are subject to impairment losses because the subsidies to be received in exchange for assets are less than the carrying amounts. An example of this is Land that is purchased at market value and is to be utilized for subsidized housing developments.
- The recoverable amounts of these assets need to be calculated by calculating the Net selling Price per asset as defined above.
- The impairment loss per asset needs to be calculated as the difference between the Net selling price and the book value of the asset.

- The impairment loss needs to be accounted for by identifying the relevant funding source.
- The carrying amount of an asset should be reviewed annually to assess whether or not the recoverable amount has declined below the carrying amount.
- When such a decline has occurred, the carrying amount should be reduced to the recoverable amount.
- The amount of the reduction should be recognized as an impairment expense immediately, unless it reverses a previous revaluation in which case it should be charged to the Revaluation Reserve.
- For assets providing economic benefits, the recoverable amount is the net present value of future ownership.
- For assets providing future service delivery, the recoverable amount is the remaining proportional to its useful life, service capacity or quality of service that is not intended to be restored by normal maintenance programs.

11.12 Subsequent increase in recoverable amount

- A subsequent increase in the recoverable amount of an asset, previously written down due to a decline in the carrying amount, should be written back when the circumstances and events that led to the write–down or write-off cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future.
- The amount written back should be reduced by the amount that would have been recognized as depreciation had the write-down or write-off not occurred.

11.13 Accounting treatment on Disposal

- An item of property, plant or equipment should be eliminated from the Statement of Financial Position, on disposal or when the asset is permanently withdrawn from use and no future economic benefits or potential service delivery is expected from its disposal, in accordance with GRAP 100.
- Gains or losses arising from the retirement or disposal of an item of property, plant or equipment should be determined as the difference between the actual or estimated net disposal proceeds and the carrying amount of the asset, and should be recognized as revenue or expense in the Statement of Financial Performance.
- All gains realized on the alienation of fixed assets shall be appropriated annually to the municipality's Capital Replacement Reserve (except in the cases outlined below), and all losses on the alienation of fixed assets shall remain as expenses on the Statement of Financial Performance of the department or vote concerned. If, however, both gains and losses arise in any one financial year in respect of the alienation of the fixed assets of any department or vote, only the net gain (if any) on the alienation of such fixed assets shall be appropriated.

11.14 Reinstatement, maintenance and other expenses

Only expenses incurred in the enhancement of a fixed asset (in the form of improved or increased services or benefits flowing from the use of such asset) or in the material extension of the useful operating life of a fixed asset shall be capitalized.

Expenses incurred in the maintenance or reinstatement of a fixed asset shall be considered as operating expenses incurred in ensuring that the useful operating life of the asset concerned is attained, and shall not be capitalized, irrespective of the quantum of the expenses concerned.

Expenses which are reasonably ancillary to the bringing into operation of a fixed asset may be capitalized as part of such fixed asset. Such expenses may include but need not be limited to import duties, forward cover costs, transportation costs, installation, assembly and communication costs.

The following matrix will assist in distinguishing capital expenditure from maintenance expenditure: -

Capital Expenditure	Maintenance
▪ Acquiring a new asset ▪ Replacing an existing asset ▪ Enhancing an existing asset so that its use is expanded ▪ Further developing an existing asset so that its original useful life is extended	▪ Restoring an asset so that it can continue to be used for its intended purpose ▪ Maintaining an asset so that it can be used for the period for which it was initially intended.

11.15 Assets held under leases

Finance leases are leases, which in effect transfer all risks and rewards associated with the ownership of an asset from the lessor to the lessee. Assets held under finance leases are capitalized by the municipality and reflected as such in the FAR. It will be capitalized at its leased value at commencement of the lease, which will be the price stated in the lease agreement. The asset is then depreciated over its expected useful life.

Operating leases are those leases which do not fall within the scope of the above definition. Operating lease rentals are expensed as they become due. Assets held under operating leases are not accounted for in the asset registers of the municipality.

11.16 Investment property

Investment assets shall be accounted for in terms of GRAP 16 and shall not be classified as property, plant and equipment for purposes of preparing the municipality's statement of position.

Investment assets shall comprise land or buildings (or parts of buildings) or both held by the municipality, as owner or as lessee under a finance lease, to earn rental revenues or for capital appreciation or both.

Investment assets shall be recorded in the fixed assets register in the same manner as other fixed assets, but a separate section of the fixed assets register shall be maintained for this purpose.

Decide on which accounting model, cost or fair value, the municipality will apply to investment property.

Fair value

Investment assets shall not be depreciated, but shall be annually valued to determine their fair (market) value. Investment assets shall be recorded in the Statement of Financial Performance at such fair value. Adjustments to the previous year's recorded fair value shall be accounted for as either gains

(revenues) or losses (expenses) in the accounting records of the department or service controlling the assets concerned.

If the council of the municipality resolves to construct or develop a property for future use as an investment property, such property shall in every respect be accounted for as an ordinary fixed asset until it is ready for its intended use – where-after it shall be re-classified as an investment asset.

11.17 Fixed assets treated as inventory

Any land or buildings owned or acquired by the municipality with the intention of selling such property in the ordinary course of business, or any land or buildings owned or acquired by the municipality with the intention of developing such property for the purpose of selling it in the ordinary course of business, shall be accounted for as inventory, and not included in either property, plant and equipment or investment property in the municipality's statement of position.

Such inventories shall, however, be recorded in the fixed assets register in the same manner as other fixed assets, but a separate section of the fixed assets register shall be maintained for this purpose.

11.18 Recognition of heritage assets in the fixed asset register

Heritage assets shall be carried at their cost values. If no original costs or fair values are available in the case of one or more or all heritage assets, the Director: Finance may, if it is believed that the determination of a fair value for the assets in question will be a laborious or expensive undertaking, record such asset or assets in the fixed asset register without an indication of the costs or fair value concerned.

For Statement of Financial Performance purposes, the existence of such heritage assets shall be disclosed by means of an appropriate note.

11.19 Other write-offs of fixed assets

The only reasons for writing off fixed assets, other than the alienation of such fixed assets, shall be the loss, theft, and destruction or material impairment of the fixed asset in question.

In every instance where a not fully depreciated fixed asset is written off, the Director: Finance shall immediately debit to such department or vote, as additional depreciation expenses, the full carrying value of the asset concerned.

11.20 General maintenance of fixed assets

Every Director shall be directly responsible for ensuring that all assets are properly maintained and in a manner which will ensure that such assets attain their useful operating lives.

11.21 Service Concession arrangements

A service concession arrangement is governed through a contractual arrangement between the municipality and an independent third party (operator). It involves the creation and/or use of an existing municipal asset in order to provide services to the general public. The asset can be provided by the municipality or the arrangement can specify that the operator must create a new asset for purposes of the providing the services on behalf of the municipality (grantor).

If the municipality provides the asset (i.e. it is an existing asset that the operator uses), no liability needs to be created in relation to the assets used by the operator. However, in the case that the operator has to create a new asset in order to fulfill

the obligations of the agreement, an asset and liability needs to be created in order to account for the asset.

Assets held under a concession agreement must be separately disclosed similarly to assets acquired through a lease agreement.

The assets held under the service concession agreement is under the control of the Director: Infrastructure and Planning and such director must report annually to the Director of finance of the status of the asset, such as any impairments, replacement parts, improvements etc. to the service concession assets. These assets would be disclosed in terms of the requirements of GRAP 32: *Service Concession Arrangements: Grantor*.

12. FINANCIAL DISCLOSURE

Assets must be disclosed, in respect of each class of property, plant and equipment, in accordance with Generally Recognized Accounting Practice.

13. IMPLEMENTATION AND REVIEW PROCESS

13.1 This policy will come into effect as from **1 July 2022**

13.2 This policy will be reviewed at least annually or when required by way of a Council resolution.

14. SHORT TITLE

This policy will be known as the Asset Management Policy of the Overstrand Municipality.

POLICY SECTION:	**SENIOR MANAGER: EXPENDITURE AND ASSET MANAGEMENT**
CURRENT UPDATE:	31 MAY 2022
PREVIOUS REVIEW	26 MAY 2021
PREVIOUS REVIEW	27 MAY 2020
PREVIOUS REVIEW	29 MAY 2019
PREVIOUS REVIEW	30 MAY 2018
PREVIOUS REVIEW	31 MAY 2017
PREVIOUS REVIEW	25 MAY 2016
PREVIOUS REVIEW	28 MAY 2015
PREVIOUS REVIEW	28 MAY 2014
PREVIOUS REVIEW	29 MAY 2013
PREVIOUS REVIEW:	30 MAY 2012
PREVIOUS REVIEW:	04 MAY 2011
PREVIOUS REVIEW:	26 MAY 2010
APPROVAL BY COUNCIL:	24 JUNE 2009

APPENDIX 1: REVISION OF ASSET CAPITALISATION THRESHOLD

Introduction

The municipality reviewed the Asset Management Policy and has determined that that the capitalization threshold needed to be revised in order to ensure compliance with the GRAP requirements and to align the budgeting process with the requirements of GRAP. Based on the revision of the capitalization threshold it has decided that the most suitable approach would be to identify assets for which their value or use does not justify the cost to maintain the assets in the register.

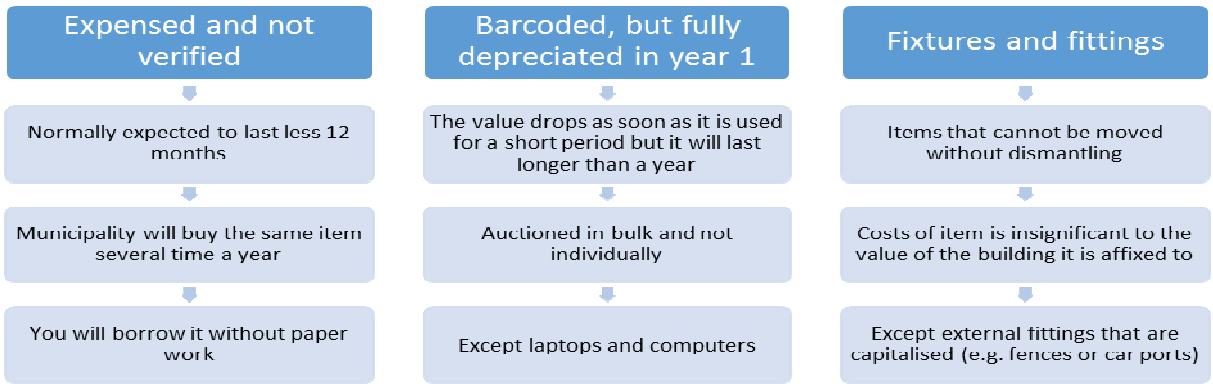
The GRAP discussion paper on materiality states the following: "Information in the financial statements is therefore relevant when it meets these information needs. The relevance of information is affected by its nature and materiality." This implies that certain information would not be relevant to the users of financial statement due to its value or nature. Furthermore, the discussion paper also states: "Materiality establishes a threshold, which may include a cut-off point, or criteria which are used in making certain decisions. Materiality in itself is not a characteristic that information must have to be useful to users. "The municipality followed a qualitative materiality approach rather than a purely quantitative approach in order to identify items that are considered not material.

Management of assets within an asset register is a costly exercise and certain assets economic benefits have been noted to be exceeded by the annual cost to maintain these assets within the register. For this reason the municipality has taken an approach to identify assets that fall within this category where the management cost of the assets exceed their economic benefits.

Materiality

The full cost price of all assets that would not be included in the AFS as at 1 April 2016 was extracted and compared to materiality. The accumulative cost of all these assets listed in annexures 1-3 amounted to less 30% of materiality and thus accepted as reasonable. Materiality was based on the 2015 balance for Property, plant and equipment as utilized by the auditors during the audit of 2014/15. Annually the assets with that fall within this category will be extracted and compared to the prior year's materiality to ensure that the threshold application does not result in any material deviation from the standards of GRAP.

Decision Tree



All items not falling in the above categories would be considered assets and would be included in the asset register.

Three different types of assets were identified that require amendment in the approach due to the revised capitalization approach. These are:

1) Items with expected useful lives of less than 12 months expensed immediately
2) Items that are considered assets, but will not be included in the asset register due to the fact that the costs to maintain these assets in the final asset register would exceed the value/economic benefits of the assets (Assets below threshold **[Control Items]**)
3) Items that are capital in nature, but would not be included in the asset verification process as the items are affixed to buildings and thus would no longer be considered movable assets.

1) Items that are expected to be consumed within 12 months (Items not barcoded)

Characteristics of asset type

Many purchased goods are expected to be consumed within 1 year, but due to the usage of the asset, the lifespan might be prolonged. In example, a stapler is not really expected to last more than a year as wear and tear on the items are quite excessive. However, certain staff members have indicated that their staplers could last several years. The fact that a single item lasts longer than a year does not negate from the expectation that the item would be consumed within 1 year.

OR

Another consideration in this category is the replacement or purchase rate. If the item is expected to be purchased multiple times in a single year, the item is not considered to be an item that would last for longer than 1 year. In example, despite the fact that spanners could be durable, they are often purchased throughout the year with new spanners being purchased at a regular interval. Due to the regular repurchase rate, the item is not considered to last for longer than a year despite its durable nature.

OR

The final consideration for items that fall within this category is the control over the ability to transfer assets. Some assets are of such a minute significance to a department, that when assets are transferred between users, formal asset transfer documentation would not be maintained. Example, if employee 1 is willing to borrow his wrench to employee 2 without asking for written confirmation of the transfer of the wrench since the inherent value of the item does not justify any audit trail of the transfer.

OR

The item is a plastic or wood stackable table / chair used at a community hall.

For control purposes, these items are not barcoded and will be purchased through an expense account (operational budget) Cost Code / B-key,

For ease of reference, examples of items that fall within this category:

- All stationery items excluding heavy duty versions thereof (any item titled machine, would not fall within this category e.g. Binding Machine, Laminating Machine) including calculators and other small items
- Any boxes, and containers designed to retain stationary (such as buddi-drawers, pen holders, paper racks)
- All bins and disposal containers
- Any camp site bedroom furniture such as beds and bedding
- Small appliances such as kettles, toasters, fans with a warrantee of 1 year
- Any computer accessories such and keyboards, mouse, laptop bags, dongles (UPS's and external hard drives are excluded from this)
- Fire extinguishers as their service interval requires exchanging of these items several times a year
- Hand tools that are normally transported in bulk (i.e. small tools that would be transported with other tools in toolboxes)
- Cleaning items such as buckets, mops, brooms etc. (excluding machines used to clean items such as dish washers and vacuum cleaners)
- Safety equipment that is frequently replaced, similar to helmets, goggles, gloves etc.
- Crockery, cutlery and other kitchen utensils

The approved listing of items that serve as examples of this category is listed in Annexure 1.

(Please note the difference from the next section 2 below, where "the Items below Capitalization Threshold Cost Code / B-key" is expected to last longer than 12 months and these Items will be barcoded.)

2) *Items below capitalization threshold that will be barcoded but not included in the asset register (previously referred to as control items)*

These items will be barcoded and counted during the verification, but due to the insignificant value of these items, will not be included in the final asset register for annual maintenance such as depreciation, impairments and other value-based adjustments. The items would be recorded as assets, but fully depreciated in the first year of purchase. The items are generally used both in the office and the home and thus control needs to be established to reduce the probability of items being taken home for personal use.
In the accounting records of the municipality, the assets would be purchased directly against operational expenditure based on the requirements of mSCOA. This is more practical as the full impact of the purchase must be accounted for against the expenditure rather than to retain the costs of the items within the capital maintenance system. This process is followed to ensure depreciation is not accelerated and to ensure that the asset register agrees to capital acquisitions on an annual basis.

Characteristics of asset type
These are items that are used on a daily basis. In fact, the items are used to frequently, that the frequent use is the determining factor in establishing the useful lives of the assets. These items might be designed to be durable, but the usage thereof results in rapid wear and tear. Items such as chairs, printers, microwaves, drills, angle grinders etc. are used so frequently, that their values are diminished after the first 6 months of use.
AND
The items are normally sold in bulk at auctions as bidders will not be interested in buying single items as the unit price too low to justify single sales. Often the items prices are based on the value of the components (e.g. copper or scrap metal price) rather than the resale value of the items.
BUT
Some items that fall within this category are exceptions to the rule as their value lies in an extended use, despite the diminished return on purchase price after the first use. The items specifically excluded from the listing are:

- Items purchased through means of a finance lease contract (example multi-function printers)
- Computer towers or laptops as their lifespans can easily be extended through refurbishing the assets at a fraction of their original cost
- Industrial or heavy duty tools or equipment that are designed to last for longer

These items are purchased from the Operational Budget allocation (B-key) for Assets less than threshold.

For ease of reference, examples of items that fall within this category:

- All chairs except stackable plastic chairs
- Tables that are being used by multiple users (public and internal) (e.g. training tables, library tables, visitors' tables, community halls etc.)
- Medium sized kitchen equipment such as microwaves, urn's, hydro boil systems

Explanatory comments on the characteristics:

- Desks are used every day, but the usage of a desk does not automatically reduce the value of the desk. Thus a desk does not fall within this category.
- Various power tools would also fall within this category. Industrial sized power tools will be excluded.
- Despite judgement that needs to be applied, the general consensus by an informed member of public should also come to the same conclusion as to the treatment of the item. Classification of items as assets below threshold **[control items]** or fully capitalised assets should not be based on budgetary requirements, but rather on the nature of the item and the municipality's intended use or the manner in which the municipality aims to control the item.

The approved listing of items that serve as examples of this category is listed in Annexure 2.

3) Items of capital nature affixed to buildings

When these items are purchased, the purpose is to enable or increase the productivity of the users, rather than to increase the value of the buildings that the items would be affixed to. Despite its purpose, the items are often deemed to increase the value of the buildings that it is affixed to as it is considered an investment in the building.

When a sales agreement are entered into, the fixtures must be retained to the building, unless otherwise stated. Fixtures are however, often a hindrance to many potential buyers and considered a burden rather than an additional value added to the building. More often than not, items such as air-conditioners need to be completely replaced, and built-in cupboards, shelving are not in the correct location as per the intention of any potential owners. The municipality has opted to classify and fittings as repairs and maintenance to the buildings, as new fixtures could only allow the buildings value to be reinstated (example carpets being replaced) rather than increase the value of the buildings. Fixtures are capitalized as part of the initial cost of a new building; all cost thereafter is treated as maintenance

When the fixtures added to the building is considered against the value of the building, the fixtures are often inconsequential (has no significant impact) to the value of the building as a whole and accordingly, the capitalization of fixtures are not considered of additional value.

External fixtures, such as fences, car ports, etc. are items that are not part of the building itself and thus improve the value of the land, these items are for practical reasons **capitalized against the buildings (premises)** as land is not depreciated and any external structures will incur wear and tear.

These items are purchased from the Operational Budget allocation (B-key) for Assets less than threshold.

For ease of reference, examples of items that fall within this category:

- Whiteboards permanently affixed to walls
- Air-conditioners (affixed to the buildings / walls)
- Shelving and cupboards affixed to walls or ceiling
- Office partitioning (i.e. dividers used to split rooms) when these are bolted down.
- And stands or holders that are affixed to the property (e.g. projector fittings)

The approved listing of items that serve as examples of this category is listed in Annexure 3.

Annexure 1: Items expected to be consumed within 12 months

The following list of items is approved to only be purchased via the operational cost code / B-key for expenditure and these items will not be barcoded:

Description	Description
Bait pump	Jump starters
Banners	Kettles
Bar and foot stools	Label printing machine
Batteries	Lamps
Beds and mattresses	Laser Distance Meter
Bedside furniture	Laser Presentation Remote
Bins (All)	Letter Opener
Boxes - money, tender, CV's etc	Lifting Bag
Buddy drawers	Link stick
Calculators	Measuring wheels, tapes
CD Racks	Microphones (All)
Chairs (Plastic stackable)	Modems
Chargers (including **[except]** industrial)	Nozzle
Clipboards	Paper trays
Docking Stations	Pool brooms, brushers
Drip torch	Pots and pans
Extension leads	Protective Clothing
Fans	Routers
Fire extinguishers	Soldering bolt
First aid and medic kits	Speakers (office use)
Flashlight, torch	Spotlight
Foam branch	Standpipe
Gazebos and tents	Telephones
Hand Control Divider	Toolbox incl. tools
Hand drill	Wi-Fi Access Point
Hard Drive (External)	Wind meter
Headphones	Woodchipper
Heaters	Wrench

Annexure 2: Items barcoded, but bought through assets below threshold (control items) budget cost code / B-key (operational expenditure)

The following list of items is approved to only be purchased via the assets below threshold vote. The items must be barcoded and verified annually:

Description	Description
Air conditioner (not fixed to the building / wall)	Guillotine
Air gun	[Hand Control Divider]
Alcohol Tester	Heat gun
Angle grinder	Hose Washer
Audio and video recorders	Hot plate/tray
Benches (All)	Jack trolley
Binoculars	Jigsaw
Blood Pressure Monitor	[Label printing equipment]
Cameras	Ladders (All)
Case: Mayors chains	[Lamps]
Cash Drawer, register	[Laser Distance Meter]
Cell Phone	Lighting System
Chairs and Couches (All, except plastic stackable)	[Link Stick]
[Charger – industrial]	Litter tester
Circular Saw	Lockers
Coffin Hoist	Mega phone
Colorimeter	Meter Wheel
[Cordless microphones]	[Microphone]
Cut-off Saw	Microscope
Decoder	Microwave
Decontamination Pack	Mitre Saw
[Docking Station]	Mobile Dash Light
Drawing board	[Modems]
Drill set	Monitors for PC's (excluding Televisions)
DVD, Tape Players	Nail Gun
Electric Spray Gun	[Nozzle]
Electrical saw	Optical Camera
Electrical Screw Driver	Ottoman
Examination table	Packaging Roller
External hard drives	PH Meter
Fire Body Siren	Piano Chair
Flip charts	[Pipe Binder]
FM/AM Radio	Polisher
Gas Burners (1 or 2 plate)	Punch Heavy Duty
[Gateways, incl. routers, fire walls, proxies]	Radio - for communication
Gavel	Refracto Meter
Glue Gun	Rotary saw
Grease Gun	Sander Machine
Grease Pump	Scale (Weight)
Griller	Scanner

Description	Description
Siren	Tester battery car
Sound Bar	Timing Light
Speakers (Auditorium, etc. Not office use)	Tripods (All)
Spectro Photometer	Trolleys (All)
Spine board	Turbidi meter
Spotlight Scope	Typewriter
Spray trolley	Urn
Stands (All)	Vacuum cleaner
Stapler Heavy Duty	Vice grip – steel (heavy duty)
Stretcher	Water cooler/dispenser
Table (Foldable - steel)	Winch and winch bracket
Table (Learner/Training)	[Woodchipper}
Table (Wooden / plastic in community halls)	Wood Stage
[Telephone]	

Annexure 3: Items considered furniture and fitting and treated as maintenance of existing buildings

The following list of items is approved to only be purchased via the maintenance cost codes / B-keys as the items are mounted to a building:

Description	Description
Air conditioner (fixed to the building / wall)	Key cabinet
Boards (All)	Pigeonhole With Credenza
Bookcase bolted to floor or wall	Projector Screen
Clocking devices	Safe
Cupboard – built in	Screen (Other)
Divider Stand	Shelving, wood and steel
Extractor fan	Strobe Lights
Flagpole	Work station divider
Jet master	

Annexure 4: Distinguishing capital expenditure from maintenance expenditure: -

Capital Expenditure	Operational Expenditure (Maintenance)
▪ Acquiring a new asset ▪ Replacing an existing asset ▪ Enhancing an existing asset so that its use is expanded ▪ Further developing an existing asset so that its original useful life is extended	▪ Restoring an asset so that it can continue to be used for its intended purpose ▪ Maintaining an asset so that it can be used for the period for which it was initially intended.

OVERSTRAND MUNICIPALITY



TRAVEL & SUBSISTENCE POLICY

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1 PURPOSE

The purpose of this policy is to set out general rules for the payment of subsistence and travelling allowances or costs for the attendance of approved events **outside the municipal area of Overstrand**.

2 OBJECTIVES OF THE POLICY

The objectives of this policy are to:

2.1 Ensure that municipal employees and Councillors adhere to procedures when arranging for travel, lodging, meals and other expenses;

2.2 Ensure that municipal employees and Councillors are reimbursed for reasonable expenses incurred for travel, conferences, meetings and meals as a result of conducting authorized municipal business;

2.3 Ensure that payments made by the municipality are for the actual and necessary expenses incurred for municipal business in **adherence with National Treasury's prescribed Cost Containment Measures**; and

2.4 Ensure that municipal employees and Councillors will receive reimbursements in a timely manner.

3 LEGISLATIVE FRAMEWORK

This policy is developed and guided by the following:

3.1 South African Revenue Services (SARS) Interpretation Notices & other Notices;

3.2 Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA);

3.3 South African Local Government Association (SALGA);

3.4 Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998);

3.5 Income Tax Act, 1962 (Act No. 58 of 1962);

3.6 Overstrand Municipality Cost Containment Policy;

3.7 RSA Department of National Treasury: National Travel Policy; and

3.8 RSA Department of National Treasury: Cost Containment Measures related to Travel and Subsistence.

This Policy must be read in conjunction with any of the Municipality's approved related policies, practices and standard operating procedures addressing specific issues essential for a full understanding of this Policy and which are not dealt with adequately herein.

4 SCOPE OF APPLICATION

This Policy is applicable to –

4.1 all Councillors of the Overstrand Municipality, and

4.2 all officials of the Overstrand Municipality,

travelling on official business and as such are formal travellers of the Overstrand Municipality.

IMPORTANT - No payments will be made to applicants for employment interviews in terms of the scope of this policy.

5 DEFINITIONS

For the purpose of this policy, except where clearly indicated otherwise, the words and expressions set out below have the following meaning:-

"Accommodation"	The rental of lodging facilities while away from the traveller's place of residence while on authorized official duty.
"Accounting Officer" / "Municipal Manager"	The person appointed by the Council as Municipal Manager in terms of section 82 of the Municipal Structures Act, 1998 (Act 117 of 1998) and as defined in the Municipal Finance Management Act, 2003 (Act 56 of 2003), including any person acting in that position or to whom authority is delegated.
"Air Travel"	Travel by airline on official duty.
"Car Rental"	The rental of a vehicle for a short period of time by a traveller for official purposes.
"Chief Financial Officer"	The person appointed in terms of section 80(2)(a) of the MFMA and includes any person acting in that position or to whom authority is delegated.
"Council"	The Overstrand municipal council, as referred to in section 157 of the Constitution of the Republic of South Africa, 1996; and section 18 (3) of the Municipal Structures Act, 1998 (Act 117 of 1998).
"Councillor"	A member of the Overstrand Municipal Council.
"Day"	A completed period of twenty-four hours away from normal place of domicile and employment of official business of the Municipality.
"Director"	An official appointed by the Council in terms of section 56 of the Municipal Systems Act, 2000 (Act 32 of 2000) to head a Directorate of the municipality and shall include any person acting in that position.
"Domestic Travel"	Travel within the boundaries of the Republic of South Africa.
"Essential User Transportation Allowance"	Transportation allowance paid in accordance with the Essential User Transport Allowance Scheme to employees participating in the scheme.
"Executive Management Team"	Officials appointed in terms of Section 82 of the Local Government Structures Act, 1998 (Act 117 of 1998) (Structures Act) and section 56 of the Local Government Municipal Systems Act, 2000 (Act 32 of 2000).
"Executive Mayor"	The Executive Mayor of the Overstrand Municipality elected in terms of section 55 of Municipal Structures Act, 1998 (Act 117 of 1998) and shall include any person acting in that position.
"Fixed Transportation Allowance"	Transportation allowance linked directly to the managerial post level of the incumbent, also referred to as the "Old Perk Scheme".
"Host"	The person or institution who has extended an invitation to the

	Municipality to delegate a Councillor and / or an Official to attend an event which is regarded as official business.
"Incidentals"	Any minor expenses normally associated with business travel.
"International Travel"	Travel to a location beyond the territorial boundaries of the Republic of South Africa.
"Municipality"	Overstrand Municipality, established in terms of sections 12 and 14 of the Structures Act.
"Official"	A person employed by the Municipality.
"Official Business"	For the purposes of this policy refers to the attendance by Councillors and / or Officials of congresses, conferences, seminars, training, meetings, workshops, roadshows, etc. related to the duties and functions of the Municipality, subject thereto that such attendance has been duly authorised in terms of the delegated authority.
"Place of Work"	The place where the principal duties of the Councillor or Official are performed.
"Sponsored Trip"	A trip where the total cost, or a portion thereof is sponsored by another organisation or third party other than the Municipality. (For the purposes of this policy such proportion of the total cost of the trip must be included in the application forms).
"Subsistence allowance"	An amount of money paid by the Municipality to a traveller for expenditure incurred in respect of personal subsistence and incidental costs (for example refreshments, snacks, drinks and newspapers but excludes any personal recreation such as visits to a cinema, theatre, nightclubs or sight-seeing).
"Travel Allowance"	An amount paid to a traveller for the use of his or her own private motor vehicle in respect of travelling expenses for business purpose.
"Traveller"	Any Councillor or Official travelling away from his or her normal place of domicile and employment on official business of the Overstrand Municipality.

6 AUTHORISATION

6.1 For purposes of implementing this policy:

6.1.1 **Only the Municipal Manager** may authorize any travel to be undertaken by political office bearers and Directors, provided the expenses to be incurred are on the approved budget of the municipality.

6.1.2 **Only the Executive Mayor** may authorize any travel to be undertaken by Holders of Public Office and the Municipal Manager, provided the expenses to be incurred are on the approved budget of the municipality.

6.1.3 **Only Directors** may authorize any travel to be undertaken by employees in the respective Directorate, provided the expenses to be incurred are on the approved budget of the municipality.

6.2 Authorization as per paragraph 6.1 must be obtained **prior** to an occasion by any traveller who travels on the business of the municipality.

6.3 An invitation to attend a workshop, meeting or related event is not an automatic authorization to attend such workshop or event. The required authorization must still be obtained from the Municipal Manager or Executive Mayor or Director as the case may be.

6.4 No Councillor and / or Official of the Overstrand Municipality may go on any official business travel without the prior authorization as provided for in paragraph 6.1 above.

7 GENERAL

7.1 Municipal delegates or travellers to any conference, workshop or meeting must ensure that they arrive on time and attend until the conclusion of such event. If any traveller fails to do so, the Executive Mayor, the Municipal Manager or Director, as the case may be, may recover all allowances and disbursements paid to enable such delegate or traveller to attend such event, provided that such delegate or traveller is afforded the opportunity to submit reasons for not being able to be present from the commencement to conclusion of such event.

7.2 The contents of this policy will not be regarded as conditions of employment but as a re-imbursement for travelling and subsistence expenditure incurred or deemed to be incurred for the attendance of events for official purposes.

7.3 Travellers should plan official travel in advance. They should obtain approval and make a booking / reservation at least seven (7) working days prior to departure for domestic travel and fourteen (14) working days prior to international travel.

7.4 Accommodation, flights and vehicle rental arrangements will be based on the most cost effective option in relation to the proximity of the venue, traffic, availability and other cost factors.

7.5 All efforts should be made to minimize the costs for the municipality i.e. by travelling together in one vehicle, minimizing overnight stay where possible, etc:

7.5.1 Delegations to the same event, conference, consultation or meeting may only exceed three (3) employees or persons appointed on grounds of policy considerations if approved in advance by the **Municipal Manager**.

7.5.2 Where multiple travellers attend approved events, inclusive of meetings, they must make arrangements for up to four (4) people to travel together in one vehicle.

7.5.3 Any deviation from paragraph 7.5.2 must be approved in writing by the Director / Municipal Manager / Executive Mayor as the case may be, prior to the date of departure, based on valid reasons as motivated in a submission.

7.5.4 The most cost-effective mode of transport should be used at all times, domestically and internationally.

7.6 In the event that the traveller must attend an early morning meeting, in a distant location within South Africa, consideration could be given to allow the travelling to take place a day before the event, subject to the approval of such travel by the [Accounting Officer] Municipal Manager in terms of the delegated authority to do so.

7.7 In the event of direct payments made by officials for traveling and accommodation, refunds will only be made on condition that the expense was pre-approved in accordance with the stipulations of this policy and that all aspects of this policy have been complied with.

7.8 A claim for subsistence and travelling cannot be made at the municipality as well as another institution for attending the same event. Such action shall lead to disciplinary action.

7.9 Any claim must be submitted on the official claim form with the necessary vouchers where specific expenses are claimed.

7.10 Sufficient documentation must be attached to the application for the trip e.g., official invitation, agenda or programme, itinerary, details of sponsor and amount, etc.

7.11 Any claim containing false information will lead to disciplinary steps being instituted and payments thus made may be recovered from any money payable by the municipality to the person who submitted the claim.

7.12 In the event of a traveller combining personal travelling either prior to or after a business trip, it must not lead to additional expenditure for the Municipality or impair the work performance of the traveller. NO costs incurred during the personal part of the trip will be for the account of the Municipality.

7.13 The Municipality distances itself from any private reservations made by the traveller. The arrangement is solely between the traveller and the relevant service provider. Thus, the processing of related payments through the Municipality's official payment system will not be allowed.

7.14 The traveller must safeguard Municipal information and assets while travelling and must avoid compromising that security.

7.15 The traveller should maintain personal travel documents such as a passport. The cost for obtaining such travel documents is for the traveller's own account.

8 EXCLUSIONS

The following expenses shall explicitly not be covered by the Municipality:

8.1 Any expenses covered by a host extending an invitation;

8.2 Alcoholic beverages;

8.3 Expenses of a personal nature, such as private telephone calls and personal recreation

such as visits to a cinema, theatre, nightclub or sight-seeing, etc;

8.4 In instances where costs are incurred in entertaining external business associates, contacts, clients or potential investors:

8.4.1 Where the Official receives an entertainment allowance, the costs must be claimed against such entertainment allowance; and

8.4.2 All expenses shall fall outside the scope of this policy, unless specific written pre-approval as to the nature and estimated cost of the expenditure to be incurred, together with a reason(s) why such costs needs to be incurred, was obtained from the Municipal Manager for any such expenditure. prior to submission of the claim.

9 AIR TRAVEL – Domestic and International

9.1 The Municipality must, as far as possible, make use of the improved upfront discounted flights which the National Treasury has negotiated on behalf of all three spheres of government, unless lower air travel rates can be negotiated.

9.2 For domestic trips both major and low-cost airlines may be utilized. All travellers should use discounted economy class (best fare on the day) where possible. In the event where discounted economy class tickets are not available, special authorization as provided for in paragraph 6.1 must be obtained to book full economy tickets.

9.3 Business class tickets may be considered for domestic and international trips under the following scenarios, including amongst others:

9.3.1 Travellers with special needs based on medical grounds (e.g. deep vein thrombosis, varicose veins, recent surgery and pregnancy). In these instances, a medical certificate noting the medical need and the applicable period of time must be provided. If it is a long-term condition, an updated doctor's certificate should be presented on an annual basis to confirm that the condition still exists;

9.3.2 Where economy class tickets are not available, travellers are not allowed to book business class tickets unless otherwise approved in terms of paragraph 6.1, where it has been confirmed that the permitted airline class was full and no other applicable flights are available;

9.3.3 Disabled persons can be accommodated in business class upon receipt of approval provided for in paragraph 6.1.

9.4 For domestic trips preference will be given to airlines which operate direct flights between Cape Town and the end destination.

9.5 For international trips all major airlines may be utilized where the most economical airline is chosen on quotation basis.

9.6 For international trips the comparison of more expensive direct flights from Cape Town versus cheaper indirect flights should always be performed. When choosing a flight, consideration should also be given to the traveller's ability to function optimally when arriving at their destination, especially when travelling across time zones.

9.7 For special trips requiring the use of helicopters or chartered aircrafts, special authorization by the Executive Mayor or Municipal Manager or their delegated nominees is required

9.8 Amendments to Air tickets:

9.8.1 Travellers should limit the number of amendments to air tickets as far as possible;

9.8.2 The costs associated with amendments is subject to the rules of the particular ticket and can include penalty fees;

9.8.3 The costs incurred as a result of amendments requested by the traveller for his / her convenience or lack of planning will be for the traveller's personal account;

9.8.4 The costs of amendments as a result of revised business requirements or any other circumstances outside the traveller's control will be incurred by the relevant line department.

9.9 Baggage Allowance:

9.9.1 The traveller must acquaint him- or herself with the baggage policy of the airline that he / she will be travelling on. The baggage policy provide information on the prescribed baggage allowance and the cost for baggage in instances where the airline charges separately for baggage;

9.9.2 Based on the class of travel, the airline will prescribe the specific number of pieces of luggage that will be allowed as well as the weight and size per piece;

9.9.3 The reimbursement for any excess baggage is subject to the traveller obtaining approval for exceeding the baggage allowance due to valid business reasons, prior to the trip.

10 ACCOMMODATION AND MEALS – Domestic and International

When travelling to a destination outside the boundaries of the Overstrand Municipality in circumstances requiring absence from the office for longer than 24 hours, the following may be utilised and claimed (the time of departure from residence or office up until the time of arrival back at residence or office shall be used for purposes of calculating the length of absence):

10.1 Accommodation

10.1.1 The National Treasury, on behalf of all three spheres of government, has negotiated improved upfront discounted accommodation rates. Therefore municipalities have been requested to utilize these agreements to assist in their respective cost containment measures, unless other service providers that offer lower rates can be utilized.

10.1.2 Travellers who travel on the business of the municipality, where the business unavoidably entails one or more nights to be spent away from home, may stay in a hotel, motel, guesthouse or bed and breakfast establishment:

a) Where the distance to and from the venue in total, exceeds 500 kilometers;

b) Any deviation from paragraph (a) must be motivated in writing by the employee, **recommended by the relevant Director**, and must be approved in writing by the Municipal Manager, prior to any reservations being made, and prior to the date of departure, based on valid reasons.

10.1.3 The actual cost of accommodation will be borne by the municipality, subject to a maximum of 4-star rating for the accommodation itself in respect of domestic travel. Where such accommodation is available, the rate for a single room will be payable.

10.1.4 If no such accommodation is available, higher rating accommodation can be used subject to the prior written approval of the **Municipal Manager or the Executive Mayor, as applicable**.

10.1.5 If a traveller stays with a relative or friend, no accommodation expense may be

claimed, but the traveller may claim a subsistence allowance per day as per par. 12.1.2(a) of this policy.

10.1.6 The location of the accommodation should not be more than 20 km from the venue of the event, unless prior written approval is obtained from the Municipal Manager or Executive Mayor.

10.1.7 Where advance payments have to made to the establishment based on "pro-forma" invoices in order to secure the reservation, it is the responsibility of the traveling official(s) / councillor(s) to obtain the valid Tax Invoice from the establishment on or before departure and to submit it to the Creditor Section within 7 working days of returning from the event.

10.2 Meal Expenses – Domestic Trips

10.2.1 Travellers will not be entitled to be reimbursed for (a) meals(s) and / or incidental expenses within the area of jurisdiction of the Overstrand Municipality.

10.2.2 Where the cost of meals have not been included in the cost of overnight accommodation, receipts for the meals for domestic trips paid for by the traveller must be kept and attached to the claim form. The maximum amount allowable per meal is:

a) Breakfast = R80-00;

b) Lunch = R120-00 (if not provided / included at the event);

c) Dinner = R150-00.

10.3 Meal Expenses – International Trips

10.3.1 These meals will be covered in terms of the SARS rates applicable to the country being visited.

10.4 No-Shows and Cancellations

10.4.1 It is the responsibility of the traveller to notify the accommodation establishment of any cancellations of reserved accommodation as soon as he / she becomes aware of the fact.

10.4.2 Each accommodation establishment has different conditions / rules in terms of cancellations. Last-minute cancellations may result in the payment of a cancellation fee. The traveller must familiarize him- / herself with the cancellation policy of the specific establishment.

10.4.3 The traveller should inform the accommodation establishment if he / she expects to be arriving later than the expected arrival time to ensure that the reservation is not cancelled or a cancellation fee is charged.

10.4.4 If the traveller does not check in at the accommodation establishment without any prior notification any no-show cost charged is regarded as fruitless and wasteful expenditure.

10.4.5 The traveller could be responsible for any fruitless expenditure incurred due to a now-show or late cancellation where it was in his / her ability to cancel the booking on time.

11 USE OF VEHICLES

11.1 Hired Vehicles

11.1.1 Shall be applied for, quantified and paid for by the Municipality.

11.1.2 May only be obtained when the employee and / or Councillor is on official

municipal business where air travel was involved and other modes of transport are not available, too costly or impractical.

11.1.3 Requires prior approval from the Responsible Official for employees and the Executive Mayor / Speaker for Councillors.

11.1.4 May not be used for private purposes or for travel from the municipal offices.

11.1.5 Any fines, penalties and administration fees payable as a result of the contravention of any traffic rules and regulations while driving a hired vehicle will be for the traveller's personal account and must be settled within thirty (30) days of receipt of the fine or penalty.

11.1.6 Only travellers with a valid South African driver's license may hire vehicles; where the traveller who hires a vehicle, is not in possession of such license, he or she may be held personally liable for all damages and may be subject to disciplinary action by Council; the responsibility and related costs of obtaining an international driving permit, where required, rests with the traveller.

11.1.7 Only "A" or "B" category vehicles may be rented, unless it is more cost-effective to hire a more expensive vehicle, for example, when the number of representatives involved could justify the hire of a micro-bus, for groups of 5 (five) or more travellers. The latter to be approved in advance by the Executive Mayor or Municipal Manager, according to the provisions as provided for in paragraph 6.1.

11.1.8 For physically handicapped travellers who are only able to drive a particular type of vehicle and those in possession of a driver's license restricted to automatic vehicles, the most suitable vehicle may be obtained.

11.1.9 Chauffeur driven vehicles may not be used. Employees and / or Councillors who are unable to drive must utilize either a shuttle service or another mode of public transport.

11.1.10 The traveller should book a rental vehicle for the period that is actually required for officials business only as the car rental companies charge a full daily rate for a 24-hour cycle or part thereof.

11.1.11 For car rental inspections the traveller should verify and complete the quality check card prior to leaving the car rental premises, both on collection and return of the rental vehicle. The traveller must ensure that all scratches, chips, dents, windscreen and cracks are marked on the card and signed off by the car rental attendant. Failure to complete the quality check card could result in the traveller being held personally responsible for any damages.

11.1.12 The traveller must take every reasonable precaution to safeguard a rental or fleet vehicle against damage, theft or irregular use while driving it and when it is parked.

11.1.13 The traveller must ensure that the rental vehicle is returned within the specified rental period as it can be regarded as stolen if the vehicle is not returned in time without any notification to the car rental company. The traveller will be held responsible for the additional charges for the late return of the vehicle, unless approved in terms of the provisions provided for in paragraph 6.1 upon submitting sound reason(s) by the traveller.

11.1.14 If the traveller needs to extend the rental period for official business purposes, the traveller must obtain the required approval in terms of the provisions provided for in paragraph 6.1 and inform the car rental company accordingly.

11.1.15 If the traveller extends his / her stay for personal reasons, the charges will be for the traveller's personal account. The car rental company must be informed of the arrangement and the car must be returned. The traveller must enter into a

separate rental agreement for the period of private travel for personal usage.

11.2 Private Vehicles

11.2.1 The boundaries of the Overstrand Municipality shall be used to determine payment for travel outside such boundaries by means of private transport for officials who are in receipt of a fixed transportation allowance, or where such an allowance has been factored into the total cost of employment package of the official concerned. In such cases, only the applicable cost per kilometer will be paid as updated from time to time. Should the destination of the trip be outside the boundaries of the Municipality, the distance for the cost per kilometer will be measured from place of residence or place of work, whichever is the nearest to the place of the approved event.

11.2.2 Employees in receipt of a fixed transportation allowance, travelling on official municipal business within the boundaries of the Overstrand Municipality but outside a radius of 15 km from their normal place of work, will be reimbursed for such travelling at the prevailing AA-Running Cost km tariff, calculated from their normal place of work or residence, which-ever is the nearest to the place of the approved destination.

11.2.3 Those employees who are not in receipt of a travel allowance shall be reimbursed according to the latest prescribed SARS km tariff (currently **[R3.61]** R3.82/km), calculated from their place of work or residence, which-ever is the nearest to the place of the approved destination.

11.2.4 Those employees who are in receipt of an Essential User Transportation Allowance shall be reimbursed in accordance with the applicable Scheme. The travelling distance shall be calculated from their place of work or residence, which-ever is the nearest to the place of the approved destination.

11.2.5 Councillors using private transport outside the boundaries of the Overstrand Municipality will be reimbursed according to the guidelines issued by the relevant National Department as updated from time to time.

11.2.6 A traveller who uses private transport rather than air travel shall be paid the lower of the following two options:

a) Cash equivalent of the avoided air ticket cost, which would have been paid in the event of air travel being the most economical and practical means of transport plus the cost of a hired vehicle to get to the traveller's destination; or

b) Actual cost per kilometer as determined according to the rate applicable to the traveller, on condition that such person may not claim subsistence costs for a longer period than would have been applicable in the case of air travel.

11.2.7 A claim submitted by a councillor or a municipal official, when travelling outside the municipal area of the Overstrand with private transport on official municipal affairs, will be considered for re-imbursement, subject to the following conditions:

a) that the trip is for an approved official event;

b) that no other municipal transport was available to officials not in receipt of a transportation allowance at the time of the travel, as confirmed with the Executive Mayor, relevant Director or Municipal Manager;

c) that the use of private transport is pre-approved by the Mayor, relevant Director or Municipal Manager.

12 SUBSISTENCE ALLOWANCE – Domestic and International

12.1 Domestic Travel

12.1.1 A traveller may claim a daily subsistence allowance as provided for in this policy with the understanding that all authorized personal expenses are covered by the subsistence allowance. No further expenses, with the exception of certain business expenses (see paragraph 13 below), may be claimed.

12.1.2 A daily subsistence allowance will only be applicable where-

a) official business unavoidably entails **one or more nights to be spent away from home**, a subsistence allowance as amended by SARS from time to time (currently R**[452]** 493 per day) will apply in respect of domestic travel; or

b) where the traveller will be on official business for a **period exceeding 8 hours, without being away from home for one or more nights**, an allowance as amended by SARS from time to time (currently R**[139]** 152 per day) will apply in respect of domestic travel;

c) No daily subsistence allowance will be payable to representatives that will be attending courses, training or meetings where lunch will be provided, but without being away from home for one or more nights.

12.1.3 A traveller of the municipality must obtain approval for his or her subsistence allowance, as provided for in this policy, before embarking on any official trip.

12.1.4 No subsistence allowance will be paid, and no traveller will be entitled to a subsistence allowance, if the trip or travel is not related to the official business of the municipality. All travel on business of the municipality must be approved as such before a traveller is entitled to a subsistence allowance.

12.2 International Travel

12.2.1 When traveling in countries other than in South Africa on specially authorised Municipal business, the expenses actually incurred for accommodation and official transport will be payable.

12.2.2 The daily subsistence allowance is to cover all meals, transport for private use and other incidental costs, this subsistence allowance for international travel will be in accordance with SARS Foreign Travel 1.1 List of Daily Maximum amount per Country, as amended by SARS from time to time, available on the SARS website under Legal Counsel / Secondary Legislation / Income Tax Notices as per the relevant year.

12.2.3 No additional claim in respect of such costs will therefore be paid, except for entertainment by full-time Councillors or the Executive Management Team, of official guests, clients, potential clients, investors or potential investors which is to be dealt with as “entertainment allowance” claims.

13 MISCELLANEOUS EXPENSES – Domestic and International

13.1 Items that may be considered for approval, subject to proof of payment being provided, where expenditure is incurred within the boundaries of the Republic of South Africa during a period of absence is as follows:-

13.1.1 Parking fees while travelling;

13.1.2 Toll fees;

13.1.3 Bus / Taxi fares.

13.2 Items that may be considered for approval, where expenditure is incurred outside the boundaries of the Republic of South Africa during a period of absence are as follows:-

13.2.1 Reasonable Laundry costs;

13.2.2 Parking / Bus fares;

13.2.3 Transport costs to and from official meetings;

13.2.4 Visas (for the shortest available period);

13.2.5 Inoculations;

13.2.6 Specialized tours / entries to events related to the travelling;

13.2.7 Copying and printing of relevant documentation.

14 SPONSORED TRIPS – Domestic and International

14.1 A trip shall be regarded as sponsored when the full / partial cost of the trip is borne by an institution other than the Overstrand Municipality. Such sponsored proportion of the total cost of the trip must be declared in the application for the trip.

14.2 Travelling and Subsistence payable by the Overstrand Municipality will be calculated as the difference between the amounts claimable per this policy less the monetary value of the sponsored amounts.

15 TRAVEL INSURANCE

15.1 Travellers, where the necessary travel and special leave forms have been duly authorised by the delegated official, will be insured by the municipality in terms of its current approved policies, practices and standard operating procedures. The insurance shall cover, inter alia, the following:

15.1.1 medical expenses and assistance services;

15.1.2 personal accident, including death and disability, as well as repatriation and evacuation;

15.1.3 luggage;

15.1.4 travel documents; and

15.1.5 personal liability.

15.2 Insurance cover is only for the period that the traveller is away from home or place of work on a trip relating to municipal business.

15.3 Private vehicles and contents thereof will not be covered under this Policy.

15.4 Hired vehicles are automatically covered for both Super Waiver Damage and Theft by the vehicle rental company.

16 GIFTS AND PROMOTIONAL GOODS

16.1 Where appropriate, the traveller may offer gifts to their hosts.

16.2 The gifts in question shall be provided by the municipality, through the appropriate department, in conjunction with the Department of Communication.

16.3 Suitable promotional and marketing products shall be supplied, on request, by the appropriate department of the Municipality in conjunction with the Department of Communication.

16.4 Gifts received by officials are subject to the guidelines as set out on the Gift Policy for Officials.

16.5 Gifts received by Councillors should be declared to the Speaker.

17 DEVIATION

Any deviation from this policy for whatsoever reason must be authorized by the Municipal Manager.

18 TRAVEL AND SUBSISTENCE ALLOWANCE CLAIM FORM

18.1 The official Travel and Subsistence Allowance claim form, as prescribed by the Chief Financial Officer must be used with regard to Travel and Subsistence Allowance applications (NOTE: The relevant Director must authorize the trip in the provided space **PRIOR** to undertaking the trip and approve the payment of the expenses incurred in the provided space **AFTER** the trip).

18.2 All travel and subsistence claims will only be reimbursed after the trip has been undertaken, unless prior approval is obtained from the Municipal Manager to, in highly exceptional circumstances, make a provisional payment in advance.

19 IMPLEMENTATION AND REVIEW PROCESS

This policy will come into effect on **1 July 2022**

This policy will be reviewed at least annually or when required by way of a Council resolution.

20 SHORT TITLE

This policy shall be called the Travel and Subsistence Policy of the Overstrand Municipality.

POLICY SECTION:	**SENIOR MANAGER: EXPENDITURE AND ASSET MANAGEMENT**
CURRENT UPDATE	**31 MAY 2022**
PREVIOUS REVIEW	**26 MAY 2021**
PREVIOUS REVIEW	**27 MAY 2020**
PREVIOUS REVIEW	**29 MAY 2019**
PREVIOUS REVIEW	**30 MAY 2018**
PREVIOUS REVIEW	**31 MAY 2017**
PREVIOUS REVIEW	**25 MAY 2016**
PREVIOUS REVIEW	**28 MAY 2015**
PREVIOUS REVIEW	**28 MAY 2014**
PREVIOUS REVIEW	**29 MAY 2013**
PREVIOUS REVIEW	**30 MAY 2012**
PREVIOUS REVIEW	**04 MAY 2011**
APPROVAL BY COUNCIL	**26 MAY 2010**
APPROVAL BY EXECUTIVE MAYOR:	**10 DEC 2004**

OVERSTRAND MUNICIPALITY



PETTY CASH POLICY

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1. INTRODUCTION

The accounting officer of a municipality is responsible for the management of the expenditure of the municipality in an effective and controlled manner. This includes Petty Cash, which is a small amount of funds that is minor in the form of cash, used for expenditure where it is impractical to obtain prior quotations due to the nature of the goods, monitory value and / or services required.

Therefore the Overstrand Municipality adopts the following Petty Cash Policy.

2. OBJECTIVES OF THE POLICY

Compliance with the regulatory framework in terms of the relevant legislation is required. The objectives of the policy are to ensure that:

a) Goods and / or services are procured by the municipality in accordance with an authorised process only;
b) The municipality has and maintains an effective Petty Cash system of expenditure control;
c) Sufficient Petty Cash is available when required; and
d) The items to be procured are approved Petty Cash items.

3. LEGISLATIVE FRAMEWORK

a) Local Government: Municipal Finance Management Act, No 56 of 2003 (MFMA)
b) Overstrand Municipality Supply Chain Management Policy

4. DEFINITIONS

Accounting Officer: The person appointed by council in terms of section 54A2 of the Local Government: Municipal Systems Act, No 32 of 2000, also known as the Municipal Manager, and defined in terms of section 60 of the MFMA.

Chief Financial Officer: The person designated in terms of section 80(2)(a) of the MFMA and includes any person acting in that position or to whom authority is delegated.

Petty Cash: A relatively small amount of cash kept at hand for making immediate payments for miscellaneous small expenses.

Petty Cash Float: The total sum of Petty Cash which has been granted to a Petty Cash Officer.

Petty Cash Officer: An employee, made responsible for the day-to-day operating of the Petty Cash Float.

Reconciliation: Is the process of comparing information, for example cash spent, compared with the relevant documentation and receipts.

Sub-advances: A relatively small amount of cash made available by the Petty Cash Officer on request to buy miscellaneous small items.

5. RESPONSIBILITY AND ACCOUNTABILITY

The key responsibilities in terms of Section 65 of the MFMA are:

Accounting Officer (Municipal Manager)-

5.1 The Accounting Officer of a municipality is responsible for the management of the expenditure of the municipality.

5.2 The Accounting Officer must for the purpose of paragraph 5.1 take all reasonable steps to ensure:

(a) that the municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds;

(b) that the municipality has and maintains a management, accounting and information system which:
   (i) recognises expenditure when it is incurred;
   (ii) accounts for creditors of the municipality; and
   (iii) accounts for payments made by the municipality;

(c) that the municipality has and maintains a system of internal control in respect of creditors and payments;

(d) that payments by the municipality are made:
   (i) directly to the person to whom it is due unless agreed otherwise for reasons as may be prescribed; and
   (ii) either electronically or by way of non-transferable cheques, provided that cash payments and payments by way of cash cheques may be made for exceptional reasons only, and only up to a prescribed limit;

The Municipal Manager may delegate authority to the Chief Financial Officer.

6. PETTY CASH POLICY

6.1 General Policy

(a) The use of a petty cash float **(a float may not exceed R5 000-00)** is strictly confined to **individual cash purchases of up to a maximum of R200-00.** The Chief Financial Officer may approve petty cash purchases up to R2000;

(b) The petty cash float is only to be used for non-recurring expenditure of an ad-hoc nature with a maximum of 10 sub-advances per Department per month; except in instances with the explicit pre-approval of the Chief Financial Officer.

(c) The expenditure with regard to petty cash purchases **shall not be deliberately split into more than one transaction to avoid the said limit**;

(d) The petty cash float is **not to be used** for any of the following:
   (i) the cashing of cheques;
   (ii) loans to any person whatsoever;
   (iii) payment of personal remuneration to any person whatsoever, whether for fees, salaries, wages, travel allowance as part of remuneration, honorarium or other reason, unless authorized by the Chief Financial Officer;
   (iv) for instalment invoices such as rental of equipment or open orders, even if the amount falls within the specified limit;
   (v) fuel**.**

(e) Other cash floats may also be established for the purpose of providing change for a cash register, or any other purpose approved by the Chief Financial Officer. Use of such floats is restricted to the purpose for which they were established and does not form part of the scope of this policy;

(f) The Accounting Officer, or delegated official, may conduct internal audits to evaluate compliance with this policy, and

(g) Any purchase violating the true meaning of petty cash transactions will be regarded as a deviation from the accepted accounting practices in the use of Petty Cash and shall constitute a serious offence under the Disciplinary Code, unless authorized by the Chief Financial Officer;

6.2 Establishing and Operating a Petty Cash Float

(a) To establish a new petty cash float or increase an existing advance, a written application must be made to the Chief Financial Officer by the relevant Manager of a department.

(b) A request for the establishment of an advance will indicate the position of a senior administrative employee to be held responsible for the control over the petty cash float within the relevant department.

(c) The senior administrative employee mentioned under paragraph 6.2(b) will be responsible for the security and set arrangements in place to ensure safe custody of funds in the office.

(d) The minimal security arrangement that will be acceptable is that the float must be kept in a locked box which will be kept in a locked filing cabinet or safe.

(e) When an advance is approved, the Accountant: Creditors will advise the relevant Department accordingly and request that the senior administrative employee mentioned under paragraph 6.2(b) collect the advance. This establishing/initial advance will be charged to a "Petty Cash Advances – Position/Dept" in the General Ledger and not against any expenditure votes. A register of advances is thus maintained per Ledger Account for the purpose of accounting for all petty cash floats.

6.3 Security of Petty Cash Floats and Documentation

(a) The cash on hand and used petty cash vouchers are to be kept in a locked box for which there must be two keys. One key is to be retained by the petty cash officer (on his / her person) normally responsible for the petty cash and the other to be kept by a senior administrative employee mentioned under paragraph 6.2(b) in a sealed envelope in the office safe or other secure place, to be used only in an emergency.

(b) The locked petty cash box must be kept in a secure place when not in use and must be removed and returned by the responsible staff member only. At no stage must staff other than the responsible administrative / clerical staff member have access to the storage place of the petty cash box.

(c) Under no circumstance are keys to be left in the lock to the petty cash box, cabinet or safe.

(d) If the responsible Petty Cash Officer is either going on leave or is leaving the Municipality's employment, the Petty Cash Officer must perform a reconciliation and compile a Summary Claim Cover Page before possession of Petty Cash can be handed over.

The Summary Claim Cover Page must be signed by both the Petty Cash Officer and the recipient in order to verify that the amount in cash correspond with the balance on the Summary Claim Cover Page.

When the Petty Cash is returned to the Petty Cash official, the same processes must be undertaken.

6.4 Completing a Cash Purchase Claim Form

(a) Petty cash stationery is available from the Expenditure Section (Financial Services). The form consists of two parts:
   (i) Cash Purchase Claim page
   (ii) Cash Purchase Record page
   (iii) Receipt for cash advance (Only when appropriate, refer paragraph on Sub-Advances).

(b) All details entered on the Cash Purchase Claim must appear on the Cash Purchase record page.

(c) The Cash Purchase Claim must be completed as follows:
  (i) description and cost of the goods/services purchased
  (ii) purchaser's name in print and signature
  (iii) correct vote- or unique / short number with an adequate budget to be charged
  (iv) signature of the Officer in Charge of Petty Cash.

(d) Original receipts and other valid documentation as required must be attached as proof of payment with the signature of an appropriate financial delegate on this documentation. The receipt and invoice must be in a formal business format. When a vendor's printed invoice is used as a receipt, the invoice must clearly indicate that it has been paid.

(e) A financial delegate cannot authorise a cash purchase claim where he or she is the purchaser.

6.5 Sub-Advances to Staff Members

(a) If it is necessary to make an initial sub-advance to a staff member, a receipt for cash advance must be completed. The receipt for cash advance form must be completed as follows:
  (i) description and *estimated* cost of the goods/services purchased;
  (ii) purchaser's name in print and signature;
  (iii) correct vote- or unique / short number with an adequate budget to be charged;
  (iv) signature of the Petty Cash Officer.

(b) In order to receive an initial sub-advance, the relevant staff member must submit an approval notice (authorized by a delegated official) to the Petty Cash Officer.

(c) On completion of the purchase the recording-, documentation- and authorization requirements will be as stated in paragraph 6.4.

(d) **All such sub-advances must be accounted for within 24 hours**, by submitting original receipts and other applicable documentation required attached as proof of payment (with the approval signature on the documentation). Where this cannot be achieved, the buyer will be liable to pay back the advance without any delay or if not possible, such advance to be deducted from the individual's salary and of which the individual agrees in writing to the deduction when completing the receipt for cash advance form.

(e) No more than one advance will be made to any one individual at a time.

6.6 Out-of-Pocket Payments

(a) Where a staff member has made a purchase from own funds and seeks reimbursement from the petty cash, supporting documentation must be provided to substantiate the claim which must be submitted within 10 working days from date of incurring the expense.

(b) The responsibility to ensure that the purchase will be in accordance with all the prescriptions of this policy will be the sole responsibility of the purchaser of such item(s).

(c) The recording-, documentation- and authorization requirements will be as stated in paragraph 6.4 above.

6.7 Reimbursement of Petty Cash Floats

(a) A petty cash float is operated on the basis that expenditure from the float is periodically reimbursed. Such reimbursement requires-
  (i) returning the cash level of the petty cash float to its original level, and;
  (ii) charging the expenditure which has been made to the correct expenditure vote.

(b) Accordingly, **at any point of time**, the sum of the cash on hand, i.e. remaining unspent, plus the cash advances for un-finalised purchases, plus the completed cash purchase claim forms, updated on the Summary Cash Purchase Claim form, shall equal the level of the petty cash advanced to a Department.

(c) Completed Cash Purchase Claim forms, with attached cash register slips, etc., must be submitted to the Expenditure Section for reimbursement after the Summary Claim Cover Page and attached documentation have been authorised by a financial delegate.

(d) Reimbursement of claims where supporting documentation as prescribed in this policy is absent / missing, must be declined.

(e) The prescribed Summary Cash Purchase Claim Form as well as other relevant forms attached to it must be completed in full.

(f) The most recently completed Cash Purchase Claim Form must record the reconciliation of the petty cash float. The Accountant: Creditors will decline reimbursement of claims where this is not supplied.

(g) A petty cash float must never be reimbursed with funds derived from any other source whatsoever.

6.8 Shortages and losses

(a) The holder of the Petty Cash float will be held accountable for any shortages and / or losses unless there is physical evidence of breaking in and no act or omission on the part of the relevant official contributed to the loss.

(b) Any shortages in respect of a petty cash float must be reimbursed immediately by the responsible petty cash officer.

(c) Where a petty cash float is stolen the incident must be promptly reported to the Chief Financial Officer in the required format and a case be logged at the South African Police Services.

6.9 Internal Controls

(a) Random surprise Petty Cash counts / audits must be conducted by the relevant Manager / Senior Manager throughout the financial year.

(b) Petty Cash reconciliations to the General Ledger must be reconciled and replenished before 30 June of every year (financial year-end).

6.10 Procedure where a Petty Cash Float is Repaid / Cancelled

When an advance is no longer required, a departmental memorandum must be submitted, signed by the Manager of the relevant Department, to the Accountant: Creditors, with the balance of cash on hand and completed and authorized Cash Purchase Claim forms. The most recently completed Cash Purchase Claim form will record the reconciliation of the petty cash float.

The Cashier must issue a receipt to the person delivering the cash.

7. IMPLEMENTATION AND REVIEW PROCESS

This policy will come into effect on **1 July 2022**

This policy will be reviewed at least annually or when required by way of a Council resolution.

8. SHORT TITLE

This policy shall be called the Petty Cash Policy of the Overstrand Municipality.

POLICY SECTION:	**SENIOR MANAGER: EXPENDITURE AND ASSET MANAGEMENT**
CURRENT UPDATE:	**31 May 2022**
PREVIOUS REVIEW	**26 May 2021**
PREVIOUS REVIEW	**27 May 2020**
PREVIOUS REVIEW	**29 May 2019**
PREVIOUS REVIEW	**30 May 2018**
PREVIOUS REVIEW	**31 May 2017**
PREVIOUS REVIEW	**25 May 2016**
PREVIOUS REVIEW	**28 May 2015**
PREVIOUS REVIEW	**28 May 2014**
PREVIOUS REVIEW	**29 May 2013**
PREVIOUS REVIEW	**30 May 2012**
PREVIOUS REVIEW	**04 May 2011**
APPROVAL BY COUNCIL:	**26 May 2010**

OVERSTRAND MUNICIPALITY



PAYDAY POLICY

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1. PURPOSE

The purpose of the policy is to regulate the date on which Councillors and Employees of the Overstrand Municipality will receive their remuneration and / or allowances.

2. OBJECTIVES OF THE POLICY

The objectives of this Policy are to:-

a) Establish a consistent payment routine for the payment of remuneration and / or allowances; and
b) Provide information as to when remuneration and / or allowances will be paid.

3. DEFINITIONS

For the purpose of this policy, except where clearly indicated otherwise, the words and expressions set out below have the following meaning:

"Councillor"	A member of the Overstrand Municipal Council.
"Permanent Employee"	An official or worker appointed with paid leave and other entitlements / benefits in a position with unlimited duration.
"Contractual Employee"	A worker appointed on a fixed duration full-time or part-time basis for a period exceeding twelve (12) months to undertake and complete a specific task.
"Temporary Employee"	A worker appointed on a full-time or part-time basis for a maximum period not exceeding twelve (12) months to undertake and complete a specific task.
"Seasonal Employee"	A worker who is employed to work on a cyclical basis for a full season not exceeding a continuous period of six (6) months.

4 [3]. LEGISLATIVE FRAMEWORK

This Policy must be read in conjunction with the:-

a) Remuneration of Public Office Bearers Act (Act 20 of 1998, as amended);
b) Basic Conditions of Employment Act (Act 75 of 1997, as amended); and
c) Organisational Rights Collective Agreement (as amended)

5 [4]. SCOPE OF THE POLICY

This Policy applies to all:-

a) Councillors;
b) Permanent employees;
c) Contractual employees;
d) Temporary employees; and
e) Seasonal workers.

6 [5]. POLICY PRINCIPLES

6.1 Councillors and Permanent employees

a) For newly elected Councillors and newly appointed permanent employees, payday for the first month will be on the last working day of the month;

b) Thereafter, payday will be on the 25th day of each month, or the last working day before the 25th should the 25th day of the month fall on a:-
- Saturday;
- Sunday
- Monday;
- Public Holiday; or
- Day after a public holiday.

c) For the month of December in every year, payday will be three (3) working days before the 25th, with the exception of circumstances as set out in paragraphs 5.1(a), 5.1(b) and 5.1(d).

d) For outgoing Councillors and resigning / dismissed / retiring permanent employees, payday for the last month will be on the last working day of the month, but no later than 7 working days after the last day on which work was performed if not exiting on the last working day.

e) For employees who are on unauthorised / unpaid leave, and do not have sufficient annual leave days available to cover the period between payday and actual end of the month, payday will fall on the last working day of the month. This aims to eliminate the risk these employees pose for owing council money, should they not return to work for the duration of the month.

f) For any amount of money owed to Council in respect of (e) above, or any other irrecoverable salary related amount of money, a report will be submitted to the Municipal Public Accounts Committee (MPAC) for consideration in terms of the regulations on Fruitless and Wasteful Expenditure.

6.2 Contractual employees

Payday for Contractual employees will be **[on the last working day of every month]** aligned to payment dates of Permanent Employees, but no later than 7 working days after the last day on which work was performed. Employment contracts and attendance registers must be aligned accordingly.

6.3 Temporary employees and Seasonal workers

Temporary employees and Seasonal Workers will, as far as possible, be paid on a weekly, fortnightly or monthly basis, as specified in their appointment letters, within 7 working days after the last day on which work was performed as per their approved timesheets.

6.4 Payment of additional allowances

6.4.1 Travel & Subsistence allowances will be paid with the next salary run, provided it was submitted to the salary office before the relevant

deadline. Requests may be submitted to the salary office to pay these claims together with the weekly wage payment, but after the expenses was incurred (as stipulated in Section 18.2 of the approved travel & Subsistence policy).

6.4.2 **Long Service allowances** will be paid with the salary run of the month in which the employee qualifies for this allowance, provided it was submitted to the salary office before the relevant deadline. Requests may be submitted to pay these claims together with the weekly wage payment, given that this payment date is after the qualifying date.

6.4.3 **Acting / relief allowances** will be paid with the salary run of the month after the acting / relief was performed.

7 [6]. IMPLEMENTATION AND REVIEW PROCESS

This policy will come into effect on **1 July 2022**;

This policy will be reviewed at least annually or when required by way of a Council resolution.

8 [7]. SHORT TITLE

This policy shall be called the Payday Policy of the Overstrand Municipality.

POLICY SECTION:	**SENIOR MANAGER: EXPENDITURE AND ASSET MANAGEMENT**
CURRENT UPDATE:	**31 MAY 2022**
PREVIOUS REVIEW	**26 MAY 2021**
PREVIOUS REVIEW	**27 MAY 2020**
PREVIOUS REVIEW	**29 MAY 2019**
PREVIOUS REVIEW	**30 MAY 2018**
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PREVIOUS REVIEW	**25 MAY 2016**
PREVIOUS REVIEW	**28 MAY 2015**
PREVIOUS REVIEW	**28 MAY 2014**
APPROVAL BY COUNCIL:	**28 November 2000 (Resolution)**

OVERSTRAND
MUNICIPALITY



SUPPLY CHAIN
MANAGEMENT POLICY

OVERSTRAND

MUNICIPALITY



PART A

SUPPLY CHAIN MANAGEMENT POLICY,

adopted in terms of section 111 of the

LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, NO. 56 OF 2003

and the

MUNICIPAL SUPPLY CHAIN MANAGEMENT REGULATIONS, NOTICE 868 OF 30 MAY 2005

This Policy consists of two[three] parts:

Part A is the Supply Chain Management Policy, adopted in terms of section 111 of the Local Government: Municipal Finance Management Act, No. 56 of 2003 and the Municipal Supply Chain Management Regulations, Notice 868 of 30 May 2005;

[Part B is the Supply Chain Management Policy adapted for the Standard for Infrastructure Procurement and Delivery Management; and]

Part B [C] is the Preferential Procurement Policy, adopted in terms of section 2 of the Preferential Procurement Policy Framework Act, No. 5 of 2000 and the Preferential Procurement Regulations, 2017.

PART A

MUNICIPAL SUPPLY CHAIN MANAGEMENT POLICY

LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003

The Council of the Overstrand Municipality resolved on 25 June 2008 in terms of Section 111 of the Local Government: Municipal Finance Management Act (no. 56 of 2003) to adopt the following as the Supply Chain Management Policy of the municipality.

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POLICY STATEMENT AND OBJECTIVES

1 Section 111 of the Local Government: Municipal Finance Management Act, 56 (MFMA) requires each municipality and municipal entity to adopt and implement a Supply chain Management Policy, which give effect to the requirements of the Act.

2 In addition, the Preferential Procurement Policy Framework Act requires an Organ of State to determine its Preferential Procurement Policy and to implement it within the framework prescribed.

3 The objectives of this Policy are:

1) to give effects to section 217 of the Constitution of the Republic of South Africa by implementing a system that is fair, equitable, transparent, competitive and cost effective;

2) to comply with applicable provisions of the Municipal Finance Management Act including Municipal Supply Chain Management Regulations published under GN868 in Government Gazette 27636, 30 May 2005 and any National Treasury Guidelines issued in terms of the MFMA and regulations pertaining thereto; and

3) to acknowledge the provisions of:

a) the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);

b) The Competitions Act 1998 (Act No. 89 of 1998)

c) the Construction Industry Development Board Act, 2000 (Act No.38 of 2000);

d) the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

e) the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);

f) the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000);

g) the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);

h) the Prevention and Combating of Corrupt Activities Act, 2000 (Act No. 12 of 2004);

i) the Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000)

1 Definitions

In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) has the same meaning as in the Act, and –

"Accounting Officer"	means a person appointed by the Municipality in terms of Section 82 of the Local Government: Municipal Structures Act. 1998 (Act No. 117 of 1998) and who is the head of administration and also the Municipal Manager for the Municipality.
"Act" or "MFMA"	means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);
"Budget Holder"	Means the person/s accountable for expenditure from, and income to a particular budget. Each budget holder is responsible for the control of his/her budget and for the general financial administration of his/her area of responsibility. The Budget Holder is responsible to authorise expenditure from their budget up to a total of their budget allocation
"business day"	means any day of the week except Saturday, Sunday and public holidays as determined in the Public Holidays Act, 1994 (Act No. 36 of 1994)
"Capital Asset"	means a) any immovable asset such as land, property or buildings; or b) any movable asset that can be used continuously or repeatedly for more than one year in the production or supply of goods or services, for rental to others or for administrative purposes, and from which future economic benefit can be derived, such as plant, machinery and equipment.
"CFO"	means Chief Financial Officer of the Municipality or Director of Finance in this instance;
"CIDB"	means Construction Industry Development Board
"close family member"	a person's spouse, whether in a marriage or in a customary union according to indigenous law, domestic partner in a civil union, or child, parent, brother, sister, whether such a relationship results from birth, marriage or adoption
"closing date"	means the time and day specified in the bid documents and/or advertisement of the receipt of bids.
"competitive bidding process"	means a competitive bidding process referred to in **[clause]** paragraph 12(1)(e) of this Policy;
"competitive bid"	means a bid in terms of a competitive bidding process;
"Construction Works"	means any work in connection with: c) the erection, maintenance, alteration, renovation, repair, demolition or dismantling of or addition to a building or any similar structure; d) the installation, erection, dismantling or maintenance of a fixed plant; e) the construction, maintenance, demolition or dismantling of any bridge, dam, canal, road, railway, sewer or water reticulation system or any similar civil engineering structure; or *f)* the moving of earth, clearing of land, the making of an excavation, piling or any similar type of work.
"Consultant"	means a person or entity providing services requiring knowledge based expertise
"contract"	means the agreement that results from the acceptance of a bid by the Municipality;
"Contract Owner"	means the deputy 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.
"day(s)"	Means calendar days unless the context indicates otherwise;
"delegation"	in relation to a duty, includes an instruction a request to perform, or to assist in performing the duty.
"director"	means a manager referred to in section 56 of the Municipal Systems Act.
"emergency"	an emergency is an unforeseeable and sudden event with harmful or potentially harmful consequences for the municipality which requires urgent action to address.
"emerging enterprise"	means an enterprise which is owned, managed and controlled by previously disadvantaged persons and which is overcoming business impediments arising from the legacy of apartheid.
"essential community services"	means (in Local Government context) as published in Government Gazette numbers 18043 of 6 June 1997; Government Gazette number 18276 of 12 September 1997; Government Gazette number 18439 of 21 November 1997; Government Gazette number 18761 of 27 March 1998; Government Gazette number 22670 of 21 September 2001; Government Gazette number 27104 of 24 December 2004; Government Gazette number 28076 of 28 July 2006; Government Gazette number 29987 of 22 June 2007; Government Gazette number 30805 of 29 February 2008: I. Municipal traffic services and policing. II. Municipal health

	III. Municipal security. IV. Supply and distribution of water. VI. Generation, transmission and distribution of power. VII. Fire- fighting. XXVI. The following parts of sanitation services: a) Maintenance and operation of water borne sewerage systems, including pumping stations and the control of discharge of industrial effluent into the system; b) Maintenance and operation of sewerage purification works; c) Collection of refuse of an organic nature; d) Collection of infectious refuse from medical and veterinary hospitals or practices; e) Collection and disposal of refuse at a disposal site; f) Collection of refuse left uncollected for fourteen (14) days or longer, including domestic refuse and refuse on public roads and open spaces.
"final award"	in relation to bids or quotations submitted for a contract, means the final decision on which a bid or quote is accepted;
"financial interest"	means where a municipal staff member is a close family member of a person who is the owner, partner, principal shareholder or member, manager or who serves on the board of directors, etc of a tendering enterprise;
"financial year"	means a twelve-month period ending 30 June of every year.
"formal written price quotation"	means quotations referred to in **[clause]** paragraph 12(1)(d) of this Policy;
"Granting of Rights"	means the granting by the Overstrand Municipality of the right to use, control or manage capital assets in circumstances where sections 14 and 90 of the MFMA and Chapters 2 and 3 of the Municipal Asset Transfer Regulations do not apply. In other words, where the granting of such rights does not amount to "transfer" or "disposal" of the asset and which includes leasing, letting, hiring out, etc., of the capital asset.
"Head: Supply Chain Management"	Any post in the approved organisational structure to whom the entire SCM Unit reports to functionally
"IDP"	means Integrated Development Plan;
"in the service of the state"	means to be – a member of – a) any municipal council; b) any provincial legislature; or c) the National Assembly or the National Council of Provinces; d) a member of the board of directors of any municipal entity; e) an executive member of the accounting authority of any national or provincial public entity; or f) an official of any national or provincial department, national or provincial public entity or institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999); g) a member of the accounting authority of any national or provincial public entity; or *h)* an employee of Parliament or a provincial legislature;
"long term contract"	means a contract with a duration period exceeding one year;
"list of accredited prospective providers"	means the list of accredited prospective providers which the Overstrand Municipality must keep in terms of **[clause]** paragraph 14 of this policy;
"municipality"	means the Overstrand Municipality;
"notice boards"	means the official notice boards at the municipal offices and libraries;
"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); c) the Construction Industry Development Board Act, 2000 (Act No.38 of 2000); d) the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003); e) the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000); f) the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998); g) the Prevention and Combating of Corrupt Activities Act, 2000 (Act No. 12 of 2004); h) the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003): Municipal Supply Chain Management Regulations; i) the Preferential Procurement Regulations The Competitions Act 1998 (Act No. 89 of 1998), 2017
"Policy"	means the Supply Chain Management Policy of the Overstrand Municipality;
"quotation"	means a stated price that a supplier expects to receive for the provision of specified services, works or goods;

"Regulations"	means the Local Government: Municipal Finance Management Act, 2003, Municipal Supply Chain Management Regulations published by Government Notice 868 of 30 May 2005;
"SDBIP"	means Service Delivery and Budget Implementation Plan;
"single provider"	Sole supplier - One and Only (Alone of its kind) Supplier (Oxford Dictionary). If such goods or services are produced or available from a single provider only. There is no competition and only one provider exists in South Africa (for example, sole distribution rights);
"small business"	means a separate and distinct business entity, including cooperative enterprises and non-governmental organisations, managed by one owner or more which, including its branches or subsidiaries, if any, is predominantly carried on in any sector or sub-sector of the economy mentioned in column I of the Small Business Classification Schedule, and which can be classified as a micro-, a very small, a small or a medium enterprise by satisfying the criteria mentioned in columns 3,4 and 5 of the Schedule opposite the smallest relevant size or class as mentioned in column 2 of the Schedule.
"supply chain management practitioners"	includes the Chief Financial Officer and the Head: Supply Chain Management;
"survivalist enterprise"	means a business set up by people unable to find a paid job or get into an economic sector of their choice. Income generated from these activities usually falls far short of even a minimum income standard, with little capital invested, virtually no skills training in the particular field and only limited opportunities for growth into a viable business. This category is characterised by poverty and the attempt to survive.
"tender"	means a 'bid' or a 'quotation' in relation to a "Tender Box";
"tender box"	means the specified tender box at the offices of Overstrand Municipality, Magnolia Avenue, Hermanus.
"Treasury guidelines"	means any guidelines on supply chain management issued by the Minister in terms of section 168 of the Act
"validity period"	means the period for which a bid is to remain valid and binding as stipulated in the relevant tender document.
"written or verbal quotations"	means quotations referred to in **[clause]** paragraph 12(1)(b) & (c) of this Policy.
Reckoning of number of days: When any particular number of days is prescribed for the doing of any act, or for any other purpose, the same shall be reckoned exclusively of the first and inclusively of the last day, unless the last day happens to fall on a Sunday or on any public holiday, in which case the time shall be reckoned exclusively of the first day and exclusively of every such Sunday and public holiday.	
Words importing the singular shall include the plural and vice versa and words importing the masculine gender shall include females and words importing persons shall include companies, closed corporations and firms, unless the context clearly indicates otherwise.	
All amounts / limits stated in this document shall be deemed to be inclusive of Value Added Tax (VAT).	

CHAPTER 1: IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

2 Supply Chain Management Policy

1) All officials and other role players in the Supply Chain Management system of the 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;
      (iii) Regulations pertaining to Supply Chain Management.
   b) is fair, equitable, transparent, competitive, cost effective. and complies with –
      (i) the Regulations; and
      (ii) any minimum norms and standards that may be prescribed in terms of section 168 of the Act;
   c) is consistent with other applicable legislation;
   d) does not undermine the objective for uniformity in Supply Chain Management Systems between organs of state in all spheres; and
   e) is consistent with national economic policy concerning the promotion of investments and doing business with the public sector.
2) This Policy applies when the Municipality –
   a) procures goods or services;
   b) disposes of goods no longer needed;

c) selects contractors to provide assistance in the provision of municipal services including circumstances where Chapter 8 of the Municipal Systems Act applies.

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 the Act.

3) This Policy, except where provided otherwise, does not apply in respect of:

a) the procurement of goods and services contemplated in section 110(2) of the Act, including –

(i) water from the Department of Water Affairs or a public entity, another municipality or a municipal entity;

(ii) electricity from Eskom or another public entity, another municipality or a municipal entity; and

(iii) or any other such entities.

3 Adoption, Amendment and Implementation of the Supply Chain Management Policy

1) The Accounting Officer must –

a) at least annually review the implementation of this Policy; and

b) when the Accounting Officer considers it necessary, submit proposals for the amendment of this Policy to Council.

2) If the Accounting Officer submits proposed amendments to Council that differs from the model policy issued by the National Treasury, the Accounting Officer must –

a) ensure that such proposed amendments comply with the Regulations; and

b) report any deviation from the model policy to the National Treasury and the Provincial Treasury.

3) When amending this supply chain management policy the need 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) The Accounting Officer must in terms of section 62(1)(f)(iv) of the Act, take all reasonable steps to ensure that the municipality implements the supply chain management policy.

4 Delegation of supply chain management powers and duties

1) 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) Section 79 of the Act applies to the sub delegation of powers and duties delegated to the Accounting Officer in terms of sub-paragraph (1).

3) The Accounting Officer may not sub-delegate any supply chain management powers or duties to a person who is not an official of the Municipality or to a committee which is not exclusively composed of officials of the Municipality.

4) This paragraph 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 paragraph 26 of this Policy.

5 Sub-delegations

1) The Accounting Officer may in terms of section 79 of the Act 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-paragraph (2) of this paragraph and paragraph 4 of this Policy.

2) The power to make a final award –

   a) above R10 million (Incl. VAT), may not be sub-delegated by the Accounting Officer;

   b) above R200,000 (Incl. VAT), but not exceeding R10 million (Incl. VAT) may be sub-delegated, but only to a bid adjudication committee of which the Chief Financial Officer is the chairperson and directors are members;

   c) below R200,000 (Incl. VAT) may be sub-delegated as per Council's delegations, attached as Annexure A, pertaining to the procurement of goods and services.

3) An official or bid adjudication committee to which the power to make final awards has been sub-delegated in accordance with sub-paragraph (2) must within three (3) business days of the end of each month submit to the official referred to in sub-paragraph (4) a written report containing particulars of each final award made by such official or committee during that month, including–

   a) contract numbers and description of goods, services or infrastructure projects;

   b) the name of the person to whom the award was made;

   c) the B-BBEE level of contribution claimed;

   d) the amount of the award; and

   e) the reason why the award was made to that person.

4) A written report referred to in sub-paragraph (3) must be submitted to the Accounting Officer, in the case of an award by a bid adjudication committee of which the Chief Financial Officer and directors are members.

   a) The awards scheduled must be published on Council's website in terms of Section 75(g) of the Act).

5) Sub-paragraphs (3) and (4) of this policy do not apply to procurement out of petty cash or written quotations below R2,000 (Incl. VAT).

6) This paragraph 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 paragraph 26 of this Policy. Also refer to paragraph 4(4) and 5(2)(a) of this Policy.

7) No supply chain management decision-making powers may be delegated to an advisor or consultant.

6 Oversight role of council

1) Council must maintain oversight over the implementation of this Policy.

2) For the purposes of such oversight the Accounting Officer must –

   a) within 22 business 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 six (6) business days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the mayor of the municipality.

4) The reports must be made public in accordance with section 21A of the Local Government Municipal Systems Act 32, 2002.

7 Supply Chain Management Unit

1) The Overstrand Municipality has established a Supply Chain Management Unit to implement this Policy.

2) The Chief Financial Officer is administratively in charge of the supply chain management unit which operates under the direct supervision of the Head: Supply Chain Management, to whom this duty has been sub-delegated in terms of Section 82 of the Act.

8 Training of Supply Chain Management officials

The training of officials involved in implementing this Policy should be in accordance with relevant legislation, including Treasury guidelines on supply chain management.

CHAPTER 2: SUPPLY CHAIN MANAGEMENT SYSTEM

9 Format of Supply Chain Management system

1) This Policy provides systems for –
   a) demand management;
   b) acquisition management;
   c) logistics management;
   d) disposal management;
   e) risk management; and
   f) performance management.

Part 1: DEMAND MANAGEMENT

10 System of Demand Management

1) The Accounting Officer must establish and implement an appropriate demand management system 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, the Budget and the Service Delivery and Budget Implementation Plan.
2) The Demand Management Plan must be developed in conjunction with the IDP, Service Delivery and Budget Implementation Plan (SDBIP) and annual budget.
3) All user departments are required to submit their procurement plans to the Supply Chain Management Unit by 31 December in terms of the IDP and Budget processes.
4) The Demand Management Plan must be submitted to and approved by the Accounting Officer or his or her delegate before 30 June of each year.
5) The Demand Management Plan must be reviewed regularly and submitted to the Accounting Officer or his delegate on a monthly basis.
6) Demand management must be co-ordinated by SCM officials of the Municipality in consultation with budget holders.
7) The outcome of this activity should be a detailed planning document that outlines what goods, works or services should be procured, the manner in which they should be procured as well as the timelines to execute the procurement functions.

Part 2: ACQUISITION MANAGEMENT

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 authorised 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) that the threshold values for the different procurement processes are complied with;
   d) that bid documentation, evaluation and adjudication criteria, and general conditions of a contract, are in accordance with any applicable legislation; and
   e) that any Treasury guidelines on acquisition management are properly taken into account.

2) When procuring goods or services contemplated in section 110(2) of the Act, the Accounting Officer must, subject to paragraph 2(3), make public the fact that such goods or services are procured otherwise than through the Municipality's supply chain management system, including -

   a) the kind of goods or services; and

   b) the name of the supplier.

12 Range of procurement processes

1) Goods and services may only be procured by way of –

   a) petty cash purchases in terms of Council's Petty Cash Policy for procurement transactions with a value up to R2 000 (Incl. VAT);

   b) one written or verbal quotation for procurement transactions with a value up to R2 000 (Incl. VAT);

   c) three written quotations for procurement transactions with a value over R2 000 (Incl. VAT) up to R10 000 (Incl. VAT) ;

   d) formal written price quotations for procurement transactions valued over R10 000 (Incl. VAT) up to R200 000 (Incl. VAT) ; and

   e) a competitive bidding process for –

      (i) procurement transactions with a value above R200 000 (Incl. VAT); and

      (ii) the procurement of long-term contracts.

2) The Accounting Officer may, in writing -

   a) lower, but not increase, the different threshold values specified in sub-paragraph (1); or

   b) direct that –

      (i) written or verbal quotations be obtained for any specific procurement of a transaction value lower than R2 000 (Incl. VAT);

      (ii) formal written price quotations be obtained for any specific procurement of a transaction value lower than R30 000 (Incl. VAT); or

      (iii) a competitive bidding process be followed for any specific procurement of a transaction value lower than R200 000 (Incl. VAT).

3) 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 that provider's –

      (i) full name;

      (ii) identification number or company or other registration number; and

      (iii) tax reference number and VAT registration number, if any;

   b) has authorised the Municipality to verify any of the documentation referred to in sub-paragraph (a) above; and

   c) has indicated –

      (i) whether he or she is in the service of the state, or has been in the service of the state in the previous twelve months;

      (ii) if the provider is not a natural person, whether any of its directors, managers, principal shareholder or stakeholders are in the service of the state, or has been in the service of the state in the previous twelve months; or

(iii) whether a spouse, child or parent of the provider or of a director, manager, shareholder or stakeholder referred to in sub-paragraph (ii) is in the service of the state or has been in the service of the state in the previous twelve months.

14 Lists of accredited prospective providers

1) The Accounting Officer must –
   a) keep a list of accredited prospective providers of goods and services that must be used for the procurement requirements through written or verbal quotations and formal written price quotations; and
   b) at least once a year through newspapers commonly circulating locally, the website and any other appropriate ways, invite prospective providers of goods or services to apply for evaluation and listing as accredited prospective providers; and
   c) The listing criteria for prospective suppliers are:
      (i) Name of supplier / service provider;
      (ii) Street and postal address;
      (iii) Contact person for quotations/enquiries;
      (iv) Contact numbers for quotations / enquiries;
      (v) Contact details for quotations/enquiries
      (vi) VAT registration yes/no;
      (vii) VAT registration number;
      (viii) Banking details in the name of the entity;
      (ix) Type of industry;
      (x) Valid certification for specialised services;
      (xi) Valid tax clearance certificate or pin;
      (xii) CIDB registration if applicable;
      (xiii) Valid certification in respect of Exempted Micro Enterprises or
      (xiv) B-BBEE Status Level of Contributor.
      (xv) Relevant identification numbers and certified copies of identity documents of all members, directors and partners.
   d) Disallow the listing of any prospective provider whose name appears on the National Treasury's database as a person prohibited from doing business with the public sector.
2) The list must be updated at least quarterly to include any additional prospective providers and any new commodities or types of services. Prospective providers must be allowed to submit applications for listing at any time.
3) The list must be compiled per commodity and per type of service.

15 Written or verbal quotations below R2,000 (Incl. VAT)

1) The conditions for the procurement of goods by means of written quotations referred to in paragraph 12(1)(b) of this Policy for minor items that are purchased for up to R2,000 (Incl. VAT), are as follows: -.
   a) written quotations for transactions must be obtained from at least one prospective supplier or service provider preferably from, but not limited to, suppliers or service providers whose names appear on the list of accredited prospective providers of the Municipality provided that if quotations are obtained from providers who are not listed, such providers must meet the listing criteria set out in paragraph 14(1)(b), (c) and (d) of this Policy;
   b) if a quotation was submitted verbally, the order may be placed only against written confirmation by the selected provider.

16 Written quotations above R2,000 (Incl. VAT)

1) The conditions for the procurement of goods or services through written quotations for amounts above R2,000 (Incl. VAT) up to R10,000 (Incl. VAT) are as follows:

a) quotations must be obtained from at least three different providers preferably from, but not limited to, providers whose names appear on the list of accredited prospective providers of the Municipality provided that if quotations are obtained from providers who are not listed, such providers must meet the listing criteria set out in paragraph 14(1)(b), (c) and (d) of this Policy;

b) if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the Chief Financial Officer or an official designated by the Chief Financial Officer and reported quarterly to the Accounting Officer or another official designated by the Accounting Officer; and

c) the Accounting Officer must record the names of the potential providers requested to provide such quotations with their quoted prices.

17 Formal written price quotations

1) The conditions for the procurement of goods or services through formal written price quotations for amounts above R10,000 (Incl. VAT) up to R200,000 (Incl. VAT) are as follows:

   a) quotations must be obtained in writing from at least three different providers whose names appear on the list of accredited prospective providers of the Municipality;

   b) quotations may be obtained from providers who are not listed, provided that such providers meet the listing criteria set out in paragraph 14(1)(c) and (d) of this Policy;

   c) if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the Chief Financial Officer or an official designated by the Chief Financial Officer; and

   d) the Accounting Officer must record the names of the potential providers and their written quotations.

2) A designated official referred to in paragraph 16(1)(b) and sub-paragraph (1)(c) must by the 3rd of each month report to the Chief Financial Officer on any approvals given during the preceding month by that official in terms of that sub-delegation.

18 Procedures for procuring goods or services through written quotations and formal written price quotations

1) The procedure for the procurement of goods or services through written quotations or formal written price quotations is as follows:

   a) when using the list of accredited prospective 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 (Incl. VAT) that are to be procured by means of formal written price quotations must, in addition to the requirements of paragraph 17, be advertised for at least five business days on the website and an official notice board of the Municipality;

   c) quotations received must be evaluated on a comparative basis taking into account unconditional discounts;

   d) the Accounting Officer or Chief Financial Officer must on a monthly basis be notified in writing of all written or verbal quotations and formal written price quotations accepted by an official acting in terms of a sub-delegation;

   e) quotations must be awarded based on compliance to specifications, conditions of contract, ability and capability to deliver the goods and services and lowest price for quotations up to R30 000 (Incl. VAT) and the preference points system will apply for all quotations in excess of R30 000 (Incl. VAT);

   f) the Chief Financial Officer must set requirements for proper record keeping of all formal written price quotations accepted on behalf of the municipality;

19 Competitive bids

1) Goods or services above a transaction value of R200 000 (Incl. VAT) and long term contracts may only be procured through a competitive bidding process, subject to paragraph 11(2) of this Policy.

2) No requirement for goods or services above an estimated transaction value of R200,000 (Incl. VAT), 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.

20 Process for competitive bidding

1) The procedures for the following stages of a competitive bidding process are as follows:
   a) Compilation of bidding documentation is detailed in paragraph 21;
   b) Public invitation of bids is detailed in paragraph 22;
   c) Site meetings or briefing sessions are detailed in paragraph 22;
   d) Handling of bids submitted in response to public invitation is detailed in paragraph 23;
   e) Evaluation of bids is detailed in paragraph 28;
   f) Award of contracts is detailed in paragraph 29;
   g) Administration of contracts is detailed in paragraph 6 of Council's Contract management Policy
   h) Proper record keeping: Original and legal copies of all tender documentation must be kept in a secure place for reference purposes.

21 Bid documentation for competitive bids

1) The criteria to which bid documentation for a competitive bidding process must comply, 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 (CIDB), in the case of a bid relating to construction, upgrading, refurbishment of buildings or infrastructure.
   b) include the preference points system to be used as contemplated in the Preferential Procurement Regulations, 2017, 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 (Incl. VAT) –
      (i) if the bidder is required by law to prepare annual financial statements for auditing, its audited annual financial statements –
         (a) for the past three years; or
         (b) since its establishment if established during the past three years;
      (ii) certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services towards a Municipality or other service provider in respect of which payment is overdue for more than 30 calendar days;
      (iii) particulars of any contracts awarded to the bidder by the municipality during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract;
      (iv) 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;
2) A fee shall be raised for bid forms, plans, specifications, samples and any other bid documentation, depending on the nature, magnitude and value of technical information or samples provided by the municipality for tenders in excess of R200 000 (Incl. VAT).

22 Public invitation for competitive bids

1) The procedure for the invitation of competitive bids is as follows:
   a) Any invitation to prospective providers to submit bids must be by means of a public advertisement:

(i) in newspapers commonly circulating locally,

(ii) on the notice boards at selected offices of the Municipality,

(iii) on the website of the Municipality,

(iv) on the e-Tender Publication Portal of the National Treasury

(v) on the i-Tender website of the CIDB for construction procurement related transactions or

(vi) any other appropriate ways (which may include an advertisement in the Government Tender Bulletin).

b) The information contained in a public advertisement, must include –

(i) the closure date for the submission of bids, which may not be less than 22 business days in the case of transactions over R10 million (Incl. VAT), or which are of a long term nature (in excess of three years), or 10 business days in any other case, from the date on which the advertisement is placed in a newspaper, subject to sub-paragraph (2) of this policy;

(ii) a statement that bids may only be submitted on the bid documentation provided by the Municipality;

(iii) a statement that bids will only be considered if it was deposited into the bid box indicated in the bid invitation;

(iv) date, time and venue of any proposed site meetings or briefing sessions, provided that site meetings / information sessions may not be scheduled within 5 business days of the date on which a bid advertisement is placed; and

(v) the required CIDB contractor category and grading designation for construction procurement.

(vi) that only locally produced goods, works or services or locally manufactured goods with a stipulated minimum threshold for local production and content will be considered for sectors designated by the Department of Trade and Industry.

2) The Accounting Officer may determine a closure date for the submission of bids which is less than the required 22 or 10 business days, 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.

3) The notice shall further state that all bids for the contract must be submitted in a sealed envelope on which it is clearly stated that such envelope contains a bid and the contract title and contract or bid reference number for which the bid is being submitted.

4) The period for which bids are to remain valid, irrevocable and open for acceptance must be indicated in the bid documents and must not exceed 180 days.

5) The validity period of a bid may be extended by the accounting officer, or his/her delegate, prior to the expiry of the validity period indicated in the bid document.

6) Communication with bidders before the closing date:

a) The budget holder must approach the Bid Specification Committee, if necessary, to consider authorisation in writing, of communication with bidders prior to bids closing.

b) The Municipality is entitled to amend any bid condition, validity period, specification or plan, or extend the closing date of such a bid or quotation before the closing date, provided that such amendments or extensions are advertised and/or where possible, that all bidders to whom bid documents have been issued, are advised in writing per e-mail or by fax of such amendments or of the extension clearly reflecting the new closing date and time. For this reason, officials and authorised service providers issuing bids shall keep a record of the names, addresses and contact numbers of the persons or enterprises to whom bid documents have been issued.

c) All amendments must be approved by the Accounting Officer or the relevant delegated director prior to the closing date of the bid invitation. The communication of the minutes of site meetings is not subject to this requirement.

23 Procedure for handling, opening and recording of bids

1) The procedures for the handling, opening and recording of bids, are as follows:

a) Bids–

(i) must be opened only in public;

(ii) must be opened on the same date and as soon as possible after the period for the submission of bids has expired; and

b) Any bidder or member of the public has the right to request that the names of the bidders who submitted bids in time must be read out and, if practical, also each bidder's total bidding price;

c) No information, except the provisions in sub-paragraph (b), relating to the bid should be disclosed to bidders or other persons until the successful bidder is notified of the award; and

d) The Accounting Officer must –

(i) record in a register all bids received in time;

(ii) make the register available for public inspection; and

(iii) publish the entries in the register and the bid results on the website.

2) Stamping of bids and reading out of names:

a) As each bid is opened the name of the bidder and the amount – if practical – shall be read out.

b) An official shall date-stamp the bid or quotation and all enclosures related to prices, delivery periods and special conditions.

c) Bids and quotations shall be numbered in the sequence in which they have been opened and the words "and last" shall be endorsed on the last bid or quotation.

d) In instances where only one bid has been received the words "and only" shall be endorsed on such bid.

e) Where prices have not been inserted in all relevant spaces on the form and such items have not been deleted by bidders, such spaces shall be stamped "no price" by the employee who opens the bids or quotations.

f) A bid will not be invalidated if the amount in words and the amount in figures do not correspond, where there is a discrepancy, the amount in words shall be read out at the bid opening and shall be deemed to be the bid amount.

3) Late Bids

a) Bids or quotations arriving after the specified closing time shall not be considered and where practicable and cost effective shall be returned to the bidder unopened with a letter explaining the circumstances.

b) Where it is necessary to open a late bid or quotation to obtain the name and address of the sender, each page of the document shall be stamped "late bid" before the bid is returned to the bidder. The envelope must be stamped and initialled in like manner and must be retained for record purposes.

4) Dealing with bids and quotations if the closing date thereof has been extended.

a) Where the closing date of a bid or quotation is extended, bids or quotations already received, will be retained unopened in the bidding box and be duly considered after the expiry of the extended period, unless the bidder cancels it by submitting a later dated bid or quotation before the extended closing date.

24 Negotiations with preferred bidders and communication with prospective providers and bidders

1) The Accounting Officer may negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provided 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;

d) does not lead to a lower price in respect of sale of land / goods.

2) Minutes of such negotiations must be kept for record purposes and as far as practical be made part of the final contract.

3) No unauthorised communication with bidders and prospective providers:

a) where bids and quotations have been submitted to the municipality, a bidder may not communicate with any councillor, official, or authorised service provider on any matter regarding his bid, quotation or offer other than a notice of withdrawal.

b) No municipal personnel may communicate with a bidder or any other party who has an interest in a bid, during the period between the closing date for the receipt of the bid or quotation (or date of receipt of an offer), and the date of notification of the successful bidder of acceptance of his bid, quotation or offer, except as provided for in paragraph (c) below. Every such case of unauthorised communication shall forthwith be reported to the Supply Chain Management Unit as well as the chairperson of the Bid Adjudication Committee. A bid or quotation in respect of which unauthorised communication has occurred may be disqualified.

c) The budget holder must approach the Bid Evaluation Committee, as determined in paragraph 28(2)**,** to consider authorising an employee or authorised consulting service provider, in writing, to communicate with a bidder during the period mentioned in subsection (b) above for the purpose of:-

(i) Obtaining an explanation and verification of declarations made in the bid response;

(ii) confirming technical particulars and the compliance thereof with specifications;

(iii) clarifying delivery times/quantities;

(iv) extending the validity period of a bid;

(v) clarifying any other commercial aspect;

(vi) for the submission of substantiating documents;

(vii) any other clarifications

d) In all cases where authority has been granted to communicate with bidders in terms of paragraph (c) above, it should be clearly stated in the submission to the Bid Adjudication Committee the nature of the communication as well as by whom such authority to communicate has been granted.

25 Two-stage bidding process

1) A two-stage bidding process is allowed for –

a) large complex projects; or

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 is hereby established, consisting of the following committees for each transaction or cluster of transactions as the Accounting Officer may determine:

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

3) The Accounting Officer may appoint a neutral or independent observer, to attend or oversee a committee when this is appropriate for ensuring fairness and promoting transparency.

4) The committee system must be consistent with –

a) paragraphs 27, 28 and 29 of this Policy; and

b) any other applicable legislation.

5) The Accounting Officer may apply the committee system to formal written price quotations.

27 Bid Specification Committees

1) The appropriate bid specification committee must compile the specifications for each procurement transaction for goods or services by the Municipality, depending on the department involved.

2) Specifications –

   a) must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services;

   b) must take account of any accepted standards such as those issued by Standards South Africa, the International Standards Organization, or an authority accredited or recognised by the South African National Accreditation System with which the equipment or material or workmanship should comply;

   c) must, where possible, be described in terms of performance required and / or in terms of descriptive characteristics for design;

   d) may not create trade barriers in contract requirements in the forms of specifications, plans, drawings, designs, testing and test methods, packaging, marking or labelling of conformity certification;

   e) may not make reference to any particular trade mark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible way of describing the characteristics of the work, in which case such reference must be accompanied by the word "equivalent";

   f) must indicate the preference points system for which points may be awarded as set out in the prevailing Preferential Procurement Regulations; and

   g) must be approved by the Accounting Officer or the relevant delegated director prior to publication of the invitation for bids in terms of paragraph 22 of this Policy.

3) A Bid Specification Committee must be composed of one or more officials of the municipality, including, but not limited to:-

   a) a delegated supply chain management practitioner **[as chairperson]**;

   b) the budget holder from the Directorate for whom the bid is called; and

   c) the chairperson to be appointed by the Accounting Officer.

4) The Committee may, when appropriate, include external specialist advisors.

5) No person, advisor or corporate entity involved with the bid specification committee, or director of such a corporate entity, may bid for any resulting contracts.

28 Bid Evaluation Committees

1) A Bid Evaluation Committee must –

   a) evaluate all bids in accordance with –

      (i) the specifications for a specific procurement; and

      (ii) the points system set out in terms of the Preferential Procurement Policy;

   b) evaluate each bidder's ability to execute the contract ;

   c) check in respect of the recommended bidder whether municipal rates and taxes and municipal

   d) service charges are not in arrears for more than three months;

   e) submit to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter; and

2) A Bid Evaluation Committee must as far as possible be composed of:-

   a) the budget holder **[and]** or **[other]** officials from departments requiring the goods or services

   b) at least one delegated supply chain management practitioner and

   c) the chairperson to be appointed by the Accounting Officer.

29 Bid Adjudication Committees

1) A bid adjudication committee must –

a) consider the report and recommendations of the bid evaluation committee; and

b) either –

(i) depending on its delegations, make a final award or a recommendation to the Accounting Officer to make the final award; or

(ii) make another recommendation to the Accounting Officer how to proceed with the relevant procurement.

2) The bid adjudication committee must be composed of at least four directors of the municipality which must include –

a) the Chief Financial Officer or, if the Chief Financial Officer is not available, another manager reporting directly to the Chief Financial Officer and designated by the Chief Financial Officer; and

b) a senior supply chain management practitioner.

3) The Accounting Officer must appoint the chairperson of the committee. If the Chairperson is unable to chair the meeting, the members of the committee who are present must elect one of them to preside at the meeting.

4) A quorum for the Adjudication Committee shall be four members.

a) In the event of an equality of votes the chairperson shall have a casting vote over and above a deliberate vote.

b) The Director of the department that called for the tender must be present at the meeting where the particular tender is considered.

5) The members of the Bid Evaluation Committee, or their delegates, must be present at the Bid Adjudication Committee meetings to clarify issues that were dealt with in the Bid Evaluation Committee meetings without voting rights.

6) A technical expert in the relevant field, who is an official, if such an expert exists, may attend the meeting as an advisor for clarification purposes. This official will not have voting rights at the Bid Adjudication Committee meeting. Neither a member of a bid evaluation committee, nor an advisor or person assisting the bid evaluation committee, may be a member of a bid adjudication committee.

7) If the bid adjudication committee decides to award a bid other than the one recommended by the bid evaluation committee –

a) 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 for more than three months, 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 paragraph (a); 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.

8) 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.

9) The Accounting Officer must comply with Section 114 of the Act within 10 days–

a) If a tender other than the one recommended in the normal course of implementing the supply chain management policy is approved, the Accounting Officer must, in writing, notify the Auditor-General, the Provincial Treasury and the National Treasury of the reasons for deviating from such recommendation.

b) Subsection (1) does not apply if a different tender was approved in order to rectify an irregularity.

30 Procurement of Banking Services

1) A contract for banking services –

a) must be procured through competitive bids;

b) must be consistent with section 7 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 46 business days from the date on which the advertisement is placed in a newspaper in terms of paragraph 22(1).

4) Bids must be restricted to banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990).

31 Procurement of Information- and Communication Technology (ICT) related goods or services

1) The Accounting Officer may request the State Information Technology Agency (SITA) to assist with the acquisition of ICT related goods or services through a competitive bidding process.

2) Both 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 ICT needs if –

a) the transaction value of ICT related goods or services required in any financial year will exceed R50 million ; or

b) the transaction value of a contract to be procured whether for one or more years exceeds R50 million.

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 Council, the National Treasury, the Provincial Treasury and the Auditor-General.

5) The Municipality is required to follow the following process before inviting proposals for a new financial management system:

a) National and Provincial Treasury should immediately be informed of any intention to replace the accounting or billing system currently operating at the municipality;

b) The submission should include a comprehensive motivation with specific reasons for why it is deemed necessary to replace the existing financial system;

c) A copy of the service level agreement with minutes of the meetings between the municipality and the current service provider (financial system vendor) during the previous twelve months must be made available;

d) The organisational structure, specifically for the IT department/function, clearly indicating management capacity and responsibility for operating the financial system, must be submitted;

e) An assessment should be done to determine which modules of the existing financial system are being utilised by the municipality and reasons must be provided for modules not in operation. In cases where an existing system is not an ERP system the municipality must provide details of any other systems utilised by the municipality;

f) The date on which the existing financial system was implemented, the procurement and implementation costs and the current operational costs thereof must be disclosed;

g) A technical assessment must be undertaken on the server and network requirements of the new financial system and a copy of such report should be submitted; and

h) Copies of all IT strategies, policies and procedural documents including the IT disaster recovery plan must be made available.

32 Procurement of goods and services under contracts secured by other organs of state

1) The Accounting Officer may procure goods or services 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) there is no reason to believe that such contract was not validly procured;

c) there are demonstrable discounts or benefits to do so; and

d) that other organ of state and the provider have consented to such procurement in writing.

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, should be avoided 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, cost advantages and environmental impact and must be approved by the official duly authorised in terms of the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993).

34 Proudly SA Campaign

1) The Municipality supports the Proudly SA Campaign to the extent that, as far as possible, preference is given to procuring local goods and services as per Council's Preferential Procurement Policy

35 Appointment of consultants

1) The Accounting Officer may procure consulting services provided that any National Treasury guidelines and CIDB requirements in respect of consulting services are taken into account when such services are procured.

2) Consultancy services must be procured through competitive bids if:

   a) the value of the contract exceeds R200 000 (Incl. VAT); or

   b) the duration period of the contract exceeds one year.

3) In addition to any requirements prescribed by this policy for competitive bids, bidders must furnish 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 Accounting Officer must ensure that copyright in any document produced, and the patent rights or ownership in any plant, machinery, thing, system or process designed or devised, by a consultant in the course of the consultancy service is vested in the Municipality.

5) A municipality or municipal entity may only appoint consultants if an assessment of the needs and requirements confirms that the affected municipality or municipal entity does not have the requisite skills or resources in its full -time employ to perform the function.

6) An accounting officer must adopt a fair and reasonable remuneration framework for consultants taking into account the rates -

   a) determined in the "Guideline on fees for audits undertaken on behalf of the Auditor - General of South Africa ", issued by the South African Institute of Chartered Accountants;

   b) set out in the "Guide on Hourly Fee Rates for Consultants ", issued by the Department of Public Service and Administration; or

   c) as prescribed by the body regulating the profession of the consultant.

7) The tender documentation for the appointment of consultants must include a paragraph that the remuneration rates will be subject to negotiation, not exceeding the applicable rates mentioned in sub -regulation (2).

8) When negotiating cost -effective consultancy rates for international consultants, the accounting officer may take into account the relevant international and market –determined rates.

9) When consultants are appointed, an accounting officer must -

   a) appoint consultants on a time and cost basis with specific start and end dates;

   b) where practical, appoint consultants on an output- specified basis, subject to specific measurable objectives and associated remuneration;

   c) ensure that contracts with consultants include overall cost ceilings by specifying whether the contract price is inclusive or exclusive of travel and subsistence disbursements;

   d) ensure the transfer of skills by consultants to the relevant officials of a municipality or municipal entity;

e) undertake all engagements of consultants in accordance with the Municipal Supply Chain Management Regulations, 2005 and the municipality or municipal entity's supply chain management policy; and

f) develop consultancy reduction plans to reduce the reliance on consultants.

10) All contracts with consultants must include a fee retention or penalty paragraph for poor performance.

11) A municipality or municipal entity must ensure that the specifications and performance are used as a monitoring tool for the work to be undertaken and are appropriately recorded and monitored.

12) The travel and subsistence costs of consultants must be in accordance with the national travel policy issued by the National Department of Transport, as updated from time to time.

13) The contract price must specify all travel and subsistence costs and if the travel and subsistence costs for appointed consultants are excluded from the contract price, such costs must be reimbursed in accordance with the national travel policy of the National Department of Transport.

36 Deviation from, and ratification of minor breaches of procurement processes

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;

(a) Circumstances that warrant emergency dispensation, includes but are not limited to -

(i) the possibility of human injury or death;

(ii) the possibility of damage to property;

(iii) failure to take necessary action may result in the municipality not being able to render an essential community service;

(iv) the interruption of services related to communication facilities or support services critical to the effective functioning of the municipality as a whole; or

(v) the eminent possibility of serious damage occurring to the natural environment.

(b) The prevailing situation, or imminent danger, should be of such a scale and nature that it could not readily be alleviated by interim measures, in order to allow time for the formal tender process.

(c) Procurement in the case of emergencies must be tacitly approved by the relevant director or his delegate prior to incurring the expenditure (before issuing an instruction to the supplier) and must be reported in writing to the Accounting Officer or delegated official within three business days.

(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 and/or nature and game reserves; or

(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes including, but not limited to-:

(a) ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids;

b) ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature; and

c) may condone any irregular expenditure incurred in contravention of, or that is not in accordance with a requirement of this Policy and which is not also a contravention of the Municipal Supply Chain Management Regulations (GG 27636 of 30 May 2005), provided that such condonation and the reasons therefore shall be reported to Council at the next ensuing meeting.

2) The Accounting Officer must record the reasons for any deviations in terms of sub-paragraphs (1)(a) and (b) of this policy and report them to the next Council Meeting and include as a note to the annual financial statements.

3) Sub-paragraph (2) does not apply to the procurement of goods and services contemplated in paragraph 11(2) of this policy.

37 Unsolicited bids

1) In accordance with Section 113 of the Act there is no obligation to consider unsolicited bids received outside a normal bidding process.

2) The Accounting Officer may decide 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;

   c) the person who made the bid is the sole provider of the product or service; and

   d) the reasons for not going through the normal bidding processes are found to be sound by the Accounting Officer.

3) If the Accounting Officer decides to consider an unsolicited bid that complies with sub-paragraph (2) of this policy, the decision must be made public in accordance with Section 21A of the Municipal Systems Act, together with –

   a) reasons as to why the bid should not be open to other competitors;

   b) an explanation of the potential benefits if the unsolicited bid was to be accepted; and

   c) an invitation to the public or other potential suppliers to submit their comments within 22 business days of the notice.

4) The Accounting Officer must submit all written comments received pursuant to sub-paragraph (3), including any responses from the unsolicited bidder, to the National Treasury and the Provincial Treasury for comment.

5) The bid 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 bid 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 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 Provincial Treasury and the National Treasury the reasons for rejecting or not following those recommendations.

9) Such submission must be made within five business days 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 22 business days of the submission.

38 Combating of abuse of the supply chain management system

1) The Accounting Officer is hereby enabled to –

   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;

(iii) has wilfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or

(iv) 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-paragraphs (1)(b)(ii), (e) or (f) of this policy.

Part 3: LOGISTICS, DISPOSAL, RISK AND PERFORMANCE MANAGEMENT

39 Logistics management

1) The Accounting Officer must establish and implement an effective system of logistics management, which must include -

a) 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;

b) the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;

c) the placing of manual or electronic orders for all acquisitions other than those from petty cash prior to the receipt of goods and/or services. Orders must be issued by 31 July or within one month of contracts (excluding once-off contracts) becoming active, where possible **[for all contracts active during July]**;

d) before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract. Orders may be amended/issued where estimates are used to issue orders for rates/tariff based contracts when it is impractical to determine the final amount upfront;

e) 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;

f) regular checking to ensure that all assets are properly managed and maintained in terms of Council's Asset Management Policy; and

g) monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

h) Contracts will be implemented in terms of the requirements of Section 116 of the Act and Council's Contract Management Policy.

40 Disposal management

a) Assets must be disposed of in terms of the Municipal Asset Transfer Regulations, Overstrand Municipality's Asset Management Policy and Administration of Immovable Property Policy respectively.

b) Disposal Management does not represent a procurement process and is thus exempt from the prohibitions of paragraph 44 of this policy. As a result, the municipality is not prohibited from selling/disposing of movable or immovable assets to persons in the service of the state

c) **Granting of Rights**

The granting of rights (where sections 14 and 90 of the MFMA do not apply) by the Overstrand Municipality, shall be executed strictly in accordance with Chapter 4 of the Municipal Asset Transfer Regulations and the Administration of Immovable Property Policy, as amended from time to time.

41 Risk management

The Accounting Officer must implement an effective system of risk management for the identification, consideration and avoidance of potential risks in the supply chain management system as per Council's Risk Management Policy.

42 Performance management

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.

Part 4: OTHER MATTERS

43 Prohibition on awards to persons whose tax matters are not in order

1) Irrespective of the procurement process followed, the municipality may not make any award above R30 000 to a person whose tax matters have not been declared by the South African Revenue Service to be in order.

2) Before making an award to a person, the Municipality must first check with SARS whether that person's tax matters are in order.

3) If SARS does not respond within seven days, such person's tax matters may for purposes of subparagraph (1) be presumed to be in order.

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) 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 in respect of a contract that would cause a conflict of interest.

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 R2 000 (Incl. VAT) to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, including –

a) the name of that person;

b) the capacity in which that person is in the service of the state; and

c) the amount of the award.

46 Ethical standards

1) A code of ethical standards for supply chain management practitioners and other role players involved in supply chain management is hereby established in accordance with sub-paragraph (2) 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) An official or other role player involved in the implementation of the supply chain management policy –

   a) must treat all providers and potential providers equitably;

   b) may not use his or her position for private gain or to improperly benefit another person;

   c) may not accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person, of a value more than R350;

   d) notwithstanding sub-paragraph (2)(c), must declare to the Accounting Officer details of any reward, gift, favour, hospitality or other benefit 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 interest which that person, or any close family member, partner or associate, 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 member, 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 supply chain management system; and

   i) must report to the Accounting Officer any alleged irregular conduct in the supply chain management system which that person may become aware of, including –

      (i) any alleged fraud, corruption, favouritism or unfair conduct;

      (ii) any alleged contravention of paragraph 47(1) of this policy; or

      (iii) any alleged breach of this code of ethical standards.

3) Declarations in terms of sub-paragraphs (2)(d) and (e) -

   a) must be recorded in a register which the Accounting Officer must keep for this purpose;

      (i) by the Accounting Officer must be made to the mayor of the municipality who must ensure that such declarations are recorded in the register.

4) 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 councillor, in terms of Schedule 1 of the Systems Act;

   c) in the case a role player who is not an employee, or a councillor through other appropriate means in recognition of the severity of the breach; and

   d) in all cases, financial misconduct must be dealt with in terms of Chapter 15 of the Act.

47 Inducements, rewards, gifts and favours to municipal officials 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-paragraph (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-paragraph (1) does not apply to gifts less than R350 (Incl. VAT) in value.

48 Sponsorships

1) The Accounting Officer must promptly disclose to the National Treasury and the relevant provincial treasury any sponsorship promised, offered or granted, whether directly or through a representative or intermediary, by any person who is –

a) a provider or prospective provider of goods or services; or

b) a recipient or prospective recipient of goods disposed or to be disposed.

49 Objections and complaints

Persons aggrieved by decisions or actions taken in the implementation of this supply chain management system, may lodge within 10 business days of the decision or action, a written objection or complaint against the decision or action subject to the payment of applicable appeal deposit as per Council's approved tariffs.

50 Resolution of disputes, objections, complaints and queries

1) The Accounting Officer must appoint an independent and impartial person or persons, not directly involved in the supply chain management processes –

a) to assist in the resolution of disputes between the Municipality and other persons regarding -

(i) any decisions or actions taken in the implementation of the supply chain management system; or

(ii) any matter arising from a contract awarded in the course of the supply chain management system;

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.

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 Provincial Treasury if –

a) the dispute, objection, complaint or query is not resolved within 46 business days; or

b) no response is forthcoming within 46 business days.

5) If the Provincial Treasury does not or cannot resolve the matter, the dispute, objection, complaint or query will be referred to the National Treasury for resolution.

6) This paragraph 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 the Municipality to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to the service provider is fixed as an agreed percentage of turnover for the service or the amount collected, the contract between the service provider and the Municipality must stipulate:-

a) A cap on the compensation payable to the service provider; and

b) That such compensation must be performance based.

52 Public-Private Partnerships

Public-Private Partnerships will be procured in terms of Part 2 of Chapter 11 of the Act.

53 Contract Management

Contracts will be implemented in terms of the requirements of Section 116 of the Act and Council's Contract Management Policy.

54 Transversal Contracts

All commodities, services and products covered by a transversal contract concluded by the National Treasury must be considered before approaching the market, to benefit from savings where lower prices or rates have been negotiated.

55 Framework for Infrastructure Delivery

1) **The Infrastructure Delivery Management Project Processes**

The project process of infrastructure delivery management contains control stage deliverables at the end of each stage. Table 1 outlines the stage deliverables that must be approved. The control stages are specific to project management processes; and outline and describe the stages in the life of a project from start to end. The specific stages are determined by the specific project's governance and control needs. The stages follow a logical sequence with a specified start and end. The deliverable is considered to have passed through the relevant stage when it is approved and signed off. The project then moves on to the next sequential stage. It is expected that the municipality's process reflects an engagement between the Budget & Treasury Office, Engineers and Planners when developing and approving projects. It is also expected that there should be engagements with the National and Provincial Treasury where appropriate or where projects dictate so.

Table 1: Project stage deliverables

Stage		**Project Stage Deliverables**
No	**Name**	**End of Stage Deliverables**
1	**Initiation**	**Initiation Report or Pre-feasibility Report** (i) The Initiation Report defines project objectives, needs, acceptance criteria, organisation's priorities and aspirations, and procurement strategies, which set out the basis for the development of the Concept Report. Or (ii) A Pre-feasibility Report is required on Mega Capital Projects, to determine whether to proceed to the Feasibility Stage; where sufficient information is presented to enable a final project implementation decision to be made. Mega capital projects should be determined in the municipality's policy approved by the Municipal Council. **Stage 1 is complete when the Initiation Report or Pre-feasibility Report is approved.**
2	**Concept**	**Concept Report or Feasibility Report** (i) The Concept Stage presents an opportunity for the development of different design concepts to satisfy the project requirements developed in Stage 1. This stage presents alternative approaches and an opportunity to select a particular conceptual approach. The objective of this stage is to determine whether it is viable to proceed with the project, premised on available budget, technical solutions, time frame and other information that may be required. (ii) The Concept Report should provide the following minimum information: a) Document the initial design criteria, cost plan, design options and the selection of the preferred design option; or the methods and procedures required to maintain the condition of infrastructure, or the project. b) Establish the detailed brief, scope, scale, form and cost plan for the project, including, where necessary, the obtaining of site studies and construction and specialist advice. c) Provide an indicative schedule for documentation and construction, or maintenance services, associated with the project.

		d) Include a site development plan, or other suitable schematic layouts, of the works. e) Describe the statutory permissions, funding approvals and utility approvals required to proceed with the works associated with the project. f) Include a baseline risk assessment for the project and a health and safety plan, which is a requirement of the Construction Regulations issued in terms of the Occupational Health and Safety Act. g) Contain a risk report, need for further surveys, tests, investigations, consents and approvals, if any, during subsequent stages. (iii) A Feasibility Report must provide the following minimum information: a) Details regarding the preparatory work covering: • A needs and demand analysis with output specifications. • An options analysis. b) A viability evaluation covering: • A financial analysis. • An economic analysis, if necessary. c) A risk assessment and sensitivity analysis; d) A professional analysis covering: • A technology options assessment. • An environmental impact assessment. • A regulatory due diligence. e) An implementation readiness assessment covering: • Institutional capacity. • A procurement plan. **Stage 2 is complete when the Concept Report or the Feasibility Report is approved.**
3	**Design Development**	**Design Development Report** (i) The Design Development Report must, as necessary: a) Develop, in detail, the approved concept to finalise the design and definition criteria. b) Establish the detailed form, character, function and costings. c) Define the overall size, typical detail, performance and outline specification for all components. d) Describe how infrastructure, or elements or components thereof, are to function; and how they are to be safely constructed, be commissioned and be maintained. e) Confirm that the project scope can be completed within the budget or propose a revision to the budget. **Stage 3 is complete when the Design Development Report is approved.**
4	**Design Documentation**	**Design Documentation** (i) Design documentation provides: a) the production information that details performance definition, specification, sizing and positioning of all systems and components that will enable construction; b) the manufacture, fabrication and construction information for specific components of the work, informed by the production information. **Stage 4 is complete when the Design Documentation Report is approved.**
5	**Works**	**Completed Works capable of being used or occupied** **(**i) Completion of the Works Stage requires: a) Certification of the completion of the works in accordance with the provisions of the contract; or b) Certification of the delivery of the goods and associated services in accordance with the provisions of the contract. **Stage 5 is complete when the Works Completion Report is approved.**

6	**Handover**	**Works which have been taken over by the user or owner; Completed Training; Record Information** (i) The handover stage requires the following activities to be undertaken: a) Finalise and assemble record information which accurately reflects the infrastructure that is acquired, rehabilitated, refurbished or maintained; b) Hand over the works and record information to the user organisation and, if necessary, train end user staff in the operation of the works. **Stage 6 is complete when the Handover/Record Information Report is approved.**
7	**Close-Out**	**Defects Certificate or Certificate of Final Completion; Final Account; Close-Out Report** (i) The Close-Out Stage commences when the end user accepts liability for the works. It is complete when: a) Record information is archived; b) Defects certificates and certificates of final completion are issued in terms of the contract; c) Final amount due to the contractor is certified in terms of the contract; d) Close-Out Report is prepared by the Implementer and approved by the Municipality. **Stage 7 is complete when the Close-out Report is approved.**

56 Framework for Infrastructure Procurement

1) **Introduction**

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 transformational needs, as specified in the IDP.

2) **Minimum requirements for infrastructure procurement**

a) Infrastructure procurement must be undertaken in accordance with the Local Government Framework for Infrastructure Delivery and Procurement Management and all applicable infrastructure procurement related legislation.

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 56 below.

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 56 below 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 to eliminate any cause of non-conformity and to prevent reoccurrence.

1) 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.

2) The accounting officer must develop and implement effective and efficient emergency procurement procedures, including relevant approval delegation, in compliance with relevant legislation.

g) 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 continuing with the procurement strategy.

h) 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.

i) All assets must be recorded in the municipal asset register as required by the GRAP standards.

57 Infrastructure Procurement Gates (PG)

1) Procurement Gate 1

a) Initiate a procurement process

b) Minimum Requirement for Gate 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 MFMAwith respect to community and stakeholder participation.

c) PG 1 is complete when a designated person or body makes the decision to proceed/not to proceed, with the procurement of the infrastructure.

2) Procurement Gate 2

a) Approve procurement strategy to be adopted.

b) Minimum Requirement for Gate 2

(i) Develop a procurement strategy aligned to the institutional procurement strategy.

(ii) Establish contracting and pricing strategy comprising of an appropriate allocation of responsibilities and risks; and the methodology for contractor payments.

(iii) Identify service required for works.

(iv) Decide on contracting strategy.

(v) Decide on form of contract.

(vi) Establish opportunities for promoting preferential procurement in compliance with legislative provisions and the Construction Sector Code.

c) PG 2 is complete when a delegated person or body approves the procurement strategy that is to be adopted.

3) Procurement Gate 3

a) Approve procurement documents

b) Minimum Requirements for Gate 3

(i) Prepare procurement documents that are compatible with:

(ii) Approved procurement strategies

(iii) Project management design documentation.

c) PG 3 is complete when the bid specification committee approves the procurement document.

4) Procurement Gate 4

a) Confirm that cash flow processes are in place to meet projected contractual obligations.

b) Minimum Requirement for Gate 4:

(i) Confirm that cash flow processes are in place to meet contractual obligations.

(ii) Establish control measures for settlement of payment 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.

5) Procurement Gate 5

a) Solicit tender offers.

b) Minimum Requirements for Gate 5

(i) Invite contractors to submit tender offers.

(ii) Receive tender offers.

(iii) Record tender offers.

(iv) Safeguard tender offers.

c) PG 5 is complete when tender offers received are recorded and safeguarded by a delegated person from the SCM unit.

6) Procurement Gate 6

a) Evaluate tender offers premised on undertakings and parameters established in procurement documents.

b) Minimum Requirement for Gate 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.

c) PG 6 is complete when the chairperson of the Bid Evaluation Committee approves the BEC report.

7) Procurement Gate 7

a) Award the contract.

b) Minimum Requirement for Gate 7

(i) Bid adjudication committee review of the BEC evaluation report.

(ii) Bid adjudication committee makes a recommendation of 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.

c) 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 the requirements

as stated in the tender data and formally accepts the tender offer in writing, and issues the contractor with a signed copy of the contract.

8) Procurement Gate 8

a) Administer and monitor the contract.

b) Minimum Requirements for Gate 8:

(i) Contract Management to:

(a) Capture contract award data.

(b) Administer contract in accordance with the terms and provisions of the contract.

(ii) Financial Services to:

(a) Manage cash flow projection.

(iii) User Department to:

(a) Ensure compliance with contractual requirements.

c) PG 8 is complete when a delegated person captures the contract completion/termination data (close out reports and relevant documents), including payment certificates due.

58 Gateway Reviews

1) Gateway reviews for mega capital projects

a) The MFMA (Act 56 of 2003), section 19 (2) states: "Before approving a capital project in terms of subsection (1)(b), the council of a municipality must consider the projected cost covering all financial years from the start until the project is operational; and the future operational costs and revenue on the project, including municipal tax and tariff implications."

b) The LGFIDPM prescribes the Gateway Review at the end of stage 2, as the minimum requirement to comply with section (i) above.

c) The focus of such a review must be on the quality of the documentation in the first instance, and thereafter on:

(i) Deliverability: the extent to which a project is deemed likely to deliver;

(ii) Expected benefits: within the declared cost, time and performance area;

(iii) Affordability: the extent to which the project's level of expenditure and financial risk can be accepted, given the organisation's overall financial position, both singly, and when considering its other current and projected commitments; and

(iv) Value for money: The optimum combination of whole life costs and quality (or fitness of purpose), to meet the user's requirements.

d) A gateway review team must comprise of not less than three persons who are neither involved, nor associated with the project, but have a broad understanding of the subject matter.

e) A gateway review must be led by a person who has experience in the planning of infrastructure projects and is registered as a professional with a statutory council under the built environment professions. The members of the team must, as relevant, have expertise in the key technical areas, cost estimating, scheduling and implementation of similar projects.

f) It is the duty of the institution's Accounting Officer or Authority to appoint a team responsible for the gateway review of his or her institution.

g) The gateway review team must base its findings primarily on:

(i) The information contained in the end-of-stage deliverable;

(ii) Supplementary documentation, if any, provided by key staff and obtained during an interview process; and

(iii) Interviews with key staff members and stakeholders.

h) The gateway review team must issue a report at the conclusion of a gateway review, which reflects the team's assessment of the information at the end of a stage; and provides findings or recommendations on areas where further work should be undertaken to improve such information.

i) The gateway review findings must be classified by the gateway review team as:

(i) Critical: Findings that pose adverse effect to the project or package. Critical findings are findings related to the stage deliverable that are wholly unacceptable.

(ii) Major: Findings that pose a potentially adverse effect to the project or package. Major findings are serious findings and are in direct violation of key legislation, e.g. The Constitution of the Republic of South Africa, the MFMA or the PPPFA.

(iii) Minor: Findings that do not pose any adverse effect to the project or package. Minor findings indicate the need for improvement of practices and processes.

j) A Stage 2 deliverable must not be approved until such time that all findings have been resolved.

59 Short title and commencement

This part of the policy is called the Overstrand Municipality **Supply Chain Management Policy**.

This policy will come into effect on **1 July 2022** and will be reviewed at least annually by way of a Council resolution.

POLICY SECTION:	HEAD: SUPPLY CHAIN MANAGEMENT				
CURRENT UPDATE	2022/05/31	PREVIOUS REVIEW:	2021/05/26		
PREVIOUS REVIEW:	2020/05/27	PREVIOUS REVIEW:	2017/03/29	PREVIOUS REVIEW:	2012/06/26
PREVIOUS REVIEW:	2020/03/25	PREVIOUS REVIEW:	2016/05/25	PREVIOUS REVIEW:	2012/05/30
PREVIOUS REVIEW:	2019/06/26	PREVIOUS REVIEW:	2016/02/24	PREVIOUS REVIEW:	2011/11/30
PREVIOUS REVIEW:	2019/05/29	PREVIOUS REVIEW:	2015/05/28	PREVIOUS REVIEW:	2011/05/04
PREVIOUS REVIEW:	2018/05/30	PREVIOUS REVIEW:	2014/05/28	PREVIOUS REVIEW:	2010/05/26
PREVIOUS REVIEW:	2017/11/29	PREVIOUS REVIEW:	2013/05/29	PREVIOUS REVIEW:	2009/05/27
PREVIOUS REVIEW:	2017/05/31	PREVIOUS REVIEW:	2012/11/28	APPROVAL	2008/06/25

[OVERSTRAND

MUNICIPALITY



PART B

SCM POLICY FOR INFRASTRUCTURE PROCUREMENT AND DELIVERY MANAGEMENT

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~~1 SCOPE~~

~~This policy establishes the Municipality's policy for infrastructure procurement and delivery management in accordance with the provisions of the regulatory frameworks for procurement and supply chain management. It includes the procurement of goods and services necessary for a new facility to be occupied and used as a functional entity but excludes:~~

~~1) the storage of goods and equipment following their delivery to the Municipality which are stored and issued to contractors or to employees;~~
~~2) the disposal or letting of land;~~
~~3) the conclusion of any form of land availability agreement;~~
~~4) the leasing or rental of moveable assets; and~~
~~5) public private partnerships.~~

2 TERMS, DEFINITIONS AND ABBREVIATIONS

1) Terms and definitions

For the purposes of this document, the definitions and terms given in the standard and the following apply:

agent:	**person or organization that is not an employee of the Municipality that acts on the Municipality's behalf in the application of this document**
authorised person:	**the Municipal Manager or the appropriately delegated authority to award, cancel, amend, extend or transfer a contract or order**
conflict of interest:	**any situation in which: someone in a position of trust has competing professional or personal interests which make it difficult for him to fulfil his duties impartially, an individual or organization is in a position to exploit a professional or official capacity in some way for his personal or for corporate benefit, or incompatibility or contradictory interests exist between an employee and the organization which employs that employee**
contract owner:	**person responsible for administering a package on behalf of the employer and performing duties relating to the overall management of such contract from the implementer's point of view**
family member:	**a person's spouse, whether in a marriage or in a customary union according to indigenous law, domestic partner in a civil union, or child, parent, brother, sister, whether such a relationship results from birth, marriage or adoption**
framework agreement:	**an agreement between an organ of state and one or more contractors, the purpose of which is to establish the terms governing orders to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged**
gate:	**a control point at the end of a process where a decision is required before proceeding to the next process or activity**
gateway review:	**an independent review of the available information at a gate upon which a decision to proceed or not to the next process is based**
gratification:	**an inducement to perform an improper act**
infrastructure delivery:	**the combination of all planning, technical, administrative and managerial actions associated with the construction, supply, renovation, rehabilitation, alteration, maintenance, operation or disposal of infrastructure**
infrastructure procurement:	**the procurement of goods or services including any combination thereof associated with the acquisition, renovation, rehabilitation, alteration, maintenance, operation or disposal of infrastructure**
maintenance:	**the combination of all technical and associated administrative actions during an item's service life to retain it in a state in which it can satisfactorily perform its required function**
operation:	**combination of all technical, administrative and managerial actions, other than maintenance actions, that results in the item being in use**
order:	**an instruction to provide goods, services or any combination thereof under a framework agreement**
organ of state:	**an organ of state as defined in section 239 of the Constitution of the Republic of South Africa**
procurement document:	**documentation used to initiate or conclude (or both) a contract or the issuing of an order**
principal:	**a natural person who is a partner in a partnership, a sole proprietor, a director a company established in terms of the Companies Act of 2008 (Act No. 71 of 2008) or a member of a close corporation registered in terms of the Close Corporation Act, 1984, (Act No. 69 of 1984)**
standard:	**the latest edition of the Standard for Infrastructure Procurement and Delivery Management as published by National Treasury**
working day:	**any day of a week on which is not a Sunday, Saturday or public holiday**

2) Abbreviations

For the purposes of this document, the following abbreviations apply

a) CIDB: Construction Industry Development Board

b) SARS: South African Revenue Services

3 GENERAL REQUIREMENTS

1) Delegations

a) The council of the Municipality hereby delegates all powers and duties to the Accounting Officer to enable him or her to:

(i) discharge the supply chain management responsibilities conferred on accounting officers in terms of Chapter 8 of the Local Government Municipal Finance Management Act of 2003 and this document;

(ii) maximise administrative and operational efficiency in the implementation of this document;

(iii) enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this document; and

(iv) comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Local Government Municipal Finance Management Act of 2003.

(v) No departure shall be made from the provisions of this policy without the approval of the Accounting Officer of the Municipality

(vi) The Accounting Officer shall for oversight purposes:

(vii) within 22 business days of the end of each financial year, submit a report on the implementation of this policy to the council of the Municipality.

(viii) whenever there are serious and material problems in the implementation of this policy, immediately submit a report to the council.

(ix) within 6 business days of the end of each quarter, submit a report on the implementation of the policy to the mayor; and

(x) make the reports public in accordance with section 21A of the Municipal Systems Act of 2000.

2) Implementation of the Standard for Infrastructure Procurement and Delivery Management

Infrastructure procurement and delivery management shall be undertaken in accordance with all applicable legislation and the relevant requirements of the latest edition of the National Treasury Standard for Infrastructure Procurement and Delivery Management.

3) Supervision of the infrastructure delivery management unit

The Infrastructure Delivery Management Unit shall be directly supervised by the Head: Supply Chain Management.

4) Objections and complaints

Persons aggrieved by decisions or actions taken in the implementation of this policy, may lodge within 10 business days of the decision or action, a written objection or complaint against the decision or action.

5) Resolution of disputes, objections, complaints and queries

a) The Accounting Officer shall appoint an independent and impartial person, not directly involved in the infrastructure delivery management processes 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;

(ii) any matter arising from a contract awarded within the Municipality's infrastructure delivery management system; or

(iii) to deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.

b) 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.

c) The person appointed in terms of 3(5)(a) shall:

(i) strive to resolve promptly all disputes, objections, complaints or queries received; and

(ii) submit monthly reports to the Accounting Officer on all disputes, objections, complaints or queries received, attended to or resolved.

d) A dispute, objection, complaint or query may be referred to the Western Cape Provincial Treasury if:

(i) the dispute, objection, complaint or query is not resolved within 46 business days; or

(ii) no response is forthcoming within 46 business days.

(iii) If the Western Cape Provincial Treasury does not or cannot resolve the matter, the dispute, objection, complaint or query may be referred to the National Treasury for resolution.

4 CONTROL FRAMEWORK FOR INFRASTRUCTURE DELIVERY MANAGEMENT

1) Assignment of responsibilities for approving or accepting end of stage deliverables[1]

The responsibilities for approving or accepting end of stage deliverables shall be as stated in Table 1.

2) Gateway reviews

a) Gateway reviews for major capital projects above a threshold

The Accounting Officer shall appoint a gateway review team in accordance with the provisions of clause 4.1.13.1.2 of the standard to undertake gateway reviews for major capital projects.

Table 1: Responsibilities for approving or accepting end of stage deliverables in the control framework for the management of infrastructure delivery

Stage			Person assigned the responsibility for approving or accepting end of stage deliverables
No	Name		
0	Project initiation		Relevant Director accepts the initiation report
1	Infrastructure planning		Relevant Director approves the infrastructure plan
2	Strategic resourcing		Relevant Director approves the delivery and / or procurement strategy
3	Pre-feasibility		Relevant Director accepts the pre-feasibility report
	Preparation and briefing		Relevant Director accepts the strategic brief
4	Feasibility		Relevant Director accepts the feasibility report
	Concept and viability		Relevant Director accepts the concept report
5	Design development		Relevant Director accepts the design development report
6	Design documentation	6A Production information	Relevant Director accepts the parts of the production information which are identified when the design development report is accepted as requiring acceptance
		6B Manufacture, fabrication & construction information	The contract owner accepts the manufacture, fabrication and construction information
7	Works		The contract owner certifies completion of the works or the delivery of goods and associated services
8	Handover		The owner or end user accepts liability for the works
9	Package completion		The contract owner or supervising agent certifies the defects certificate in accordance with the provisions of the contract The contract owner certifies final completion in accordance with the provisions of the contract Contract owner accepts the close out report

[1] The terms "approve" and "accept" have the meanings "officially agree to" and "receive as adequate, valid, or suitable give an affirmative answer to a proposal", respectively. Approvals will typically take place at a senior management level whilst acceptances can be made at a lower level. Approvals and acceptances can be granted by individuals or committees. Where a municipality or municipal entity implements a project on behalf of an organ of state, acceptance / approval of end of stage deliverables may have to be granted in consultation with such an organisation. Alternatively it may be assigned to a party to an agency agreement developed in accordance with the provisions of clauses 5.2 of the standard. As a result, Table 1 may have to differentiate between own infrastructure and client institution's infrastructure. It may also have to differentiate between the value and type of projects.

5 CONTROL FRAMEWORK FOR INFRASTRUCTURE PROCUREMENT

1) The responsibilities for taking the key actions associated with the formation and conclusion of contracts including framework agreements above the quotation threshold shall be as stated in Table 2.

2) The responsibilities for taking the key actions associated with the quotation procedure and the negotiation procedure where the value of the contract is less than the threshold set for the quotation procedure shall be as follows:

   a) the relevant Director shall grant approval for the issuing of the procurement documents, based on the contents of a documentation review report developed in accordance with the provisions of the standard;

   b) the authorised person may award the contract if satisfied with the recommendations contained in the evaluation report prepared in accordance with the provisions of the standard.

3) The responsibilities for taking the key actions associated with the issuing of an order in terms of a framework agreement shall be as stated in Table 3.

6 INFRASTRUCTURE DELIVERY MANAGEMENT REQUIREMENTS

1) Institutional arrangements

   a) Committee system for procurement[2]

      (i) General

         (a) A committee system comprising the bid specification committee, bid evaluation committee and bid adjudication committee shall be applied to all procurement procedures where the estimated value of the procurement exceeds the financial threshold for quotations and to the putting in place of framework agreements.

         (b) The bid evaluation committee shall, where competition for the issuing of an order amongst framework contractors takes place and the value of the order exceeds the financial threshold for quotations, evaluate the quotations received.

         (c) The persons appointed in writing as technical advisors and subject matter experts may attend any committee meeting.

         (d) No person who is a political officer bearer, a public office bearer including any councillor of a municipality, a political advisor or a person appointed in terms of section 12A of the Public Service Act of 1994 or who has a conflict of interest shall be appointed to a bid specification, evaluation or bid adjudication committee.

         (e) Committee decisions shall as far as possible be based on the consensus principle i.e. the general agreement characterised by the lack of sustained opposition to substantial issues. Committees shall record their decisions in writing. Such decisions shall be kept in a secured environment for a period of not less than five years after the completion or cancellation of the contract unless otherwise determined in terms of the National Archives and Record Services Act of 1996.

         (f) Committees may make decisions at meetings or, subject to the committee chairperson's approval, on the basis of responses to documents circulated to committee members provided that not less than sixty percent of the members are present or respond to the request for responses. Where the committee chairperson is absent from the meeting, the members of the committee who are present shall elect a chairperson from one of them to preside at the meeting.

      (ii) Bid specification committee

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[2] SCM Regulation 26 of the MFMA requires that a committee system be established for procurement above the threshold for quotations. A municipality of a municipal entity may require that the bid adjudication committee also deal with quotations.
The principle of segregation (an internal control designed to prevent error and fraud by ensuring that at least two individuals are responsible for the separate parts of any task) is dealt with the committee system in the standard as follows:

- procurement gate 3: a technical evaluation of procurement documents and an approval of such documentation;
- procurement gate 5: a technical evaluation of submissions and an authorization to proceed with the next phase of a procurement process; and
- procurement gate 6: a tender evaluation and a recommendation to award a contract.

~~(a) the Accounting Officer shall appoint in writing:~~

~~(i) the persons to review the procurement documents and to develop a procurement documentation review report in accordance with clause 4.2.2.1 of the standard; and~~

~~(ii) the members of the bid specification committee.~~

~~(b) The bid specification committee shall comprise one or more persons. The chairperson shall be an employee of the Municipality with requisite skills. Other members shall where relevant, include a representative of the end user or the department requiring infrastructure delivery.~~

~~(c) No member of, or technical adviser or subject matter expert who participates in the work of any of the procurement committees or a family member or associate of such a member, may tender for any work associated with the tender, which is considered by these committees.~~

Table 2: Procurement activities and gates associated with the formation and conclusion of contracts above the quotation threshold

Activity		Sub-Activity (see Table 3 of the standard)		Key action	Person assigned responsibility to perform key action
1*	Establish what is to be procured	1.3 PG1	Obtain permission to start with the procurement process	Make a decision to proceed / not to proceed with the procurement based on the broad scope of work and the financial estimates.	Relevant Director
2*	Decide on procurement strategy	2.5 PG2	Obtain approval for procurement strategies that are to be adopted including specific approvals to approach a confined market or the use of the negotiation procedure	Confirm selection of strategies so that tender offers can be solicited	Relevant Director
3	Solicit tender offers	3.2 PG3	Obtain approval for procurement documents	Grant approval for the issuing of the procurement documents	Relevant Director
		3.3 PG4	Confirm that budgets are in place	Confirm that finance is available for the procurement to take place	"Contract owner in consultation with the budget office"
4	Evaluate tender offers	4.2 PG5	Obtain authorisation to proceed with next phase of tender process in the qualified, proposal or competitive negotiations procedure	Review evaluation report, ratify recommendations and authorise progression to the next stage of the tender process	Bid evaluation committee
		4.7 PG6	Confirm recommendations contained in the tender evaluation report	Review recommendations of the bid evaluation committee and refer back to bid evaluation committee for reconsideration or make recommendation for award	Bid adjudication committee
5	Award contract	5.3 PG7	Award contract	Formally accept the tender offer in writing and issue the contractor with a signed copy of the contract	Authorised person
		5.5 GF1	Upload data in financial management and payment system	Verify data and upload contractor's particulars and data associated with the contract or order	Database administrator

* Applies only to goods and services not addressed in a procurement strategy developed during stage 2 (strategic resourcing) of the control framework for infrastructure delivery management

Table 2 (concluded)

Activity		Sub-Activity		Key action	Person assigned responsibility to perform key action
6	Administer contracts and confirm compliance with requirements	6.4 PG8A	Obtain approval to waive penalties or low performance damages.	Approve waiver of penalties or low performance damages	Relevant Director
		6.5 PG8B	Obtain approval to notify and refer a dispute to an adjudicator	Grant permission for the referral of a dispute to an adjudicator or for final settlement to an arbitrator or court of law	Relevant Director
		6.6 PG8C	Obtain approval to increase the total of prices, excluding contingencies and price adjustment for inflation, or the time for completion at the award of a contract or the issuing of an order up to a specified percentage[3]	Approve amount of time and cost overruns up to the threshold	As per delegated authority
		6.7 PG8D	Obtain approval to exceed the total of prices, excluding contingencies and price adjustment for inflation, or the time for completion at award of a contract or the issuing of an order by more than 20% and 30%, respectively	Approve amount of time and cost overruns above a the threshold	As per delegated authority
		6.8 PG8E	Obtain approval to cancel or terminate a contract	Approve amount	Relevant Director
		6.9 PG8F	Obtain approval to amend a contract	Approve proposed amendment to contract	As per delegated authority

Table 3: Procurement activities and gates associated with the issuing of an order above the quotation threshold in terms of a framework agreement

Activity		Key action	Person assigned responsibility to perform key action
1 FG1	Confirm justifiable reasons for selecting a framework contactor where there is more than one framework agreement covering the same scope of work	Confirm reasons submitted for not requiring competition amongst framework contractors or instruct that quotations be invited	Contract owner in consultation with Manager: Demand & Procurement Management
3 FG2	Obtain approval for procurement documents	Grant approval for the issuing of the procurement documents	Manager: Demand & Procurement Management
4 FG3	Confirm that budgets are in place	Confirm that finance is available so that the order may be issued	Contract owner in consultation with the budget office
6 FG4	Authorise the issuing of the order	If applicable, review evaluation report and confirm or reject recommendations. Formally accept the offer in writing and issue the contractor with a signed copy of the order	As per delegated authority

[3] Stepped thresholds leading up to the 20% and 30% values given in PG8D may be necessary to manage cost and time overruns, respectively, the principle being that approval to exceed these percentages needs to be granted at a more senior level with each increase. For example, the increases for cost overruns could be as follows:

- ≤ 2,5 % - contract owner;
- 2,5 to 10% - project director
- 10% - appropriately delegated authority

~~(iii) Bid evaluation committee~~

~~(a) The accounting officer shall appoint in writing:~~

~~(i) the persons to prepare the evaluation and, where applicable, the quality evaluations, in accordance with clauses 4.2.3.2 and 4.2.3.4 of the standard, respectively; and~~

~~(ii) the members of the bid evaluation committee.~~

~~(b) A bid evaluation committee must as far as possible be composed of-~~

~~(i) the budget holder and other officials from departments requiring the goods or services~~

~~(c) at least one delegated supply chain management practitioner[4].~~

~~(d) The bid evaluation committee shall review the evaluation reports prepared in accordance with sub clause 4.2.3 of the standard and as a minimum verify the following in respect of the recommended tenderer:~~

~~(i) the capability and capacity of a tenderer to perform the contract;~~

~~(ii) the tenderer's tax and municipal rates and taxes compliance status;~~

~~(iii) confirm that the tenderer's municipal rates and taxes and municipal service charges are not in arrears;~~

~~(iv) the Compulsory Declaration has been completed; and~~

~~(v) the tenderer is not listed in the National Treasury's Register for Tender Defaulters or the List of Restricted Suppliers.~~

~~(e) No tender submitted by a member of, or technical adviser or subject matter expert who participates in the work of the bid specification committee or a family member or associate of such a member, may be considered by the bid evaluation committee.~~

~~(f) The chairperson of the bid evaluation committee shall promptly notify the accounting officer or chief financial officer or designation of delegate of any respondent or tenderer who is disqualified for having engaged in fraudulent or corrupt practices during the tender process.~~

~~(iv) Bid adjudication committee~~

~~(a) The bid adjudication committee must be composed of at least four directors of the municipality which must include –~~

~~(i) the Chief Financial Officer or, if the Chief Financial Officer is not available, another manager reporting directly to the Chief Financial Officer and designated by the Chief Financial Officer; and~~

~~(ii) a senior supply chain management practitioner.~~

~~(b) No member of the bid evaluation committee may serve on the bid adjudication committee. A member of a bid evaluation committee may, however, participate in the deliberations of a bid adjudication committee as a technical advisor or a subject matter expert.~~

~~(c) The bid adjudication committee shall:~~

~~(i) consider the report and recommendations of the bid evaluation committee and:~~

~~1. verify that the procurement process which was followed complies with the provisions of this document;~~

~~2. confirm that the report is complete and addresses all considerations necessary to make an award or a recommendation;~~

~~[4] A supply chain management practitioner in the context of infrastructure delivery includes a built environment professional~~

3. confirm the validity and reasonableness of reasons provided for the elimination of tenderers; and

4. 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; and

(ii) refer the report back to the bid evaluation committee for their reconsideration or make an award or a recommendation to the Accounting Officer on the award of a tender, with or without conditions, together with reasons for such recommendation.

(d) The bid adjudication committee shall consider proposals regarding the cancellation, amendment, extension or transfer of contracts that have been awarded and make a recommendation to the authorised person on the course of action which should be taken.

(e) The bid adjudication committee shall consider the merits of an unsolicited offer and make a recommendation to the Accounting Officer.

(f) The bid adjudication committee shall report to the Accounting Officer any recommendation made to award a contract to a tenderer other than the tenderer recommended by the bid evaluation committee, giving reasons for making such a recommendation.

(g) The bid adjudication committee shall not make a recommendation for an award of a contract or order if the recommended tenderer 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.

(h) The bid adjudication committee may on justifiable grounds and after following due process, disregard the submission of any tenderer if that tenderer 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 Western Cape Provincial Treasury shall be informed where such tenderers are disregarded.

b) Actions of an authorised person relating to the award of a contract or an order.

(i) Award of a contract

(a) The authorised person shall, if the value of the contract inclusive of VAT, is within his or her delegation, consider the report(s) and recommendations of the bid adjudication committee, or in the case of the awards for contracts below the quotation threshold, the recommendation of the bid evaluation committee, and either:

(i) award the contract after confirming that the report is complete and addresses all considerations necessary to make a recommendation and budgetary provisions are in place; or

(ii) decide not to proceed or to start afresh with the process.

(b) The authorised person shall immediately notify the Head: Supply Chain Management if a tender other than the recommended tender is awarded, save where the recommendation is changed to rectify an irregularity. Such person shall, within 10 business days, notify in writing the Auditor-General, the National Treasury and the Western Cape Provincial Treasury of the reasons for deviating from such recommendation.

(ii) Issuing of an order

(a) The authorised person shall, if the value of an order issued in terms of a framework contract, is within his or her delegation, consider the recommendation of the bid evaluation committee or the delegated authority, as relevant, and either:

~~(i) authorise the issuing of an order in accordance with the provisions of clause 4.2.5 of the standard by~~

~~1. confirming that the required goods or services, or any combination thereof, are within the scope of the work associated with the relevant framework~~

~~2. considering the recommendations of the evaluation report where competition amongst framework contracts takes place or a significant proportion of the total of the prices is negotiated, based on the financial parameter contained in the framework contract, and either confirm the reasonableness of such recommendations and sign the acceptance of the order, refer the evaluation report and recommendation back to those who prepared it; or~~

~~(ii) decide not to proceed or to start afresh with the process.~~

~~c) Conduct of those engaged in infrastructure delivery~~

~~(i) General requirements~~

~~(a) All personnel and agents of the Municipality shall comply with the requirements of the CIDB Code of Conduct for all Parties engaged in Construction Procurement. They shall:~~

~~(i) behave equitably, honestly and transparently;~~

~~(ii) discharge duties and obligations timeously and with integrity;~~

~~(iii) comply with all applicable legislation and associated regulations;~~

~~(iv) satisfy all relevant requirements established in procurement documents;~~

~~(v) avoid conflicts of interest; and~~

~~(vi) not maliciously or recklessly injure or attempt to injure the reputation of another party.~~

~~(b) All personnel and agents engaged in the Municipality's infrastructure delivery management system shall:~~

~~(i) not perform any duties to unlawfully gain any form of compensation, payment or gratification from any person for themselves or a family member or an associate;~~

~~(ii) perform their duties efficiently, effectively and with integrity and may not use their position for private gain or to improperly benefit another person;~~

~~(iii) strive to be familiar with and abide by all statutory and other instructions applicable to their duties;~~

~~(iv) furnish information in the course of their duties that is complete, true and fair and not intended to mislead;~~

~~(v) ensure that resources are administered responsibly;~~

~~(vi) be fair and impartial in the performance of their functions;~~

~~(vii) at no time afford any undue preferential treatment to any group or individual or unfairly discriminate against any group or individual;~~

~~(viii) not abuse the power vested in them;~~

~~(ix) not place themselves under any financial or other obligation to external individuals or firms that might seek to influence them in the performance of their duties;~~

~~(x) assist the Municipality in combating corruption and fraud within the infrastructure procurement and delivery management system;~~

~~(xi) not disclose information obtained in connection with a project except when necessary to carry out assigned duties;~~

(xii) not make false or misleading entries in reports or accounting systems; and

(xiii) keep matters of a confidential nature in their possession confidential unless legislation, the performance of duty or the provision of the law require otherwise.

(c) An employee or agent of the Municipality may not amend or tamper with any submission, tender or contract in any manner whatsoever.

(ii) Conflicts of interest

(a) The employees and agents of the Municipality who are connected in any way to procurement and delivery management activities which are subject to this policy, shall:

(i) disclose in writing to the employee of the Municipality to whom they report, or to the person responsible for managing their contract, if they have, or a family member or associate has, any conflicts of interest; and

(ii) not participate in any activities that might lead to the disclosure of the Municipality proprietary information.

(b) The employees and agents of the Municipality shall declare and address any perceived or known conflict of interest, indicating the nature of such conflict to whoever is responsible for overseeing the procurement process at the start of any deliberations relating to a procurement process or as soon as they become aware of such conflict, and abstain from any decisions where such conflict exists or recuse themselves from the procurement process, as appropriate.

(c) Agents who prepare a part of a procurement document may in exceptional circumstances, where it is in the Municipality's interest to do so, submit a tender for work associated with such documents provided that:

(i) the Municipality states in the tender data that such an agent is a potential tenderer;

(ii) all the information which was made available to, and the advice provided by that agent which is relevant to the tender, is equally made available to all potential tenderers upon request, if not already included in the scope of work; and

(iii) the bid specification committee is satisfied that the procurement document is objective and unbiased having regard to the role and recommendations of that agent.

(iii) Evaluation of submissions received from respondents and tenderers

(a) The confidentiality of the outcome of the processes associated with the calling for expressions of interest, quotations or tenders shall be preserved. Those engaged in the evaluation process shall:

(i) not have any conflict between their duties as an employee or an agent and their private interest;

(ii) may not be influenced by a gift or consideration (including acceptance of hospitality) to show favour or disfavour to any person;

(iii) deal with respondents and tenderers in an equitable and even-handed manner at all times; and

(iv) not use any confidential information obtained for personal gain and may not discuss with, or disclose to outsiders, prices which have been quoted or charged to the Municipality.

(b) The evaluation process shall be free of conflicts of interest and any perception of bias. Any connections between the employees and agents of the Municipality and a tenderer or respondent shall be disclosed and recorded in the bid adjudication evaluation report.

(c) the Municipality's personnel and their agents shall immediately withdraw from participating in any manner whatsoever in a procurement process in which they, or any close family member, partner or associate, has any private or business interest.

(iv) Non-disclosure agreements

Confidentiality agreements in the form of non-disclosure agreements shall, where appropriate, be entered into with agents and potential contractors to protect the Municipality's confidential information and interests.

(v) Gratifications, hospitality and gifts

(a) The employees and agents of the Municipality shall not, directly or indirectly, accept or agree or offer to accept any gratification from any other person including a commission, whether for the benefit of themselves or for the benefit of another person, as an inducement to improperly influence in any way a procurement process, procedure or decision.

(b) The employees and agents of the Municipality as well as their family members or associates shall not receive any of the following from any tenderer, respondent or contractor or any potential contractor:

(i) money, loans, equity, personal favours, benefits or services;

(ii) overseas trips; or

(iii) any gifts or hospitality irrespective of value from tenderers or respondents prior to the conclusion of the processes associated with a call for an expression of interest or a tender.

(c) The employees and agents of the Municipality shall not purchase any items at artificially low prices from any tenderer, respondent or contractor or any potential contractor at artificially low prices which are not available to the public.

(d) All employees and agents of the Municipality may for the purpose of fostering inter-personal business relations accept the following:

(i) meals and entertainment, but excluding the cost of transport and accommodation;

(ii) promotional material of small intrinsic value such as pens, paper-knives, diaries, calendars, etc;

(iii) incidental business hospitality such as business lunches or dinners, which the employee is prepared to reciprocate;

(iv) complimentary tickets to sports meetings and other public events, but excluding the cost of transport and accommodation, provided that such tickets are not of a recurrent nature; and

(v) gifts in kind other than those listed in a) to d) which have an intrinsic value greater than R350 unless they have not declared them to the Accounting Officer or delegated official.

(e) Under no circumstances shall gifts be accepted from prospective contractors during the evaluation of calls for expressions of interest, quotations or tenders that could be perceived as undue and improper influence of such processes.

(f) Employees and agents of the Municipality shall without delay report to the Accounting Officer or appropriately delegated authority any incidences of a respondent, tenderer or contractor who directly or indirectly offers a gratification to them or any other person to improperly influence in any way a procurement process, procedure or decision.

(vi) Reporting of breaches

~~Employees and agents of the Municipality shall promptly report to the Accounting Officer or chief financial officer or appropriately delegated authority any alleged improper conduct which they may become aware of, including any alleged fraud or corruption.~~

~~d) Measures to prevent abuse of the infrastructure delivery system~~

~~(i) The Accounting Officer or chief financial officer or appropriately delegated authority shall investigate all allegations of corruption, improper conduct or failure to comply with the requirements of this policy against an employee or an agent, a contractor or other role player and, where justified:~~

~~(a) take steps against an employee or role player and inform the National Treasury and the Western Cape Provincial Treasury of those steps;~~

~~(b) report to the South African Police Service any conduct that may constitute a criminal offence;~~

~~(c) lodge complaints with the Construction Industry Development Board or any other relevant statutory council where a breach of such council's code of conduct or rules of conduct are considered to have been breached;~~

~~(d) cancel a contract if:~~

~~(i) it comes to light that the contractor has made a misrepresentation, submitted falsified documents or has been convicted of a corrupt or fraudulent act in competing for a particular contract or during the execution of that contract; or~~

~~(ii) an employee or other role player committed any corrupt or fraudulent act during the tender process or during the execution of that contract.~~

~~e) Awards to persons in the service of the state~~

~~(i) Any submissions made by a respondent or tenderer who declares in the Compulsory Declaration that a principal is one of the following shall be rejected:~~

~~(a) a member of any municipal council, any provincial legislature, or the National Assembly or the National Council of Provinces;~~

~~(b) a member of the board of directors of any municipal entity;~~

~~(c) an official of any municipality or municipal entity;~~

~~(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);~~

~~(e) a member of the accounting authority of any national or provincial public entity; or~~

~~(f) an employee of Parliament or a provincial legislature.~~

~~(ii) The notes to the annual financial statements of the Municipality shall disclose particulars of an award of more than R 2000 to a person who is a family member of a person identified who is in the service of the state or who has been in the previous 12 months. Such notes shall include the name of the person, the capacity in which such person served and the amount of the award.~~

~~f) Collusive tendering~~

~~(i) Any submissions made by a respondent or tenderer who fails to declare in the Compulsory Declaration that the tendering entity:~~

~~(ii) is not associated, linked or involved with any other tendering entity submitting tender offers; or~~

~~(iii) has not engaged in any prohibited restrictive horizontal practices including consultation, communication, agreement, or arrangement with any competing or potential tendering entity regarding prices, geographical areas in which goods and services will be rendered, approaches to determining prices or pricing parameters, intentions~~

~~to submit a tender or not, the content of the submission (specification, timing, conditions of contract etc.) or intention to not win a tender~~

~~shall be rejected.~~

~~g) Placing of contractors under restrictions~~

~~(i) If any tenderer which has submitted a tender offer or a contractor which has concluded a contract has, as relevant:~~

~~(a) withdrawn such tender or quotation after the advertised closing date and time for the receipt of submissions;~~

~~(b) after having been notified of the acceptance of his tender, failed or refused to commence the contract;~~

~~(c) had their contract terminated for reasons within their control without reasonable cause;~~

~~(d) offered, promised or given a bribe in relation to the obtaining or the execution of such contract;~~

~~(e) acted in a fraudulent, collusive or anti-competitive or improper manner or in bad faith towards the Municipality; or~~

~~(f) made any incorrect statement in any affidavit or declaration with regard to a preference claimed and is unable to prove to the satisfaction of the Municipality that the statement was made in good faith or reasonable steps were taken to confirm the correctness of the statements,~~

~~(g) the Manager: Contract Management & Logistics shall prepare a report on the matter and make a recommendation to the Accounting Officer for placing the contractor or any of its principals under restrictions from doing business with the Municipality.~~

~~(ii) The Accounting Officer may, as appropriate, upon the receipt of a recommendation made in terms of 6(1)(g)(i)(g) and after notifying the contractor of such intention in writing and giving written reasons for such action, suspend a contractor or any principal of that contractor from submitting a tender offer to the Municipality for a period of time.~~

~~(iii) The Contract Management office shall:~~

~~(a) record the names of those placed under restrictions in an internal register which shall be accessible to employees and agents of the Municipality who are engaged in procurement processes; and~~

~~(b) notify the National Treasury and Western Cape Provincial Treasury and, if relevant, the Construction Industry Development Board, of such decision and provide them with the details associated therewith.~~

~~h) Complaints~~

~~(i) All complaints regarding the Municipality's infrastructure delivery management system shall be addressed to the Head: Supply Chain Management. Such complaints shall be in writing.~~

~~(ii) The relevant user department shall investigate all complaints regarding the infrastructure procurement and delivery management system and report on actions taken to the Head: Supply Chain Management who will decide on what action to take.~~

~~2) ACQUISITION MANAGEMENT~~

~~a) Unsolicited proposal~~

~~(i) The Municipality is not obliged to consider unsolicited offers received outside a normal procurement process but may consider such an offer only if:~~

~~(a) the goods, services or any combination thereof that is offered is a demonstrably or proven unique innovative concept;~~

~~(b) proof of ownership of design, manufacturing, intellectual property, copyright or any other proprietary right of ownership or entitlement is vested in the person who made the offer;~~

~~(c) the offer presents a value proposition which demonstrates a clear, measurable and foreseeable benefit for the Municipality;~~

~~(d) the offer is in writing and clearly sets out the proposed cost;~~

~~(e) the person who made the offer is the sole provider of the goods or service; and~~

~~(f) the Accounting Officer finds the reasons for not going through a normal tender processes to be sound.~~

~~(ii) The Accounting Officer may only accept an unsolicited offer and enter into a contract after considering the recommendations of the bid adjudication committee if:~~

~~(a) the intention to consider an unsolicited proposal has been made known in accordance with Section 21A of the Municipal Systems Act of 2000 together with the reasons why such a proposal should not be open to other competitors, an explanation of the potential benefits for the Municipality and an invitation to the public or other potential suppliers and providers to submit their comments within 30 days after the notice;~~

~~(b) the Municipality has obtained comments and recommendations on the offer from the National Treasury and the Western Cape Provincial Treasury;~~

~~(c) the bid adjudication committee meeting which makes recommendations to accept an unsolicited proposal was open to the public and took into account any public comments that were received and any comments and recommendations received from the National Treasury and the Western Cape Provincial Treasury; and~~

~~(d) the provisions of 6(2)(a)(iii) are complied with.~~

~~(iii) The Accounting Officer shall, within 5 business days after the decision to award the unsolicited offer is taken, submit the reasons for rejecting or not following the recommendations to the National Treasury, the Western Cape Provincial Treasury and Auditor General. A contract shall in such circumstances not be entered into or signed within 22 business days of such submission.~~

~~b) Tax and rates compliance~~

~~(i) SARS tax clearance~~

~~(a) No contract may be awarded or an order issued where the value of such transaction exceeds R 30 000, whose tax matters have been declared by the South African Revenue Service to be in order or if not domiciled in the Republic of South Africa and the SARS has confirmed that such a tenderer is not required to prove their tax compliance status.~~

~~(b) In the case of a partnership, each partner shall comply with the requirements of 6(2)(b)(i)(a).~~

~~(c) No payment shall be made to a contractor who does not satisfy the requirements of 6(2)(b)(i)(a). An employee of the Municipality shall upon detecting that a tenderer or contractor is not tax compliant, immediately notify such person of such status.~~

~~(d) Notwithstanding the requirements of 6(2)(b)(i) and 6(2)(b)(ii) the following shall apply, unless a person who is not tax compliant indicates to the Head: Supply Chain Management or his delegate that it intends challenging its tax compliance status with SARS,~~

~~(i) a contract may be awarded to a non-compliant tenderer if such a tenderer is able to remedy its tax compliance status within a period not exceeding 10 business days after being duly notified of its non-compliant status;~~

(ii) an order may be awarded to a non-compliant contractor if such a contractor is able to remedy its tax compliance status within a period not exceeding 10 business days after being duly notified of its non-compliant status;

(iii) a non-compliant contractor shall be issued with a first warning that payments in future amounts due in terms of the contract may be withheld, before the authorising of any payment due to such contractor;

(iv) before authorising a further payment due to a non-compliant contractor who has failed to remedy its tax compliance status after receiving a first warning, a second and final warning shall be issued to such contractor;

(v) no payments may be released for any amounts due in terms of the contract due to a non-compliant contractor if, after a period of 30 calendar days have lapsed since the second warning was issued, the non-compliant contractor has failed to remedy its tax compliance status.

(c) The Municipality may cancel a contract with a non-compliant contractor if such a contractor fails to remedy its tax compliance status after a period of 30 calendar days have lapsed since the second warning was issued in terms of 6(2)(b)(i)(d)(v).

(ii) Municipal rates and taxes

No contract may be awarded to a tenderer who, or the principals of that tenderer, owes municipal rates and taxes or municipal service charges to any municipality or a municipal entity and are in arrears for more than 3 months.

c) Declarations of interest

(i) Tenders and respondents making submissions in response to an invitation to submit a tender or a call for an expression of interest, respectively shall declare in the Compulsory Declaration whether or not any of the principals:

(a) are an employee of the Municipality or in the employ of the state; or

(b) have a family member or a business relation with a person who is in the employ of the state.

d) Invitations to submit expressions of interest or tender offers

(i) All invitations to submit tenders where the estimated value of the contract exceeds R200,000 including VAT, except where a confined tender process is followed, and expressions of interest shall be advertised on the Municipality's website and on the National Treasury e-Tender Publication Portal.

(ii) Advertisements relating to construction works which are subject to the Construction Industry Development Regulations issued in terms of the Construction Industry Development Board Act of 2000 shall in addition to the requirements of 6(2)(d)(i) be advertised on the CIDB website.

(iii) Where deemed appropriate by the bid specification committee an invitation to tender and a call for an expression of interest shall be advertised in suitable local and national newspapers and the Government Tender Bulletin as directed by such person.

(iv) Such advertisements shall be advertised for a period of at least 22 business days before closure, except in urgent cases when the advertisement period may be shortened as determined by the Accounting Officer.

(v) Invitations to submit expressions of interest or tender offers shall be issued not less than 10 business days before the closing date for tenders and at least 5 business days before any compulsory clarification meeting. Procurement documents shall be made available not less than 5 business days before the closing time for submissions.

e) Publication of submissions received and the award of contracts

(i) The names of all tenderers that made submissions shall be published within 10 business days of the closure of any advertised call for an expression of interest or an invitation to tender where the estimated value of the contract exceeds R200,000 including VAT on the Municipality's website, and if practical or applicable, the total of the prices and the preferences claimed. Such information shall remain on the website for at least 22 business days.

(ii) The following information will be published on the Municipality's website within 7 business days of the award of a contract:

(a) the contract number;

(b) contract title;

(c) brief description of the goods, services or works;

(d) the total of the prices, if practical;

(e) the names of successful tenderers and their B-BBEE status level of contribution;

(f) duration of the contract; and

(g) brand names, if applicable.

(iii) The information regarding the successful and unsuccessful tenders required by National Treasury shall be submitted within 7 business days of the award of a contract on the National Treasury e-Tender Publication Portal.

(iv) The award of contracts relating to construction works which are subject to the Construction Industry Development Regulations issued in terms of the Construction Industry Development Board Act of 2000 shall in addition to the requirements of 6(2)(e)(iii) be notified on the CIDB website.

f) Disposal committee

(i) The Accounting Officer shall appoint on a disposal by disposal basis in writing the members of the disposal committee to decide on how best to undertake disposals in accordance with the provisions of clause 10 of the standard.

(ii) The disposal panel shall comprise not less than three people. The chairperson shall be an employee of the Municipality.

(iii) The disposal committee shall make recommendations to the Accounting Officer who shall approve the recommendations, refer the disposal strategy back to the disposal committee for their reconsideration and decide not to proceed or to start afresh with the process.

3) REPORTING OF INFRASTRUCTURE DELIVERY MANAGEMENT INFORMATION

The Head: Supply Chain Management or his delegate shall submit any reports required in terms of the standard to the National Treasury or the Western Cape Provincial Treasury.

7 INFRASTRUCTURE PROCUREMENT

1) Procurement documents

a) The forms of contract that may be used are as follows:

Form of contract	Code	Usage
Construction Industry Development Board (CIDB)		
CIDB Standard Professional Service Contract	SPSC	Professional services
CIDB General Conditions of Purchase	-	An order form type of contract for low-value goods without any incidental work or services on or before a specified date being required.

Form of contract	Code	Usage
CIDB Contract for the Supply and Delivery of Goods	-	Simple, regional purchase of readily available materials or commodities which require almost no management of the buying and delivery process, minimal testing, installation and commissioning on delivery.
CIDB General Conditions of Service	-	An order form type of contract where low-value services on or before a specified date are required.
International Federation of Consulting Engineers (FIDIC)		
FIDIC Short Form of Contract	Green Book	Building or engineering works of relatively small capital value, or for relatively simple or repetitive work, or for work of short duration. Use for design by employer- or contractor-designed works.
FIDIC Conditions of Contract for Construction for Building and Engineering Works designed by the Employer	Red Book	Building or engineering works designed by the employer. (The works may include some elements of contractor-designed works.)
FIDIC Conditions of Contract for plant and design-build for electrical and mechanical plant, and for building and engineering works, designed by the contractor	Yellow Book	The provision of electrical or mechanical plant and the design and construction of building or engineering works.
FIDIC Conditions of Contract for EPC Turnkey Projects	Silver Book	The provision on a design and construct (turnkey) basis of a process or power plant, of a factory or similar facility, or an infrastructure project or other type of development.
FIDIC Conditions of Contract for Design, Build and Operate Projects	Gold Book	"Green field" building or engineering works which are delivered in terms of a traditional design, build and operate sequence with a 20-year operation period. (The contractor has no responsibility for the financing of the project/package or its ultimate commercial success.)
South African Institution of Civil Engineering (SAICE)		
SAICE General Conditions of Contract for Construction Works	GCC	Engineering and construction, including any level of design responsibility.
Joint Building Contracts Committee (JBCC)		
JBCC Principal Building Agreement	PBA	Buildings and related site works designed by the employer.
JBCC Minor Works Agreement	MWA	Buildings and related site works of simple content designed by the employer.
Institution of Civil Engineers (ICE)		
NEC3 Engineering and Construction Contract	ECC	Engineering and construction including any level of design responsibility.
NEC3 Engineering and Construction Short Contract	ECSC	Engineering and construction which do not require sophisticated management techniques, comprise straight forward work and impose only low risks on both the employer and contractor.
NEC3 Professional Services Contract	PSC	Professional services, such as engineering, design or consultancy advice.
NEC3 Professional Services Short Contract	PSCC	Professional services which do not require sophisticated management techniques, comprise straightforward work and impose only low risks on both the client and consultant.
NEC3 Term Service Contract	TSC	Manage and provide a service over a period of time.
NEC3 Term Service Short Contract	TSSC	Manage and provide a service over a period of time, or provide a service which does not require sophisticated management techniques, comprises straightforward work and imposes only low risks on both the employer and contractor.
NEC3 Supply Contract	SC	Local and international procurement of high-value goods and related services, including design.
NEC3 Supply Short Contract	SSC	Local and international procurement of goods under a single order or on a batch order basis and is suitable for use with contracts which do not require sophisticated management techniques, and impose only low risks on both the purchaser and the supplier.

(i) The Municipality's preapproved templates for Part C1 (Agreements and contract data) of procurement documents shall be utilised to obviate the need for legal review prior to the awarding of a contract. All modifications to the standard templates shall be approved by the Specification Committee prior to being issued for tender purposes.

(ii) Disputes arising from the performance of a contract shall be finally settled in a South African court of law.

(iii) The Municipal Declaration and returnable documents contained in the standard shall be included in all tenders for:

(a) consultancy services; and

(b) goods and services or any combination thereof where the total of the prices is expected to exceed R10 m including VAT.

2) Developmental procurement policy

a) The following specific goals shall be proposed:

Refer to the Emerging contractor development policy.

3) Payment of contractors

The Municipality will settle all accounts within 30 days after receipt of an invoice and statement for the month in question, detailing all invoices during that month and reflecting the total amount due by the Municipality, unless specified differently in the contract. In exceptional circumstances the Municipality may, at its discretion, deviate from the above.

4) Approval to utilise specific procurement procedures

a) Prior approval shall be obtained for the following procurement procedures from the following persons, unless such a procedure is already provided for in the approved procurement strategy:

(i) The CFO or Accounting Officer shall authorise the use of the negotiated procedure above the thresholds provided in the standard.

(ii) The Accounting Officer shall authorise the approaching of a confined market except where a rapid response is required in the presence of, or the imminent risk of, an extreme or emergency situation arising from the conditions set out in the standard and which can be dealt with or the risks relating thereto arrested within 48 hours; and

(iii) The proposal procedure using the two-envelope system, the proposal procedure using the two-stage system or the competitive negotiations procedure

b) The person authorised to pursue a negotiated procedure in an emergency is the Accounting Officer.

5) Receipt and safeguarding of submissions

a) A dedicated and clearly marked tender box shall be made available to receive all submissions made.

b) The tender box shall be fitted with two locks and the keys kept separately by two SCM practitioners. Such personnel shall be present when the box is opened on the stipulated closing date for submissions.

6) Opening of submissions

a) Submissions shall be opened by an opening panel comprising two people SCM practitioners who have declared their interest or confirmed that they have no interest in the submissions that are to be opened.

b) The opening panel shall open the tender box at the stipulated closing time and:

(i) sort through the submissions of all tenders that has closed that day;

(ii) return submissions unopened and suitably annotated where:

(a) submissions are received late,

(b) submissions were submitted by a method other than the stated method,

(c) submissions were withdrawn in accordance with the procedures contained in SANS 10845-3; and.

(d) only one tender submission is received and it is decided not to open it and to call for fresh tender submissions;

(e) record in the register submissions that were returned unopened;

(f) open submissions if received in sealed envelopes and annotated with the required particulars and read out the name of and record in the register the name of the tenderer or respondent and, if relevant, the total of prices including VAT where this is possible;

(g) record in the register the name of any submissions that is returned with the reasons for doing so;

(h) record the names of the tenderer's representatives that attend the public opening;

(i) sign the entries into the register; and

(j) stamp each returnable document in each tender submission.

c) Each member of the opening panel shall initial the front cover of the submission and all pages that are stamped in accordance with the requirements of 7.7.2h).

d) Respondents and tenderers whose submissions are to be returned shall be afforded the opportunity to collect their submissions.

e) Submissions shall be safeguarded from the time of receipt until the conclusion of the procurement process.

7) Use of another organ of state's framework agreement

The Municipality may make use of another organ of state's framework contract which has been put in place by means of a competitive tender process and there are demonstrable benefits for doing so. The Accounting Officer or delegated official shall make the necessary application to that organ of state to do so.

8) Insurances

a) Contractors shall be required to take out all insurances required in terms of the contract.

b) The insurance cover in engineering and construction contracts for loss of or damage to property (except the works, Plant and Materials and Equipment) and liability for bodily injury to or death of a person (not an employee of the Contractor) caused by activity in connection with a contract shall in general not be less than the value stated in Table 4, unless otherwise directed by relevant Director.

c) Lateral earth support insurance in addition to such insurance shall be taken out on a case by case basis.

Table 4: Minimum insurance cover

Type of insurance	Value
Engineering and construction contracts - loss of or damage to property (except the works, Plant and Materials and Equipment) and liability for bodily injury to or death of a person (not an employee of the Contractor) caused by activity in connection with a contract	Not less than R20 million
Professional services and service contracts - death of or bodily injury to employees of the Contractor arising out of and in the course of their employment in connection with a contract or damage to property	Not less than R10 million
Professional indemnity insurance	Geotechnical, civil and structural engineering: R5,0 million Electrical, mechanical & engineering: R3,0million Architectural: R5,0 million Other R3,0 million

d) The insurance cover in professional services and service contracts for damage to property or death of or bodily injury to employees of the Contractor arising out of and in the course of their employment in connection with a contract shall not be less than the value stated in Table 4 for any one event unless otherwise directed by relevant Director.

e) SASRIA Special Risk Insurance in respect of riot and associated risk of damage to the works, Plant and Materials shall be taken out on all engineering and construction works.

f) Professional service appointments shall as a general rule be subject to proof of current professional indemnity insurance being submitted by the contractor in an amount not less than the value stated in Table 4 in respect of each claim, without limit to the number of claims, unless otherwise directed by the relevant Director in relation to the nature of the service that they provide.

g) The Municipality shall take out professional indemnity insurance cover where it is deemed necessary to have such insurance at a level higher than the levels of insurance commonly carried by contractors.

h) Where payment is to be made in multiple currencies, either the contractor or the Municipality should be required to take out forward cover. Alternatively, the prices for the imported content should be fixed as soon as possible after the starting date for the contract.

9) Written reasons for actions taken

a) Written reasons for actions taken shall be provided by a contract owner.

b) The written reasons for actions taken shall be as brief as possible and shall as far as is possible, and where relevant, be framed around the clauses in the:

(i) SANS 10845-3, Construction procurement - Part 3: Standard conditions of tender, and, giving rise to the reason why a respondent was not short listed, prequalified or admitted to a data base; or

(ii) SANS 10845-4, Construction procurement - Part 4: Standard conditions for the calling for expressions of interest;

as to why a tenderer was not considered for the award of a contract or not awarded a contract.

c) Requests for written reasons for actions taken need to be brief and to the point and may not divulge information which is not in the public interest or any information which is considered to prejudice the legitimate commercial interests of others or might prejudice fair competition between tenderers.

10) Request for access to information

a) Should an application be received in terms of Promotion of Access to Information Act of 2000 (Act 2 of 2000), the "requestor" should be referred to the Municipality's Information Manual which establishes the procedures to be followed and the criteria that have to be met for the "requester" to request access to records in the possession or under the control of the Municipality.

b) Access to technical and commercial information such as a comprehensive programme which links resources and prices to such programme should be refused as such information provides the order and timing of operations, provisions for time risk allowances and statements as to how the contractor plans to do the work which identifies principal equipment and other resources which he plans to use. Access to a bill of quantities and rates should be provided in terms of the Act.

11) SHORT TITLE AND COMMENCEMENT

This part of the policy is called the SCM Policy for Infrastructure Procurement and Delivery Management of the Overstrand Municipality.

~~**This policy will come into effect on 1 July 2022 and will be reviewed at least annually by way of a Council resolution.**~~

~~**POLICY SECTION:**~~	~~**HEAD: SUPPLY CHAIN MANAGEMENT**~~		
		~~**PREVIOUS REVIEW:**~~	~~**2019/05/29**~~
~~**CURRENT UPDATE:**~~	~~**2021/05/26**~~	~~**PREVIOUS REVIEW:**~~	~~**2018/05/30**~~
~~**PREVIOUS REVIEW:**~~	~~**2020/05/27**~~	~~**PREVIOUS REVIEW:**~~	~~**2017/11/29**~~
~~**PREVIOUS REVIEW:**~~	~~**2019/06/26**~~	~~**PREVIOUS REVIEW:**~~	~~**2017/05/31]**~~

OVERSTRAND
MUNICIPALITY



PART B [C]
PREFERENTIAL PROCUREMENT POLICY

PART B [C]

PREFERENTIAL PROCUREMENT POLICY adopted in terms of section 2 of the Preferential Procurement Policy Framework Act, No. 5 of 2000 and the Preferential Procurement Regulations, 2017

PREAMBLE

WHEREAS the Overstrand Municipality aims to improve the quality of life of the local community and to free the potential of each person within a framework of facilitating service delivery, through effective governance and the Council takes into account the need for transparent procedures that give the effect to the principle of preferential procurement;

AND WHEREAS local economic development plays a crucial role in creating a prosperous, equitable, stable and democratic society and the overall national vision of economic development is one of decent work and living standards for all in the context of qualitative improved equality in ownership, skills and access to opportunities;

NOW THEREFORE the Council of the Overstrand Municipality resolves in terms of section 2 of the Preferential Procurement Policy Framework Act, No. 5 of 2000 that the principles embodied in the Preferential Procurement Regulations, 2017 are herewith integrated into the Overstrand Municipality's Supply Chain Management Policy to form the basis of the evaluation criteria for quotations and competitive tenders.

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1 Definitions

In this policy, unless the context indicates otherwise, a word or expression to which a meaning has been assigned in the Act bears the same meaning, and:

"all applicable taxes"	includes Value-Added Tax, Pay-as-you-Earn, Income Tax, Unemployment Insurance Fund Contributions and Skills Development Levies;
"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 received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes 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" (B-BBEEA)	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);
"Comparative price"	means the price after the factors of a non-firm price and all unconditional discounts that can be utilised have been taken into consideration;
"Consortium or Joint Venture"	means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract;
"Contract"	means the agreement that results from the acceptance of a tender by the Overstrand Municipality;
"designated group"	means- (a) black designated groups; (b) black people; (c) women; (d) people with disabilities; or (e) small enterprises, as defined in section 1 of the National Small Enterprise Act, 1996 (Act No. 102 of 1996);
"designated sector"	means a sector, sub-sector or industry or product designated in terms of **[clause]** paragraph 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;
"Firm price"	is the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy, or tax, which, in terms of a law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract;
"Functionality"	means the measurement according to predetermined norms, as set out in the tender documents, of a service or commodity that is designed to be practical and useful, working or operating, taking into account, among other factors, the quality, reliability, viability and durability of a service and the technical capacity and ability of a tenderer;
"imported content"	means that portion of the tender price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or its subcontractors) and which costs are inclusive of the costs abroad, plus freight and direct importation costs, such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African port of entry;
"local content"	means that portion of the tender price which is not included in the imported content, provided that local manufacture does take place;
"military veteran"	has the meaning assigned to it in section 1 of the Military Veterans Act, 2011 (Act No. 18 of 2011);
"Municipality"	The Overstrand Municipality;
"National Treasury"	has the meaning assigned to it in section 1 of the Public Finance Management Act, 1999 (Act No. 1 of 1999);
"Non-firm prices"	means all prices other than "firm" prices;
"organ of state"	The definition of organ of state in section 1 of the Act in paragraph (a) to (e) includes-

	• a national or provincial department as defined in the Public Finance Management Act, 1999; • a municipality as contemplated in the Constitution; • a constitutional institution as defined in the Public Finance Management Act; • Parliament; • a provincial legislature. Paragraph (f) of the definition of organ of state in section 1 of the Act includes any other institution or category of institutions included in the definition of "organ of state" in section 239 of the Constitution and recognised by the Minister by notice in the Government Gazette as an institution or category of institutions to which the Act applies. Government Notice R. 501 of 8 June 2011 recognises, with effect from 7 December 2011, all public entities listed in Schedules 2 and 3 to the Public Finance Management Act, 1999, as institutions to which the Act applies. Note should be taken of notices issued from time to time in terms of paragraph (f) of this definition. The application of these Regulations is also subject to applicable exemptions approved in terms of section 3 of the Act.
"Person"	includes reference to a juristic person;
"people with disabilities"	has the meaning assigned to it in section 1 of the Employment Equity Act, 1998 (Act No. 55 of 1998);
"Policy"	Means the Preferential Procurement Policy of the Overstrand Municipality
"price"	includes all applicable taxes less all unconditional discounts;
"proof of B-BBEE status level of contributor"	means- (a) the B-BBEE status level certificate issued by an authorised body or person; (b) a sworn affidavit as prescribed by the B-BBEE Codes of Good Practice; or (c) any other requirement prescribed in terms of the Broad-Based Black Economic Empowerment Act;
"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"	means- (a) a sparsely populated area in which people farm or depend on natural resources, including villages and small towns that are dispersed through the area; or (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;
"stipulated minimum threshold"	means the minimum threshold stipulated in terms of paragraph 8(1)(b);
"Sub-Contract"	means the primary contractor's assigning or leasing or making out work to, or employing, another person to support such primary contractor in the execution of part of a project in terms of the contract;
"Tender"	means a written offer in a prescribed or stipulated form in response to an invitation by the Overstrand Municipality for the provision of services, works or goods, through price quotations, advertised competitive tender processes or proposals;
"the Act"	means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);
"Total revenue"	bears the same meaning assigned to this expression as in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act, 2003 and promulgated in the Government Gazette on 9 February 2007;
"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 Public Finance Management Act, 1999 (Act No. 1 of 1999); and
"Trust"	means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person; and
"Trustee"	means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.
"youth"	has the meaning assigned to it in section 1 of the National Youth Development Agency Act, 2008 (Act No. 54 of 2008).

2 Application

These Regulations apply to organs of state as envisaged in the definition of organ of state in section 1 of the Act.

3 Identification of preference point system, designated sector, pre-qualification criteria, objective criteria and subcontracting

1) The Municipality must-

   a) determine and stipulate in the tender documents-

      i) the preference point system applicable to the tender as envisaged in paragraph 6 or 7; or
      ii) if it is unclear which preference point system will be applicable, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system;

   b) determine whether pre-qualification criteria are applicable to the tender as envisaged in paragraph 4;

   c) determine whether the goods or services for which a tender is to be invited, are in a designated sector for local production and content as envisaged in paragraph 8;

   d) determine whether compulsory subcontracting is applicable to the tender as envisaged in paragraph 9; and

   e) determine whether objective criteria are applicable to the tender as envisaged in paragraph 11.

4 Pre-qualification criteria for preferential procurement

1) If the Municipality decides to apply pre-qualifying criteria to advance certain designated groups, then the tender must be advertised with a specific tendering condition that only one or more of the following tenderers may respond-

   a) a tenderer having a stipulated minimum B-BBEE status level of contributor;

   b) an EME or QSE;

   c) a tenderer subcontracting a minimum of 30% to-

      i) an EME or QSE which is at least 51% owned by black people;

      ii) an EME or QSE which is at least 51% owned by black people who are youth;

      iii) an EME or QSE which is at least 51% owned by black people who are women;

      iv) an EME or QSE which is at least 51% owned by black people with disabilities;

      v) an EME or QSE which is 51% owned by black people living in rural or underdeveloped areas or townships;

      vi) a cooperative which is at least 51% owned by black people;

      vii) an EME or QSE which is at least 51% owned by black people who are military veterans

      viii) an EME or QSE.

2) A tender that fails to meet any pre-qualifying criteria stipulated in the tender documents is an unacceptable tender.

5 Tenders to be evaluated on functionality

1) The Municipality must indicate in the tender documents if the tender will be evaluated on functionality;

2) The evaluation criteria for measuring functionality must be objective.

3) The tender documents must specify-

   a) evaluation criteria for measuring functionality;

   b) the points for each criteria and, if any, each sub-criterion; and

   c) minimum qualifying score for functionality,

4) The minimum qualifying score for functionality for a tender to be considered further-

   a) must be determined separately for each tender; and

   b) may not be so-

      i) low that it may jeopardise the quality of the required goods or services; or

      ii) high that it is unreasonably restrictive.

5) Points scored for functionality must be rounded off to the nearest two decimal places.

6) A tender that fails to obtain the minimum qualifying score for functionality as indicated in the tender documents is not an acceptable tender.

7) Each tender that obtained the minimum qualifying score for functionality must be evaluated further in terms of price and the preference point system and any objective criteria envisaged in paragraph 11.

6 80/20 preference point system for acquisition of goods or services for Rand value equal to or above R30 000 and up to R50 million

1) The following formula must be used to calculate the points out of 80 for price in respect of a tender (including price quotations) with a Rand value equal to, or above R 30 000 and up to a Rand value of R50 million inclusive of all applicable taxes:

$$Ps = 80 \left(1 - \frac{(Pt - Pmin)}{Pmin}\right)$$

Where;

Ps = Points scored for price of tender under consideration;
Pt = Price of tender under consideration; and
Pmin = Price of lowest acceptable tender.

2) The following table must be used to calculate the score out of 20 for BBBEE:

B-BBEE Status Level of Contributor	Number of Points
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

3) A tenderer must submit proof of its B-BBEE status level of contributor.

4) A tenderer failing to submit proof of B-BBEE status level of contributor or is a non-compliant contributor to B-BBEE may not be disqualified, but-

   a) may only score points out of 80 for price; and

   b) scores 0 points out of 20 for B-BBEE.

5) A tenderer may not be awarded points for B-BBEE status level of contributor if the tender documents indicate that the tenderer intends subcontracting more than 25% of the value of the contract to any other person not qualifying for at least the points that the tenderer qualifies for, unless the intended subcontractor is an EME that has the capability to execute the subcontract.

6) The points scored by a tenderer for B-BBEE in terms of sub-paragraph (2) must be added to the points scored for price under sub-paragraph (1).

7) The points scored must be rounded off to the nearest two decimal places.

8) Subject to sub-paragraph (9) and paragraph 11, the contract must be awarded to the tenderer scoring the highest points.

9) If the price offered by a tenderer scoring the highest points is not market-related, the Municipality may not award the contract to that tenderer.

a) The Municipality may-

i) negotiate a market-related price with the tenderer scoring the highest points or cancel the tender;

ii) if the tenderer does not agree to a market-related price, negotiate a market-related price with the tenderer scoring the second highest points or cancel the tender;

iii) if the tenderer scoring the second highest points does not agree to a market-related price, negotiate a market-related price with the tenderer scoring the third highest points or cancel the tender.

b) If a market-related price is not agreed as envisaged in paragraph (a)(iii), the Municipality must cancel the tender.

7 90/10 preference point system for acquisition of goods or services for Rand value above R50 million.

1) 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:

a) $Ps = 90\left(1 - \frac{(Pt - Pmin)}{Pmin}\right)$

Where

Ps = Points scored for price of tender under consideration;
Pt = Price of tender under consideration; and
Pmin = Price of lowest acceptable tender

2) The following table must be used to calculate the score out of 10 for BBBEE:

B-BBEE Status Level of Contributor	Number of Points
1	10
2	9
3	6
4	5
5	4
6	3
7	2
8	1
Non-compliant contributor	0

3) A tenderer must submit proof of its B-BBEE status level of contributor.

4) A tenderer failing to submit proof of B-BBEE status level of contributor or is a non-compliant contributor to B-BBEE may not be disqualified, but-

a) may only score points out of 90 for price; and

b) scores 0 points out of 10 for B-BBEE.

5) A tenderer may not be awarded points for B-BBEE status level of contributor if the tender documents indicate that the tenderer intends subcontracting more than 25% of the value of the contract to any other person not qualifying for at least the points that the tenderer qualifies for, unless the intended subcontractor is an EME that has the capability to execute the subcontract.

6) The points scored by a tenderer for B-BBEE in terms of sub-paragraph (2) must be added to the points scored for price under sub-paragraph (1).

7) The points scored must be rounded off to the nearest two decimal places.

8) Subject to sub-paragraph (9) and paragraph 11, the contract must be awarded to the tenderer scoring the highest points.

9) If the price offered by a tenderer scoring the highest points is not market-related, the Municipality may not award the contract to that tenderer.

a) The Municipality may-

i) negotiate a market-related price with the tenderer scoring the highest points or cancel the tender;

ii) if the tenderer does not agree to a market-related price, negotiate a market-related price with the tenderer scoring the second highest points or cancel the tender;

iii) if the tenderer scoring the second highest points does not agree to a market-related price, negotiate a market-related price with the tenderer scoring the third highest points or cancel the tender.

b) If a market-related price is not agreed as envisaged in paragraph (a)(iii), the Municipality must cancel the tender.

8 Local Production and Content

1) The Department of Trade and Industry may, in consultation with the National Treasury-

a) designate a sector, sub-sector or industry or product in accordance with national development and industrial policies for local production and content, where only locally produced services or goods or locally manufactured goods meet the stipulated minimum threshold for local production and content, taking into account economic and other relevant factors; and

b) stipulate a minimum threshold for local production and content.

2) The Municipality must, in the case of a designated sector, advertise the invitation to tender with a specific condition that only locally produced goods or locally manufactured goods, meeting the stipulated minimum threshold for local production and content, will be considered.

3) The National Treasury must inform organs of state of any designation made in terms of regulation 8(1) through a circular.

4a. If there is no designated sector, the Municipality may include, as a specific condition of the tender, that only locally produced services or goods or locally manufactured goods with a stipulated minimum threshold for local production and content, will be considered.

4b. The threshold referred to in paragraph (a) must be in accordance with the standards determined by the Department of Trade and Industry in consultation with the National Treasury.

5. A tender that fails to meet the minimum stipulated threshold for local production and content is an unacceptable tender.

9 Subcontracting as a condition of tender

1. If feasible to subcontract for a contract above R30 million, the Municipality must apply subcontracting to advance designated groups.

2. If the Municipality applies subcontracting as contemplated in sub-paragraph (1), the Municipality must advertise the tender with a specific tendering condition that the successful tenderer must subcontract a minimum of 30% of the value of the contract to-

a) an EME or QSE;

b) an EME or QSE which is at least 51% owned by black people;

c) an EME or QSE which is at least 51% owned by black people who are youth;

d) an EME or QSE which is at least 51% owned by black people who are women;

e) an EME or QSE which is at least 51% owned by black people with disabilities;

f) an EME or QSE which is 51% owned by black people living in rural or underdeveloped areas or townships;

g) a cooperative which is at least 51% owned by black people;

h) an EME or QSE which is at least 51% owned by black people who are military veterans

i) more than one of the categories referred to in sub-paragraphs (a) to (h).

3. The Municipality must make available the list of all suppliers registered on a database approved by the National Treasury to provide the required goods or services in respect of the applicable designated groups mentioned in sub-paragraph (2) from which the tenderer must select a supplier.

10 Criteria for breaking deadlock in scoring

1. 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 B-BBEE.
2. If functionality is part of the evaluation process and two or more tenderers score equal total points and equal preference points for B-BBEE, the contract must be awarded to the tenderer that scored the highest points for functionality.
3. If two or more tenderers score equal total points in all respects, the award must be decided by the drawing of lots.

11 Award of contracts to tenderers not scoring highest points

1. 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 Act.
2. If an organ of state intends to apply objective criteria in terms of section 2(1)(f) of the Act, the organ of state must stipulate the objective criteria in the tender documents.

12 Subcontracting after award of tender

1. A person awarded a contract may only enter into a subcontracting arrangement with the approval of the organ of state.
2. A person awarded a contract in relation to a designated sector, may not subcontract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.
3. A person awarded a contract may not subcontract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level of contributor than the person concerned, unless the contract is subcontracted to an EME that has the capability and ability to execute the subcontract.

13 Cancellation of tender

1. The Municipality may, before the award of a tender, cancel a tender invitation if-
   a) due to changed circumstances, there is no longer a need for the goods or services specified in the invitation;
   b) funds are no longer available to cover the total envisaged expenditure;
   c) no acceptable tender is received; or
   d) there is a material irregularity in the tender process.
2. The decision to cancel a tender invitation in terms of sub-paragraph (1) must be published in the same manner in which the original tender invitation was advertised.
3. The Municipality may only with the prior approval of the relevant treasury cancel a tender invitation for the second time.

14 Remedies

1. Upon detecting that a tenderer submitted false information regarding its B-BBBEE status level of contributor, local production and content, or any other matter required in terms of this policy which will affect or has affected the evaluation of a tender, or where a tenderer has failed to declare any subcontracting arrangements, the Municipality must-
   a) inform the tenderer accordingly;
   b) give the tenderer an opportunity to make representations within 14 days as to why-
      i) the tender submitted should 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;

ii) if the successful tenderer subcontracted a portion of the tender to another person without disclosing it, the tenderer should not be penalised up to 10 percent of the value of the contract; and

iii) the tenderer should not be restricted by the National Treasury from conducting any business for a period not exceeding 10 years with any organ of state; and

c) if it concludes, after considering the representations referred to in sub-paragraph (1)(b), that-

i) such false information was submitted by the tenderer-

a) disqualify the tenderer or terminate the contract in whole or in part; and

b) if applicable, claim damages from the tenderer; or

ii) the successful tenderer subcontracted a portion of the tender to another person without disclosing, penalise the tenderer up to 10 percent of the value of the contract.

2a. An organ of state must-

i) inform the National Treasury, in writing, of any actions taken in terms of sub-paragraph (1);

ii) provide written submissions as to whether the tenderer should be restricted from conducting business with any organ of state; and

iii) submit written representations from the tenderer as to why that tenderer should not be restricted from conducting business with any organ of state.

2b. The National Treasury may request an organ of state to submit further information pertaining to sub-paragraph (1) within a specified period.

3. The National Treasury must-

a) after considering the representations of the tenderer and any other relevant information, decide whether to restrict the tenderer from doing business with any organ of state for a period not exceeding 10 years; and

b) maintain and publish on its official website a list of restricted suppliers.

15 Circulars and guidelines

1. The National Treasury may issue-

a) a circular to inform organs of state of any matter pertaining to this policy; or

b) a guideline to assist organs of state with the implementation of any provision of this policy.

16 SHORT TITLE AND COMMENCEMENT

This part of the policy is called the Preferential Procurement Policy of the Overstrand Municipality.

This policy will come into effect on **1 July 2022** and will be reviewed at least annually by way of a Council resolution.

POLICY SECTION:	HEAD: SUPPLY CHAIN MANAGEMENT				
CURRENT REVIEW	2022/05/31				
PREVIOUS REVIEW	2021/05/26	PREVIOUS REVIEW:	2017/03/29	PREVIOUS REVIEW:	2012/06/26
PREVIOUS REVIEW	2020/05/27	PREVIOUS REVIEW:	2016/05/25	PREVIOUS REVIEW:	2012/05/30
PREVIOUS REVIEW	2019/06/26	PREVIOUS REVIEW:	2016/02/24	PREVIOUS REVIEW:	2011/11/30
PREVIOUS REVIEW	2019/05/29	PREVIOUS REVIEW	2015/05/28	PREVIOUS REVIEW:	2011/05/04
PREVIOUS REVIEW:	2018/05/30	PREVIOUS REVIEW:	2014/05/28	PREVIOUS REVIEW:	2010/05/26
PREVIOUS REVIEW:	2017/11/29	PREVIOUS REVIEW:	2013/05/29	PREVIOUS REVIEW:	2009/05/27
PREVIOUS REVIEW:	2017/05/31	PREVIOUS REVIEW:	2012/11/28	APPROVAL	2008/06/25

DELEGATION OF POWERS AND DUTIES PARAGRAPH 4.2.81		
As far as contractual obligations are concerned: Personnel to be nominated in writing by the Municipal Manager, and Directors, subject to the under-mentioned criteria, and further subject to the municipality's Supply Chain Management Policy, financial regulations and council resolutions where applicable.		
4.2.81.1.	***APPROVAL / AWARD / CANCELLATION* OF QUOTATIONS, FORMAL QUOTATIONS AND TENDERS**	
RAND VALUE (VAT inclusive)	**LEVEL OF APPROVAL** (With due regard to proper segregation of duties)	**QUOTATIONS / TENDERS PROCESS FOLLOWED**
Up to R2 000	Level of approval as delegated by relevant director	Petty cash Purchases in terms of the Petty Cash Policy AND / OR One (1) written quotation
R2 000.01 – R30 000.00	Post level T12 and higher	Three (3) written price quotations in terms of Paragraph 17(1)(a) of the SCM Policy
R30 000.01 – R200 000.00	Head: Supply Chain Management	Formal written price quotations in terms of Paragraph 18(b) of the SCM Policy
R200 000.01 – R10 million	Bid Adjudication Committee	Competitive Bidding – committee system
> R10 million	Municipal Manager after recommendation from the Bid Adjudication Committee	Competitive Bidding – committee system
4.2.81.2	***APPROVAL OF DEVIATIONS***	
RAND VALUE (VAT inclusive)	**LEVEL OF APPROVAL**	
IN TERMS OF PARAGRAPH 36 ((1)(a)(v)(b) TO (i))		
R0 – R200 000.00	Directors	
>R200 000.00	Accounting Officer	
36(1)(a)(v)(c) & (d)	Level of approval as delegated by relevant director	
IN TERMS OF PARAGRAPH 36 ((1)(a)(i) TO (v)(a)		
R0 – R70 000.00	Head: Supply Chain Management	
R70 000.01 – R200 000.00	Chief Financial Officer (Director: Finance) after consultation with, and recommendation by, the Head: Supply Chain Management	
>R200 000.00	Accounting Officer	
4.2.81.3	***APPROVAL OF REQUESTS* FOR PURCHASE ORDERS & MUNICIPAL STORE ISSUES**	
Up to R2 000	Level of approval as delegated by relevant director	
R2 000.01 – R30 000.00	Post level T12 and higher	
R30 000.01 – R70 000.00	Post level T13 and higher	
> R70 000.00	Post level T16 and higher	
4.2.81.4	***CERTIFICATION AND AUTHORISATION OF ALL PAYMENTS* inclusive of where an official order has been issued in terms of sub-paragraph 4.2.81.3 above**	
RAND VALUE (VAT inclusive)	**LEVEL OF APPROVAL (With due regard to proper segregation of duties)**	
R0 – R70 000.00	Post Level 13 and Higher	
R70 000.01 – R500 000.00	Post Level 16 and Higher	
> R 500 000.00	Municipal Manager & Directors	
Eskom Bulk Electricity Purchases	Senior Manager: Electro-technical Services	
4.2.81.5	***APPROVAL OF SPECIFICATIONS* FOR COMPETITIVE BIDS, in terms of Paragraph 27(2)(g) of the SCM Policy**	
Cryptic description of Power or Duty	**Sub-delegated to**	**Remarks, Limitations or Conditions**
Specifications for Competitive Bids must be approved prior to the publication of the invitation for bids in terms of **[clause]** paragraph 22 of the SCM Policy.	All Directors	This delegation applies in so far as each director's responsibility for managing the respective votes of the municipality and to whom powers and duties for this purpose have been delegated in terms of Section 79 of the MFMA (Act 56 of 2003).
4.2.81.6	***APPROVAL OF COMMUNICATION* WITH PROSPECTIVE BIDDERS**	
Cryptic description of Power or Duty	**Sub-delegated to**	**Remarks, Limitations or Conditions**
The budget holder must approach the bid specification committee to consider authorising communication with bidders prior to the closing date of tenders in terms of paragraph 22(6)(a) of the SCM Policy	Bid Specification Committee	This delegation applies in so far as the tender to which the communication relates and the members of the committee as appointed by the accounting officer
The budget holder must approach the bid evaluation committee to consider authorising communication with bidders after the closing of tenders in terms of paragraph 24(3)(c) of the SCM Policy	Bid Evaluation Committee	This delegation applies in so far as the tender to which the communication relates and the members of the committee as appointed by the accounting officer
4.2.81.7	**APPROVAL OF EXPANSIONS / VARIATIONS / AMENDMENTS IN THE CONTRACT SUM OR PERIOD**	
RAND VALUE (VAT inclusive)	**LEVEL OF APPROVAL**	**PROCESS FOLLOWED**
R0 – R200 000.00 (total inclusive of amendment)	Head: Supply Chain Management	Circular 62 Expansion / Variation
R200 000.01 – R10 million (total inclusive of amendment)	Bid Adjudication Committee	Circular 62 Expansion / Variation
R0 - unlimited	Municipal Manager with consent from Council	S116(3) Amendments

POLICY SECTION:	HEAD: SUPPLY CHAIN MANAGEMENT								
CURRENT UPDATE:	2022/05/31			**PREVIOUS REVIEW:**	2016/05/25	**PREVIOUS REVIEW:**	2012/11/28	**PREVIOUS REVIEW:**	2010/05/26
PREVIOUS REVIEW:	2021/05/26			**PREVIOUS REVIEW:**	2016/02/24	**PREVIOUS REVIEW:**	2012/07/26	**PREVIOUS REVIEW:**	2009/05/27
PREVIOUS REVIEW:	2020/05/27	**PREVIOUS REVIEW:**	2018/05/31	**PREVIOUS REVIEW:**	2015/05/28	**PREVIOUS REVIEW:**	2012/05/30	**APPROVAL BY COUNCIL:**	2008/05/25
PREVIOUS REVIEW:	2019/06/26	**PREVIOUS REVIEW:**	2017/11/29	**PREVIOUS REVIEW:**	2014/05/28	**PREVIOUS REVIEW:**	2011/11/30		
PREVIOUS REVIEW:	2019/05/29	**PREVIOUS REVIEW:**	2017/05/31	**PREVIOUS REVIEW:**	2013/05/29	**PREVIOUS REVIEW:**	2011/05/04		

CODE OF CONDUCT FOR SUPPLY CHAIN MANAGEMENT PRACTITIONERS AND OTHER ROLE PLAYERS

The **purpose** of this Code of Conduct is to promote mutual trust and respect and an environment where business can be conducted with integrity and in a fair and reasonable manner.

1. General Principles

1) The Municipality commits itself to a policy of fair dealing and integrity in the conducting of its business. Officials and other role players involved in supply chain management (SCM) are in a position of trust, implying a duty to act in the public interest. Officials and other role players should not perform their duties to unlawfully gain any form of compensation, payment or gratuities from any person, or provider/contractor for themselves, their family or their friends.

2) Officials and other role players involved in SCM should ensure that they perform their duties efficiently, effectively and with integrity, in accordance with the relevant legislation, policies and guidelines. They should ensure that public resources are administered responsibly.

3) Officials and other role players involved in SCM should be fair and impartial in the performance of their functions. They should at no time afford any undue preferential treatment to any group or individual or unfairly discriminate against any group or individual. They should not abuse the power and authority vested in them.

Conflict of interest

4) An official or other role player involved with supply chain management –

   a) must treat all providers and potential providers equitably;

   b) may not use his or her position for private gain or to improperly benefit another person;

   c) may not accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person, of a value more than R350;

   d) must declare to the accounting officer details of any reward, gift, favour, hospitality or other benefit 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 interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process, 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 member, partner or associate, has any private or business interest;

   g) must declare any business, commercial and financial interests or activities undertaken for financial gain that may raise a possible conflict of interest;

   h) should not place him/herself under any financial or other obligation to outside individuals or organizations that might seek to influence them in the performance of their official duties; and

   i) should not take improper advantage of their previous office after leaving their official position.

Accountability

5) Practitioners are accountable for their decisions and actions to the public.

6) Practitioners should use public property scrupulously.

7) Only accounting officers or their delegates have the authority to commit the Municipality to any transaction for the procurement of goods and / or services.

8) All transactions conducted by a practitioner should be recorded and accounted for in an appropriate accounting system. Practitioners should not make any false or misleading entries into such a system for any reason whatsoever.

9) Practitioners must assist the accounting officer in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system.

10) Practitioners must report to the accounting officer any alleged irregular conduct in the supply chain management system which that person may become aware of, including

    a) any alleged fraud, corruption, favouritism or unfair conduct;

    b) any alleged contravention of the policy on inducements, rewards, gifts and favours to municipalities or municipal entities, officials or other role players; and

    c) any alleged breach of this code of conduct.

11) Any declarations made must be recorded in a register which the accounting officer must keep for this purpose. Any declarations made by the accounting officer must be made to the **mayor** who must ensure that such declaration is recorded in the register.

Openness

12) Practitioners should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only if it is in the public interest to do so.

Confidentiality

13) Any information that is the property of the Municipality or its providers should be protected at all times. No information regarding any bid / contract / bidder / contractor may be revealed if such an action will infringe on the relevant bidder's / contractor's personal rights.

14) Matters of confidential nature in the possession of officials and other role players involved in SCM should be kept confidential unless legislation, the performance of duty or the provisions of law requires otherwise. Such restrictions also apply to officials and other role players involved in SCM after separation from service**.**

2. Bid Specification / Evaluation / Adjudication Committees

1) Bid specification, evaluation and adjudication committees should implement supply chain management on behalf of the Municipality in an honest, fair, impartial, transparent, cost-effective and accountable manner.

2) Bid evaluation / adjudication committees should be familiar with and adhere to the prescribed legislation, directives and procedures in respect of supply chain management in order to perform effectively and efficiently.

3) All members of bid adjudication committees should be cleared by the accounting officer at the level of "CONFIDENTIAL" and should be required to declare their financial interest annually.

4) No person should-

    a) interfere with the supply chain management system of the Municipality; or

    b) amend or tamper with any price quotation / bid after its submission.

3. Combative Practices

1) Combative practices are unethical and illegal and should be avoided at all cost. They include but are not limited to:

    a) Suggestions to fictitious lower quotations;

    b) Reference to non-existent competition;

    c) Exploiting errors in price quotations / bids;

    d) Soliciting price quotations / bids from bidders / contractors whose names appear on the Register for Tender Defaulters.

OVERSTRAND MUNICIPALITY



CONTRACT MANAGEMENT POLICY

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1. PRE-AMBLE

All transactions undertaken by the Overstrand Municipality 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 escalation clauses in contracts) time period and qualities of the goods and services procured.

All contracts must be managed throughout the contract Life Cycle, based on the level of management control appropriate for the classification of that contract.

Improperly managed contracts may impact negatively on service delivery. Adverse effects of ineffective contract management include but are not limited to:

1.1 goods and services outside of specification;

1.2 cost overruns;

1.3 poor suppliers-, buyer- or other stakeholder relations;

1.4 negative public perception, and

1.5 potentially complete service delivery failures.

1.6 irregular expenditure or un-authorized expenditure

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 coincidence with the SCM Policy of the Overstrand Municipality.

2. DEFINITIONS:

In this Policy, unless the context indicates otherwise-

Accounting Officer ***(in relation to a municipality)***	means the municipal official referred to in section 60 of the MFMA (2003); and include a person acting as the accounting officer.
Act or MFMA	Means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);
Circular 62	means 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):	means 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.
Contract	means the agreement that results from the acceptance of a bid by the Municipality (mutual agreement)
Contract Alteration	means changing technical writing or input errors to the agreement of the contract without changing the scope of contract.
Contract Amendment	means 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 Champion	means the official/s within a specific department, responsible for all day to day administrative and management activities (including performance management and dispute resolution) during the life cycle of the contract (with delegated powers to perform this function).
Contract Management	means the holistic term of all role players involved in an agreement (SLA/SDA) or contract and include the; SCM contract manager, contract director, contract owner, contract champion and supplier.
SCM Contract Manager	means the SCM official responsible for monitoring, regulating and reporting on all contract related activities as set out in Section 116 of the MFMA.
Contract Owner	means the deputy 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 Director	Appointment according to sect 56 of the Systems Act
Delegation ***(in relation to a duty)***	Includes an instruction or request to perform or to assist in performing the duty.
Force Majeure	Is the expression used to denote irresistible superior force which might cause damage or prevent the execution of an obligation, therefore suppliers is not liable for damages caused by force majeure or for failure to carry out a contract if prevented (Term and conditions in this regard will be determined by every individual contract/s).
Official **(*In relation to a municipality)***	means: • an employee of a municipality; • a person seconded to a municipality to work as a member of the staff of the municipality; or • a person contracted by a municipality to work as a member of the staff of the municipality otherwise than as an employee.
Users	Means all officials as set out in the organogram of the Overstrand Municipality involved with contracts.
User Department	Refers to the official/s within the relevant department of a directorate, as set out in the organogram of the Overstrand Municipality responsible for contract management.

3. ABREVIATIONS:

BEE	Black economic empowerment
B-BBEE	Broad-Based Black Economic Empowerment
GCC	means General Conditions of contract.
MSA	means Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000).
NT	means National Treasury established by section 5 of the Public Finance Management Act.
SCC	means Special Conditions of Contract.
SCM	means Supply Chain Management
SDA	means Service Delivery Agreement.
SLA	means Service Level Agreement.

4. OBJECTIVES:

4.1 To give effect to Section 217 of the Constitution of South Africa (1996) that stipulate:

4.1.1 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:

4.1.1.1 equitable
4.1.1.2 transparent
4.1.1.3 competitive
4.1.1.4 cost-effective and
4.1.1.5 fair

4.2 The effective and efficient control of contracts procured through the SCM system ensuring:

4.2.1 proper recording and enforcement of contracts throughout the contract life cycle (specifications to contract reviews);
4.2.2 support to the demand management framework as set out in Circular 62 of National treasury (August 2012), optimizing proper planning, resulting in effective service delivery;
4.2.3 management of Contract Performance;
4.2.4 compliance with the regulatory framework;
4.2.5 to assist officials in understanding their legal and managerial responsibilities with regards to contract management;
4.2.6 the optimization of efficient and sustainable financial wellbeing of the municipality, resulting in lower cost drivers, and
4.2.7 the continuous development of effective Management Information systems, resulting in strategic support and risk preventions.

4.3 To ensure that no contract procurement of goods and services (excluding land sales or rentals of Overstrand Municipal Assets, which are managed by Property Management Services), takes place outside of the SCM System.

5. STATUTORY AND REGULATORY FRAMEWORK FOR MANAGING CONTRACTS

5.1 Application and Framework of the Contract Management Policy

5.1.1 All officials and other role players in the Supply Chain Management system of the Overstrand Municipality must implement this Policy in a way that gives effect to:

5.1.1.1 Section 217 of the Constitution;
5.1.1.2 Section 116 of the MFMA;
5.1.1.3 Section 33 of the MFMA;
5.1.1.4 SCM Policy;
5.1.1.5 SCM Regulations
5.1.1.6 any other legislation pertaining to SCM.

5.1.2 This Policy applies when the Municipality:

5.1.2.1 procures goods or services;
5.1.2.2 disposes of goods no longer needed; and
5.1.2.3 selects service providers and suppliers to provide assistance in the provision of municipal services including circumstances where Chapter 8 of the Municipal Systems Act applies.

5.2 Adoption, Amendment and Implementation of the Contract Management Policy

5.2.1 The accounting officer must:

5.2.1.1 at least annually review the implementation of this Policy; and
5.2.1.2 when the accounting officer considers it necessary, submit proposals for the amendment of this Policy to Council;
5.2.1.3 in terms of section 62(1) (f) (IV) of the Act, take all reasonable steps to ensure that the Contract Management Policy is implemented.

5.3 Conditions of Contract

5.3.1 A contract or agreement procured through the Supply Chain Management System of the Municipality must:

5.3.1.1 be in writing;
5.3.1.2 stipulate the terms and conditions of the contract or agreement, which must provide for:

5.3.1.2.1 the termination of the contract or agreement in the case of non- or underperformance;
5.3.1.2.2 dispute resolution mechanisms to settle disputes between the parties;
5.3.1.2.3 a periodic review of the contract or agreement once every three years in the case of a contract or agreement for longer than three years; and
5.3.1.2.4 any other matters that may be prescribed.

5.4 Administrative Capacity

5.4.1 The relevant Director, with delegated powers from the Municipal Manager, must establish capacity in his/her directorate to assist the accounting officer in carrying out the duties set out in section 116(2) of the MFMA.

5.5 Management of Contracts

5.5.1 The accounting officer and delegated officials must take all reasonable steps to:

5.5.1.1 ensure that a contract or agreement procured through the supply chain management policy of the municipality is properly enforced;

5.5.1.2 monitor on a monthly basis the performance of the contractor under the contract or agreement.

5.5.1.3 administrate the contract with the necessary competencies and delegations, ensuring effective management of contracts.

5.5.2 The Contract Owner must ensure that contract champions submit suppliers' performance reports to the SCM contract manager within 5 business days after the end of each month.

5.5.3 The SCM Contract Manager submits a consolidated report to the relevant Director and Contract Owner within 15 business days after the end of each month for purposes of Section 116 (2)(b) of the Act.

5.5.4 The SCM Contract Manager submits a consolidated report on the performance of contracts or agreements for purposes of Section 116 (2)(d), to the Accounting Officer within 15 business days of the end of each quarter.

5.6 Amendment of Contracts

5.6.1 A contract or agreement procured through the supply chain management policy of the municipality may be amended by the parties, in exceptional circumstances in order to mitigate abuse, in perception after the fact to prevent financial inefficiencies and influencing financial sustainability.

5.6.2 In terms of Section 116(3) of the MFMA, (56 of 2003), amendments (in compliance with SCM procedures), may only be made after:

5.6.2.1 the reasons for the proposed amendment have been tabled in the council; and

5.6.2.2 the local community has been given reasonable notice of the intention to amend the contract or agreement; and

5.6.2.3 has been invited to submit representations to the municipality.

5.6.3 Amendments of contracts where the expansion or variation is not more than (NT Circular 62):

5.6.3.1 20% (construction related goods, services and/or infrastructure projects), and

5.6.3.2 15% (all other goods and/or services) of the original value of the contract, must be submitted directly to the Contract Management Office for approval and further reference to the SCM committee system for approval.

5.6.4 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.

5.6.5 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.

5.6.6 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 in writing and signed by the contracting parties.

5.6.7 Section 33 of the MFMA will apply when an amendment has budgetary implications for a term longer than the 3 (three) financial years of the current year's budget, (Section 116 (3) of the MFMA will be followed with section 33, when amending an existing contract for longer than 3 years). It remains the responsibility of the user department to give effect to section 33, following due process, as stipulated in Section 33 of the MFMA. The SCM Contract Management office will support the relevant user department in order to ensure that compliance to all SCM legislation is adhered to.

5.6.8 All expansions, variations or amendments to the contract sum or contract period must be approved by the delegated authority prior to implementation thereof.

6. MAINTENANCE AND CONTRACT ADMINISTRATION

6.1 Contract administration includes all administrative duties associated with a contract once it is adjudicated and implemented.

6.2 No rights in terms of an awarded contract will accrue before the SCM appeal period and/or appeal has been finalised.

6.3 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).

6.4 The contract will only be enforceable after all the signatures of the relevant parties are documented.

6.5 A signed service level agreement (if applicable) must be compiled and signed which will incorporate all the relevant sections of the tender documentation.

6.6 All once-off purchases shall have a specified end delivery date.

7. ROLES AND RESPONSIBILITIES OF OFFICIALS:

7.1 SCM Contract Manager:

7.1.1 The SCM Contract Manager is the SCM official responsible for system administration, status and SCM performance reporting on all contracts related activities.

7.1.2 For the purposes of ***contract management*** activities performed by the relevant role players, the SCM contract manager will monitor and report on the following activities:

7.1.2.1 identification and classification of contracts for management purposes in terms of the SCM processes;

7.1.2.2 recognition, measurement and disclosure;

7.1.2.3 oversight of contract management as is provided for in this policy;

7.1.2.4 document and information management;

7.1.2.5 relationship management;
7.1.2.6 performance management;
7.1.2.7 contract risk management.

7.2 Contract Champion

7.2.1 The contract champion is responsible for the following activities:

7.2.2.1 ensuring that all the necessary legal formalities in entering into the contract are adhered to;
7.2.2.2 ensuring that all applicable contract information is maintained in the applicable electronic contract system
7.2.2.3 ensuring that purchase orders are processed on the financial system in accordance with the pricing schedule;
7.2.2.4 maintaining adequate records (paper and/or electronic) in sufficient detail on an appropriate contract file to provide an audit trail;
7.2.2.5 inform the Asset Management section of the Expenditure Department of the location of newly procured assets for asset register and insurance purposes; and
7.2.2.6 where appropriate, in terms of Council's Delegations, authorise invoices due for payment.
7.2.2.7 to take appropriate action in consultation with the contract owner and the SCM contract manager, where a contractor is underperforming or is in default or breach of the contract.
7.2.2.8 ensure performance of suppliers is managed appropriately to the terms and conditions of the contract.

7.3 Contract Owner

7.3.1 The contract owner is responsible for ensuring that contract champions are assigned to all contracts.

7.3.2 The contract owner is ultimately responsible for management of the activities.

7.4 Contract Director

7.4.1 The contract director is responsible for signing of contracts with the relevant service provider, in line with the Delegation of Powers and Duties Policy.

7.4.2 The contract director is ultimately accountable for the contract.

8. RECORD KEEPING

8.1 Proper records regarding all aspects of the contract must be maintained and kept in accordance with relevant legislation.
8.2 All communication related to contracts must be linked to the master document on the electronic system, by the relevant official.
8.3 Safe custody of all contract documents must be enforced by all relevant users.

8.4 Contract Champions and Contract Owners are responsible for the electronic capturing of the contract information and maintenance thereof on the Contract Management system.

8.5 The original signed contract must be sent to the records department (by the contract management office) for safekeeping and storage.

8.6 The records department is responsible for the administration of archived contract documentation.

9. CONTRACTS HAVING BUDGETARY IMPLICATIONS BEYOND THREE FINANCIAL YEARS

Overstrand 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 5.3.1.2.2 and also as required by section 116(1) of the MFMA and paragraph 50 of the SCM Policy.

11. CONTRACT PRICE ESCALATIONS:

11.1 An appropriate contract price adjustment formula or specified terms of escalation must be specified in the bid documents

11.2 Escalation notification must be in writing and presented before the implementation date thereof.

11.3 User departments 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 keep proof of evidence to the newly agreed escalations on the system for all other relevant stakeholders to access.

12. PERFORMANCE ON CONTRACTS:

12.1 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).

12.1.1 Municipality's Performance:

12.1.1.1 The municipality is required to pay creditors within 30 days of receiving all relevant invoice statements.

12.1.1.2 The municipality is also required to create a favourable environment to receive services and goods without preventing the supplier to perform their duties.

12.1.1.3 All parties involved must perform according to the terms and conditions of the relevant contract, while the contract is alive.

12.2.1 Supplier Performance:

12.2.1.1 The supplier of goods and services is required to perform as per terms and conditioned agreed upon and should inform the

municipality if circumstances prevents them to perform, with reasons provided, within 5 working days (to be included in all contracts).

12.2.1.2 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.

12.2.1.3 Suppliers performance will be reviewed by Overstrand Officials on a monthly basis (every 25th of the month) giving effect to section 116 of the MFMA, 2003 and the Performance Management System Implementation Policy

12.2.1.4. Prescribed procedures to evaluate service providers must be complied with.
(Refer to the Performance Management Framework Policy)

THE FOLLOWING PROCEDURES NEED TO BE FOLLOWED:

1. The requirements of this policy must be included in the contract of the service provider.
2. The performance of the service provider under the contract or service level agreement must be assessed monthly by the Reporting Officer.
3. The assessment must be completed in the contract management system.
4. The Reporting Officer must complete the Service Provider Assessment on the contract management at the end of each month.
5. 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).
6. The Reporting Officer must provide a copy of the assessment to the Service Provider at the end of each quarterly assessment period and on completion or termination of the contract.
7. Supply Chain Management Unit (Contract Management Office) will review the quarterly Service Provider assessments within 20 days after the end of each quarter and submit a summary report to the Accounting Officer.
8. The Accounting Officer need to develop the necessary forms and report structures to be utilised to manage the above processes. The forms and reporting requirements need to be reviewed on a regular basis.
9. In the instance of under-performance:
   a. The Municipality will facilitate support interventions to service providers in the identified areas of underperformance
   b. Service providers who have been identified as under-performing in identified areas must be informed of these support interventions.
   c. The impact of support interventions must be monitored by the Reporting Officer.
   d. Corrective action should be documented in writing within the contract management system
   e. The records of the support interventions must be documented, signed by both parties and appropriately filed in the contract management system.

13. REVIEW OF CONTRACTS

13.1 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 or agreement that are longer than three years.

13.2 The contract owner or champion must conduct, as appropriate, within 3 months after the expiry of contracts, post contract reviews.

14 IMPLEMENTATION AND REVIEW PROCESS

This policy will come into effect on **1 July 2022**;

This policy will be reviewed at least annually or when required by way of a Council resolution.

POLICY SECTION:	MANAGER: CONTRACTS & LOGISTICTS
CURRENT UPDATE	31 MAY 2022
PREVIOUS UPDATE	27 MAY 2021
PREVIOUS REVIEW	27 MAY 2020
PREVIOUS REVIEW	29 MAY 2019
PREVIOUS REVIEW	30 MAY 2018
PREVIOUS REVIEW	31 MAY 2017
PREVIOUS REVIEW	25 MAY 2016
PREVIOUS REVIEW	28 MAY 2015
PREVIOUS REVIEW	28 MAY 2014
APPROVAL BY COUNCIL	08 MAY 2013

OVERSTRAND MUNICIPALITY



INVESTMENT, LIQUIDITY & CASH MANAGEMENT POLICY

PREAMBLE

Whereas section 13 of the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) determines that a municipality must introduce appropriate and effective investment arrangements;

And whereas a municipality must disclose its investment details;

And whereas councillors and officials as trustees of public funds, have an obligation to ensure that cash resources are managed as effectively, efficiently and economically as possible;

Now therefore the Overstrand Municipality adopts the following Investment, Liquidity & Cash Management Policy:

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OVERSTRAND MUNICIPALITY – INVESTMENT, LIQUIDITY & CASH MANAGEMENT POLICY

1. DEFINITIONS

For the purpose of this policy, unless the context indicates otherwise, any word or expression to which a meaning has been attached in the Act shall bear the same meaning and means:-

"Accounting Officer"	a person appointed by the Municipality in terms of Section 82 of the Local Government: Municipal Structure Act. 1998 (Act No. 117 of 1998) and who is the head of administration and also the Municipal Manager for the Municipality.
"Chief Financial Officer"	an officer of the municipality appointed as the Head of the Finance Department and includes any person:- a) acting in such position; and b) to whom the Chief Financial Officer has delegated a power, function or duty in respective of such a delegated power, function or duty.
"Council"* or *"municipal council"	a municipal council referred to in section 18 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) and for purposes of this policy, the municipal council of the Municipality of Overstrand.
"Councillor"	a member of the Municipal Council
"Investments"	funds not immediately required for the defraying of expenses and invested at approved financial institutions.
"Municipal Manager"	the accounting officer appointed in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) and being the head of administration and accounting officer in terms of section 55 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) and includes any person:- a) acting in such position; and b) to whom the Municipal Manager has delegated a power, function or duty in respective of such a delegated power, function or duty.
"municipality"	the institution that is responsible for the collection of funds and the provision of services to the customers of Overstrand.
"public funds"	all monies received by the municipality to perform the functions allocated to them.

2. OBJECTIVE OF POLICY

The objectives of the Policy are:-

2.1 to manage the liquidity and investments of the municipality in such a manner that it will not tie up the municipality's scarce resources required to improve the quality of life of the citizens;

2.2 to manage the liquidity and investments of the municipality in such a manner that sufficient cash resources are available to finance the capital and operating budgets

of the municipality; and

2.3 to gain the highest possible return on investments during periods when excess funds are not being used, without unnecessary risk.

3. SCOPE OF POLICY

3.1 The Policy deals with:-

3.2 Responsibility / accountability;

3.3 Investment instruments;

3.4 Liquidity and Cash flow estimates;

3.5 Investment ethics and principles;

3.6 Investment procedures;

3.7 Other external deposits; and

3.8 Control over investments.

4. RESPONSIBILITY / ACCOUNTABILITY

4.1 The Municipal Manager as the Accounting Officer of the municipality is accountable for investment management.

4.2 The municipal council must approve a policy directing procedures, processes and systems required to ensure efficient and effective management of investments.

4.3 Efficient and effective investment management include:-

a. Accurately forecasting the institution's cash flow requirements.

b. Timing of the in- and outflow of cash.

c. Recognising the time value of money.

d. Taking any other action that avoids locking up money unnecessarily and inefficiently.

e. Avoiding bank overdrafts.

5. INVESTMENT INSTRUMENTS

5.1 The Minister of Provincial and Local Government may with the concurrence of the Minister of Finance by notice in the Gazette determine instruments or investments other than those referred to below in which Municipality may invest:-

a. Deposits with banks registered in terms of the Banks Act, 1990 (Act No 94 of 1990);

b. Securities issued by the National Government;

c. Investments with the Public Investment Commissioners as contemplated by the Public Deposits Act, 1984 (Act No 46 of 1984);

d. A municipality's own stock or similar type of debt; internal funds of a municipality which have been established in terms of a law to pool money available to the municipality and to employ such money for the granting of loans or advances to departments within a municipality, to finance capital expenditure;

e. Bankers' acceptance certificates, negotiable certificates or deposits of banks;

f. Long-term securities offered by insurance companies in order to meet the redemption fund requirements of municipalities; and

g. Any other instruments or investments in which a municipality was under a law permitted to invest before the commencement of the Local Government Transition Act, 1996: provided that such instruments shall not extend beyond the date of maturity or redemption thereof.

6. LIQUIDITY AND CASH FLOW ESTIMATES

6.1 Before money can be invested, the Municipal Manager must determine whether there will be surplus funds available for the term of the investment.

6.2 In order to be able to make investments for any fixed term, it is essential that cash flow estimates be drawn up.

6.3 Provision must be made in the cash flow estimates for the operating and capital requirements of the municipality:-

a. The operating requirements must include provisions for:-

i. Payment of monthly salaries.
ii. Payment for bulk purchases of electricity and water.
iii. Interest on long-term loans.
iv. Maintenance of assets.
v. General expenditure.
vi. Expected daily and monthly income.

b. Capital requirement must provide for:-

i. The anticipated cash flow requirements for each capital project.

6.4 The minimum risk management measures that has to be implemented and adhere to in order to ensure that its current and future liquidity position is managed in a prudent manner, must include the following key elements to take into consideration when determining the liquidity requirement of Overstrand Municipality, :

6.4.1 To comply with statutory requirements, the following funds, reserves and provisions must be fully covered by unencumbered cash and investments;
6.4.2 *All earmarked or conditional grant transfers from spheres of Government or from Public Contributions made to Overstrand Municipality that have not yet been utilized;*
6.4.3 *All commitments resulting from the legally entrenched rights and benefits employees have, with specific reference to the Council's short term commitment to staff retirement benefits and medical fund claims payable;*
6.4.4 *All funds not yet been utilized in relation to agency services provided on behalf of Provincial or National Government should also be treated as earmarked funds;*
6.4.5 *All reserves stated by Overstrand Municipality on its Statement of Financial Position that have been established for the purposes of making provisions for a defined purpose.*

Cognisance also needs to be taken of the external loan commitments and the servicing of capital and interest on these loans. Therefor provision should be made that Overstrand Municipality can meet its external loan/financial commitments together with the normal operational expenditure, as well as its liabilities to staff.

All investments ceded as security against long term loans need to be excluded from total cash and investment balances for calculation of the minimum liquidity level required.

In addition, a level of cash available for normal operational expenditure needs to be held in cash to ensure that, notwithstanding fluctuations in the monthly income levels of Overstrand Municipality, Overstrand Municipality will be in a position to meet its financial requirements. In this respect, the average monthly operational expenditure needs to be used as a guide of the minimum buffer required. At least two month's operational expenditure should be available for liquidity cover.

The MFMA circular 71 stipulates the following two prescribed ratios to manage liquidity:

Cash/Cost Coverage Ratio (The norm range between 1 month to 3 months)

Interpretation of Results
This ratio should ideally not be less than 2 months. If a municipality has a ratio below the norm it would be vulnerable and at a higher risk in the event of financial "shocks/set-backs" and its ability to meet its obligations to provide basic services or its financial commitment is compromised. The results from this ratio should be viewed along with results from analysis on Debtor Management to fully assess Cash Flow Risk. The more cash reserves a municipality or municipal entity has available the lower the risk of it being unable to fund monthly fixed operational expenditure and to continue rendering services.

Current Ratio: Current Assets / **Current Liabilities** (The norm range between 1.5 to 2 :1)
Interpretation of Results

The higher the current Ratio, the more capable the Municipality or Municipal Entity will be to pay its current or short-term obligations and provide for a risk cover to enable it to continue operations at desired levels. A financial ratio under 1 suggests that the Municipality or Municipal Entity would be unable to pay all its current or short-term obligations if they fall due at any specific point.

7 INVESTMENT ETHICS AND PRINCIPLES

7.1 The Municipal Manager will be responsible for the investment of funds, and he/she has to steer clear of outside interference, regardless of whether such interference comes from individual councillors, agents or any other institution.

7.2 Under no circumstances may he/she be forced or bribed into making an investment.

7.3 No member of staff may accept any gift unless that gift can be deemed so small that it would not have an influence on his/her work or was not intended to do so, and can merely be seen as goodwill.

7.4 A certificate in respect of any gifts received should be furnished to the Municipality.

7.5 Interest rates offered should never be divulged to another institution.

7.6 Long-term investments should be made with an institution with at least a minimum BB- rating (where the BB**-** refers to a negative outlook in terms of the current Fitch Grading).

7.4 Short-term investments should be made with an institution with at least a minimum F1+ rating. The first and foremost objective for investments is the preservation and safety of the principal amount invested. It is a requirement that investments may only be made with institutions with a credit–worthy rating of F1+ (Fitch Grading) and better. Any investments made must be liquidated if an institution's credit–worthy rating falls below the level of F1+.

7.8 Not more than 50% of the funds that have become available for investing, on any given day, should be placed with a single institution if the available funds exceed R100m.

7.9 The maximum amount invested with a financial institution should not exceed 10% of the relevant institution's shareholder's funds (capital and reserves).

7.10 The municipality may not borrow money specifically for reinvestment, as this would mean interest rates would have to be estimated in advance, which can be seen as speculation with public funds.

7.11 If the Municipal Manager invests with financial institutions, he/she must ensure that such institutions are registered in terms of the Banks Act, 1990 (Act No 94 of 1990) and that they are approved financial institutions, as approved by the Reserve Bank of South Africa from time to time.

7.12 When making growth related investments, the Municipal Manager must obtain

a guarantee that at least the capital amount invested is safe, and must exercise due diligence in this regard.

8 INVESTMENT PROCEDURES

After determining whether there is cash available for investment and fixing the maximum term of investment, the Municipal Manager must consider the way in which the investment is to be made.

8.1 Short-term investments:

a. Quotations should be obtained from a minimum of three financial institutions (local banks), for the term of which the funds will be invested.

b. Should one of the institutions offer a better rate for a term, other than what the municipality had in mind, the other institutions which were approached, should also be asked to quote a rate for the other term.

c. Quotations should be obtained in writing or electronic medium.

d. Quotations from institutions must include the following:-
   i Name of institution;
   ii Name of person quoting rates;
   iii Period of the investment;
   iv Relevant conditions; and
   v Other facts, such as interest payable monthly or on maturation date.

e. Once the required number of quotes has been obtained, a decision must be taken regarding the best terms offered and the institution with which funds are going to be invested.

f. The best offer must under normal circumstances be accepted, with thorough consideration of investment principles.

g. No attempt must be made to make institutions compete with each other as far as their rates and terms are concerned.

h. The investment capital must only be paid over to the institution with which it is to be invested and not to an agent or third party.

i. The financial institution where the investment is made must issue a confirmation stating the details of the investments.

j. The Municipal Manager must make sure that the investment document, if issued, is a genuine document and issued by the approved institution.

k. The financial institution, where the investment is made, must issue a certificate for each investment made stating that no commission has, nor will, be paid to any agent or third party, or to any person nominated by the agent or third party.

l. The municipality must be given a monthly report on all investments.

m. The Municipal Manager must obtain information from which the creditworthiness of financial institutions can be determined. This must be obtained and analysed annually.

8.2 Long-term investments:

a Written quotations must be obtained for all investments made for periods longer than twelve months.

b The municipal council must approve all investments made for periods longer than twelve months after considering the cash requirement for the next three years.

c The municipality must within 30 days after an investment with a term of 12 months or longer has been made, publish in a local newspaper in circulation within its area of jurisdiction, full details of any investments so made.

8.3. Withdrawals

All investment amounts withdrawn and not to be reinvested at the same institution at the time of withdrawal, shall be paid into the primary bank account.

All interest shall be paid into the primary bank account at the time of withdrawal of an investment, irrespective of the capital being reinvested.

9 OTHER EXTERNAL DEPOSITS

The principles and procedures set out above must apply to other investment possibilities subject to the applicable legislation, which is available to the municipality, including debentures and other securities of the state as well as other municipalities or statutory bodies in the Republic of South Africa, instituted under and in terms of any law.

10 CONTROL OVER INVESTMENTS

10.1 An investment register should be kept of all investments made. The following information must be recorded:-

a. name of institution;
b. capital invested;
c. date invested;
d. interest rate;
e. maturation date;
f. interest received;
g. capital repaid; and

h. balance invested.

10.2 The investment register and accounting records must be reconciled on a monthly basis.

10.3 The investment register must be examined on a weekly basis to identify investments falling due within the next week.

10.4 Interest, correctly calculated, must be received timeously, together with any distributable capital.

10.5 Investment certificates, if issued, must be kept in a safe place with dual custody.

10.6 The following documents must be safeguarded:-

a Fixed deposit letter or investment certificate;
b. Receipt confirmation for capital invested;
c. Copy of electronic transfer or cheque requisition;
d. Schedule of comparative investment figures;
e. Commission certificate indicating no commission was paid on the investment; and
f. Interest rate quoted.

11 IMPLEMENTATION AND REVIEW OF POLICY

This policy shall be implemented on **1 July 2022** and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.

12 SHORT TITLE

This Policy shall be called the Investment, Liquidity & Cash Management Policy of the Overstrand Municipality.

POLICY SECTION:	**SENIOR MANAGER: FINANCIAL SERVICES**
CURRENT UPDATE:	31 May 2022
PREVIOUS REVIEW:	26 May 2021
PREVIOUS REVIEW:	27 May 2020
PREVIOUS REVIEW:	29 May 2019
PREVIOUS REVIEW:	30 May 2018
PREVIOUS REVIEW:	31 May 2017
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PREVIOUS REVIEW:	28 MAY 2015
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APPROVAL BY COUNCIL:	27 MAY 2009

OVERSTRAND MUNICIPALITY



BUDGET POLICY

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PREAMBLE

In the spirit of the Municipal Finance Management Act, (No.56 of 2003), to modernise budget and financial management practices by placing local government finances on a sustainable footing in order to maximize the capacity of municipalities to deliver services to all residents, customers, users and investors, and,

Whereas chapter 4 of the Municipal Finance Management Act, (No 56 of 2003) determines that a municipality may, except where otherwise provided in the Act, incur expenditure only in terms of an approved budget; and within the limits of the amounts appropriated for the different votes in an approved budget,

Therefore the Overstrand Municipality adopts the budget policy set out in this document.

OVERSTRAND MUNICIPALITY – BUDGET POLICY

1. OBJECTIVES OF POLICY

A. The policy sets out the budgeting principles which Overstrand Municipality will follow in preparing each annual budget. The policy aims to give effect to the requirements and stipulations of the Municipal Finance Management Act in terms of the planning, preparation and approval of the annual budgets.

B. The policy shall apply to all the relevant parties within the Overstrand Municipality that are involved throughout the budget process.

C. A Budget Steering Committee will be established to guide the budget process.

D. Cost containment measures are to be applied in accordance with relevant legislation, when considering expenditure:

1) Use of consultants

This Policy is in line with section 35 of the **Municipal Cost Containment Regulations 2019** and the Overstrand Supply Chain Management Policy to ensure that resources of the municipality with regard to the use of consultants, are used effectively, efficiently and economically by implementing cost containment measures.

2) Vehicles used for political office –bearers

This Policy is in line with the stipulations of the Overstrand Travel and Subsistence Policy to ensure that resources of the municipality with regard to vehicles used for political office-bearers, are used effectively, efficiently and economically by implementing cost containment measures.

3) Travel and subsistence

This Policy is in line with the stipulations of the Overstrand Travel and Subsistence Policy, to ensure that resources of the municipality with regard to Travel and subsistence, are used effectively, efficiently and economically by implementing cost containment measures.

4) Domestic accommodation

This Policy is in line with the stipulations of the Overstrand Travel and Subsistence Policy**,** to ensure that resources of the municipality with regard to Domestic accommodation, are used effectively, efficiently and economically by implementing cost containment measures.

5) Credit cards

The accounting officer must ensure that no credit card or debit card linked to a bank

account of the municipality is issued to any official or public office bearer.

6) Sponsorships, events and catering

This Policy is in line with the stipulations of the **Municipal Cost Containment Regulations 2019**, to ensure that resources of the municipality with regard to Sponsorships, events and catering, are used effectively, efficiently and economically by implementing cost containment measures.

7) Communication

This Policy is in line with the stipulations of the **Municipal Cost Containment Regulations 2019**, to ensure that resources of the municipality with regard to Communication, are used effectively, efficiently and economically by implementing cost containment measures.

8) Conferences, meetings and study tours

This Policy is in line with the stipulations of the **Municipal Cost Containment Regulations 2019** and the Travel and Subsistence Policy, to ensure that resources of the municipality with regard to Conferences, meetings and study tours, are used effectively, efficiently and economically by implementing cost containment measures.

9) Other related expenditure items

This Policy is in line with the stipulations of the **Municipal Cost Containment Regulations 2019**, to ensure that resources of the municipality with regard to the following, are used effectively, efficiently and economically by implementing cost containment measures:

i. All commodities, services and products covered by a transversal contract concluded by the National Treasury must be considered before approaching the market, to benefit from savings where lower prices or rates have been negotiated.

ii. Municipal resources may not be used to fund elections, campaign activities, including the provision of food, clothing, printing of agendas and brochures and other inducements as part of, or during election periods or to fund any activities of any political party at any time.

iii. Expenditure on tools of trade for political office bearers must be limited to the upper limits as approved and published by the Cabinet member responsible for local government in terms of the Remuneration of Public Office Bearers Act, 1998.

iv. The municipality must avoid expenditure on elaborate and expensive office furniture.

v. The municipality may only use the services of the South African Police Service to conduct periodical or quarterly security threat assessments of political office bearers and key officials and a report must be submitted to the speaker's office.

vi. The municipality may consider providing additional time -off in lieu of payment for overtime worked. Planned overtime must be submitted to the relevant manager for consideration on a monthly basis. A motivation for all unplanned overtime must be submitted to the relevant manager.

2. BUDGET PRINCIPLES

2.1. Capital Budget

The capital budget refers to the allocations made to specific infrastructural projects and the purchase of equipment and other forms of assets, as classified per the Overstrand Asset Management Policy.

2.1.1 Basis of Calculation

a. The current three year MTREF budget, including two future planning years in terms of the 5 year IDP, is the departure point in preparing the subsequent annual capital budget.
b. The annual capital budget shall be based on realistically anticipated revenue, which should be equal to the anticipated capital expenditure in order to result in a balanced budget.
c. The impact of the capital budget on the current and future operating budgets in terms of finance charges to be incurred on external loans, depreciation of fixed assets, maintenance of fixed assets and any other operating expenditure to be incurred resulting directly from the capital expenditure, should be carefully analyzed when the annual capital budget is being compiled.
d. In addition, the council shall consider the likely impact of such operational expenses, net of any revenues expected to be generated by such items on future property rates and service tariffs.

2.1.2 Financing

Own Financing Sources

Own financing consists of the following sources:

a. Unappropriated cash-backed surpluses from previous financial years, to the extent that such surpluses are not required for operational purposes and cash resources are adequate for cost coverage and liquidity ratio.

b. Borrowing (External Loans)

c. Proceeds on the sale of fixed assets, less cost to sell, in terms of the Asset Management-, Administration of Immovable Property- and Accounting policies.

Other Financing Sources (External)

The external funded capital budget shall be financed from external sources such as the following:

a. Grants and subsidies as allocated in the annual Division of Revenue of Act.

b. Grants and subsidies as allocated by Provincial government.

c. Public contributions and donations.

d. Any other external financing source secured by the local authority.

2.1.3 Process and responsible parties

The process to be followed in the compilation of the capital budget is as follows:

a. The current 3 year MTREF budget is the departure point in preparing the subsequent annual capital budget.

b. The CFO, in conjunction with the Senior Manager: Financial Services and the Manager: Budget Office and after consultation with the Budget Steering Committee sets the reasonable growth level of the capital budget to be financed out of own and external sources and determines affordability.

c. The draft capital budget is compiled based on the projects that emanated out of the engagements with the different stakeholders.

d. The CFO, together with the Senior Manager: Financial Services and the Manager: Budget Office, engage with the Directors and the Senior Manager: Strategic Services in order to determine the priorities for a particular financial year and to determine the ranking of projects based on these priorities.

e. The draft capital budget is submitted to the Budget Steering Committee for perusal and suggestions.

f. The draft capital budget is tabled in Council at least 90 days (31 March) before the start of the new financial year.

g. After the draft budget is tabled in Council, it is advertised for public comment for a period of 30 days.

h. Once the comments from the public have been received, noted and considered, any amendments and the final budget are tabled in Council for final approval, at least 30 days (31 May) before the start of the financial year.

2.1.4 Implementation

a. After the budget has been approved, the service delivery and budget

implementation plan (SDBIP) is finalised.

b. The SDBIP must be submitted to the Mayor within 14 days after aforementioned approval, for approval within a further 14 days.

c. Each director indicates the intended spending for both capital and operating budgets.

d. Cash flows are included in the Service Delivery and Budget Implementation Plan of the organisation.

e. The SDBIP is monitored on a monthly basis.

f. Each project manager uses the respective cost allocation and unique key numbers as indicated on the capital budget.

2.2. Operational Budget

The operational budget refers to the funds that would be generated for the delivery of basic services, grants & subsidies and any other municipal services rendered. These funds are in turn used to cover the expenses incurred in the day to day running of the organization.

2.2.1. Basis of Calculation

a. The zero based and incremental approach is used by budget holders in preparing the annual operating budget, depending on the type of revenue or expenditure.

b. The annual operating budget shall be based on realistically anticipated revenue, which should at least be equal to the anticipated cash operating expenditure in order to result in a balanced budget.

c. An income based approach shall be used where the realistically anticipated revenue would firstly be projected. The level of operating expenditure will then be based on the projected revenue, thus resulting in a balanced budget.

2.2.2. Financing

The operating expenditure shall be financed from the following sources:

Agency Services	Compensation received by the municipality for cost to provide the agency service should be recognised as receipts and not set-off against the expenditure. This compensation maybe in the form of commission, agency fees, contract fees, etc.

Interest, Dividend and Rent on Land	Consist of the income associated with ownership of interest-bearing financial instruments, such as bank deposits, loans extended to others, and bills and bonds issued by others. Dividends come in the form of receipts from shares and distribution of profits to the owner. Rent on land is the receipts due to ownership of land.
Operational Revenue	Operational revenue refers to all other income not elsewhere classified such as administrative fees, bad debts recovered, breakages, commission, discounts and early settlements, etc.
Rental from Fixed Assets	Operating lease income received by the municipality from external use. Distinction is made between rental income based on market related versus non-market related rates.
Sales of Goods and Rendering of Services	This category consist of sales and services rendered provided that the municipality produced or partially produced the good or service.
Service Charges	This group of accounts provides for the basic services delivered by municipalities.
Intercompany/Parent-subsidiary Transactions	Revenue generated due to exchange transactions between municipalities and their subsidiary municipal entities.
Licences or Permits	Granting of licences or permits associated with a regulatory function by government. Fees recognised under this category must result from a principle agreement. If the municipality act as an agent on behalf of provincial or national government the transaction need to be treated accordingly. Judgment need to be applied in deciding whether the "licence or permits" need to be classified as exchange or non-exchange revenue.
Fines, Penalties and Forfeits	This item consists of all compulsory receipts imposed by a court or quasi-judicial body. Out-of-court settlements are also included in this category. As with taxes, this item consists of unrequited, compulsory transactions. Thus, the recipient municipality does not provide anything in return for these receipts.
Licences or Permits	Granting of licences or permits associated with a regulatory function by government. Fees recognised under this category must result from a principle agreement. If the municipality act as an agent on behalf of provincial or national government the transaction need to be treated accordingly. Judgment need to be applied in deciding whether the "licence or permits" need to be classified as exchange or non-exchange revenue.
Property Rates	Property Rates means a municipal rate on property envisaged in section 229 (1)(a) of the Constitution read with the Municipal Property Rate Act 6 of 2004 as amended by the Municipal Property Rates Amendment Act, 2014. Rateable property means property on which a municipality may in terms of section 8 levy a rate and excludes impermissible rates as per section 17 of the Act.

Transfers and Subsidies	This category provides for of all unrequited, voluntary receipts from other parties. Thus an entry should be made under this item when the municipality does not provide anything of similar value directly in return for the transfer from the other party and the transfer is voluntary. {GRAP 23: Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.} This group of accounts provide for "operational and capital transfers and subsidies" received "in-kind or in monetary value".
Interest, Dividend and Rent on Land	Consist of the income associated with ownership non-exchange transactions.

2.2.3 Budget Categories

The following expenditure categories shall be accommodated in the operating budget:

Bad Debts Written Off	The irrecoverable debts that are written off during the financial year as approved by the Council allocated according to the type of service provided to the customer. This account would also include the write-off of accounts in terms of the debt prescription rules.
Bulk Purchases	Bulk purchases of electricity and water from Eskom (including alternative service providers) and Water Sources such as Water Boards and other providers.
Contracted Services	This group of accounts distinguishes between "Outsourced Services, Contractors and Professional and Special Services".
Depreciation and Amortisation	Depreciation is the systematic allocation of the cost of an asset from the Statement of Financial Position to Depreciation Expense on the Statement of Financial Performance over the useful life of the asset. Amortisation is the systematic allocation of the discount, premium or issue cost of a financial instrument over the life of the instrument, or an intangible asset over a certain period. Amortisation is the systematic allocation of the depreciable amount of an intangible asset over its useful life.
Employee Related Cost	This item includes all payments to employees defined below. Employee Related Cost distinguish between Senior Managers and Other Staff as Section 124(1)(c) of the MFMA required disclosures of the details of remuneration for all senior managers and the Standard of GRAP on Related Party Disclosure requires disclosure of key management personnel (GRAP 20 Related Party Disclosure - no effective date determined by the Minister thus IPSAS 20 Related Parties need to be applied. Key management personnel in the context of municipalities referring to the senior management group, including the chief executive (municipal manager).

Interest, Dividends and Rent on Land	This item includes the total value of interest payments, dividends and payment for the use of land owned by another party.
Inventory Consumed	The amount of inventories recognised as an expense during the period. GRAP 12.45(d) The amount of inventories recognised as an expense during the period, which is often referred to as cost of sales, consists of those costs previously included in the measurement of inventory that has now been sold, exchanged or distributed, and unallocated production overheads and abnormal amounts of production cost of inventories. GRAP 12.47
Remuneration of Councillors	Remuneration as determined by the Remuneration of Public Office Bearers Act, 1998 (Act No 20 of 1998). Salary of full/part time councillors including the Executive Mayor or Mayor, Speakers, Deputy Executive Major or Deputy Mayor, Members of the Executive Committee or Mayoral Committee, Whip and Chairperson of a sub-council, etc.
Operating Leases	An operating lease is a lease other than a finance lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. Land use portion of a building finance lease must be recorded under Rental of Land.
Operational Cost	An operating expense is a day-to-day expense such as sales and administration, or research & development, accounting expenses, license fees, advertising, office expenses, utilities such as telephone, insurance, property management, travel and vehicle expenses.
Transfers and Subsidies	This category provides for of all unrequited payments made by the municipality. A payment is unrequited provided that the municipality does not receive anything of similar value directly in return for the transfer to another party. Both current and capital transfers are included in this item. Municipalities distinguish between transfers to provinces, district municipalities, departmental agencies and accounts, universities and Technicons, public corporations, private enterprises, foreign government and international institutions, non-profit organisations and households. This group of accounts provide for "operational and capital transfers and subsidies" made "in-kind or in monetary value".

2.2.4. Process

a. The CFO, in conjunction with the Senior Manager: Financial Services and the Manager: Budget Office, and after consultation with the Budget Steering Committee, sets the reasonable growth level of the operational budget based on the current financial performance and the prevailing industry growth levels. (i.e. CPI).

b. After the income has been determined, an acceptable growth level for the

operating expenditure is determined and the draft operating budget is discussed with the relevant Directors for their perusal and amendments.

c. The draft operating budget is compiled based on the submissions from the engagements with the different stakeholders.

d. The draft operating budget serves before the Budget Steering Committee for perusal and suggestions.

e. The draft operating budget is tabled in Council at least 90 days (31 March) before the start of the new financial year.

f. The draft SDBIP is tabled in Council at least 90 days (31 March) before the start of the new financial year.

g. After the draft budget is tabled in Council, it is advertised for public comment for a period of 30 days.

h. Once the comments from the public have been received, noted and considered, the final budget (inclusive of any amendments) is tabled in Council for adoption, at least 30 days (31 May) before the start of the financial year.

i Sect 25(1) of the Municipal Finance Management Act (56 of 2003) states that "if a municipal council fails to approve an annual budget, including revenue raising measures necessary to give effect to the budget, the Council must reconsider the budget and again vote on the budget, or on an amended version thereof, within 7 days of the Council meeting that failed to approve the budget."

2.2.5. Implementation

a. After the budget has been approved, the service delivery and budget implementation plan (SDBIP) is finalised.

b. The SDBIP must be submitted to the Mayor within 14 days after aforementioned approval, for Mayoral approval with a further 14 days.

c. Each director indicates the intended spending for both capital and operating budgets.

d Cash flows are included in the Service Delivery and Budget Implementation Plan of the organisation.

e. The SDBIP is monitored on a monthly basis.

f. Each directorate uses their respective vote numbers as indicated on the operational budget.

2.3. Adjustments Budget

2.3.1 A general adjustments budget may be tabled once a year by 28 February.

2.3.2 The adjustments budget process shall be aligned to the annual budget in terms of consideration by the Budget Steering Committee.

2.3.3 The adjustments budget must be approved by Council before implementation.

2.3.4 Any consequential amendment of the SDBIP necessitated by the adjustments budget must be published together with the adjustments budget within 5 days after the Municipal Council has approved an adjustments budget.

3. IMPLEMENTATION AND REVIEW OF POLICY

This policy shall be implemented on **1 July 2022** and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.

POLICY SECTION:	**SENIOR MANAGER: FINANCIAL SERVICES**
CURRENT UPDATE:	31 MAY 2022
PREVIOUS REVIEW:	26 MAY 2021
PREVIOUS REVIEW:	27 MAY 2020
PREVIOUS REVIEW:	29 MAY 2019
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PREVIOUS REVIEW:	28 MAY 2014
PREVIOUS REVIEW:	29 MAY 2013
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OVERSTRAND
MUNICIPALITY



VIREMENT POLICY

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OVERSTRAND MUNICIPALITY – VIREMENT POLICY

1 DEFINITIONS

"Accounting officer"	The municipal manager of a municipality is the accounting officer of the municipality in terms of section 60 of the MFMA
"Approved budget"	means an annual budget or adjustments budget approved by a municipal council.
"Basic Services"	means the following four services: Energy Sources, Water Management, Waste Water Management (Sewerage & Waste Water Treatment) and Waste Management, as contained in the mSCOA function segment
"Budget-related policy"	means a policy of a municipality affecting or affected by the annual budget of the municipality
"Chief financial officer"	means a person designated in terms of the MFMA who performs such budgeting, and other duties as may in terms of section 79 of the MFMA be delegated by the accounting officer to the chief financial officer.
"Capital Budget"	This is the estimated amount for capital items in a given fiscal period. Capital items are fixed assets such as infrastructure, facilities and equipment, the cost of which is normally written off (depreciated) over a number of fiscal periods
"Council"	means the council of a municipality referred to in section 18 of the Municipal Structures Act.
"Financial year"	means a 12-month year ending on 30 June.
Function **Sub-Function**	mSCOA Segment: This segment provides for the classification of budgets according to the function or service delivery objective and provides for the standardisation of functions and sub-functions across local government with due regard to specific service delivery activities and responsibilities of each individual municipality.
"Line Item"	an appropriation that is itemized on a separate line in the internal budget document for the purpose of greater control over expenditure, as contained in the mSCOA segment for Item Expenditure and Revenue, as revised from time to time.
"Operating Budget"	the Municipality's financial plan, which outlines proposed expenditures for the coming financial year and estimates the revenues used to finance them.
"Ring Fenced Allocations"	an exclusive combination of line items grouped for specific purposes, such as Debt Impairment, Depreciation and Amortisation, Finance Charges and Provisions.
"Service delivery and budget implementation plan"	means a detailed plan approved by the mayor of a municipality in terms of section 53(1) *(c)* (ii) for implementing the municipality's delivery of municipal services and its annual budget.
"Virement"	is the process of transferring an approved budget allocation from one operating line item or capital project to another, with the approval of the relevant Manager. To enable budget managers to amend budgets in the light of experience or to reflect anticipated
"Vote"	means one of the main segments into which a budget of a municipality is divided for the appropriation of funds for the different Directorates of the municipality; and which specifies the total amount that is appropriated for the purposes of the respective Directorates concerned.

2 ABBREVIATIONS

"CFO"	Chief Financial Officer
"GFS"	Government Financial Statistics
"IDP"	Integrated Development Plan
"MFMA"	Municipal Finance Management Act No. 56 of 2003
mSCOA	Municipal Standard Chart of Accounts
"SDBIP"	Service delivery and budget implementation plan

OVERSTRAND MUNICIPALITY – VIREMENT POLICY

3 OBJECTIVE

To allow limited flexibility in the use of budgeted funds to enable management to act on occasions such as disasters, unforeseen expenditure or savings, etc. as they arise to accelerate service delivery in a financially responsible manner.

4 VIREMENT CLARIFICATION

Virement is the process of transferring budgeted funds from one line item number to another, with approval of the relevant Director and CFO, in certain instances, to enable budget managers to amend budgets in the light of experience or to reflect anticipated changes. (Section 28 (2) (c) MFMA)

5 FINANCIAL RESPONSIBILITIES

Strict budgetary control must be maintained throughout the financial year in order that potential overspends and / or income under-recovery within individual vote departments are identified at the earliest possible opportunity. (Chapter 4 of the MFMA) The Chief Financial Officer has a statutory duty to ensure that adequate policies and procedures are in place to ensure an effective system of financial control. The budget virement process is one of these controls. (Section 27(4) MFMA)

It is the responsibility of each manager or head of a directorate or activity to which funds are appropriated, to plan and conduct assigned operations so as not to expend more funds than budgeted. In addition, they have the responsibility to identify and report any irregular or fruitless and wasteful expenditure in terms of the MFMA sections 78 and 32.

6 VIREMENT RESTRICTIONS

(a) A virement of funds between votes (Directorates) will not be allowed without approval in an adjustments budget.

(b) Cumulative virements may not exceed a maximum of 10% of the total approved operating budget per Directorate.

(c) A virement may not create new policy, significantly vary from current policy or alter the approved outcomes / outputs as approved in the IDP for the current or subsequent years. (section 19 and 21 MFMA)

(d) Virements resulting in adjustments to the approved SDBIP need to be submitted to the Municipal Manager after an adjustments budget, with altered outputs and measurements for approval. (MFMA Circular 13 page 3 paragraph 3)

(e) No virement request may be effected in the current year which will increase the approved budget in future financial years without the prior approval of the Municipal Manager and the Mayor. This refers to expenditure such as entering into lease- or rental agreements for vehicles, photo copier's or fax machines, operational contracts.

(f) No virement may be made where it would result in unauthorised expenditure. (section 32 MFMA)

(g) No virement shall add to the staff establishment of the Municipality without the approval of the Municipal Manager.

(h) Budget may only be transferred from Employee Related Cost if approved by the Municipal Manager and the Director: Finance.

(i) If the virement relates to an increase in the work force establishment, then the Council's

existing recruitment policies and procedures will apply.

(j) Virements may not be made in respect of ring-fenced allocations.

(k) Virements are not permitted from or to budgets allocated to the respective Basic Services, unless approved in an adjustments budget.

(l) Virements in capital budget allocations are only permitted within specified action plans and not across funding sources and must in addition have comparable asset lifespan classifications.

(m) No virements are permitted in the first three months or the final month of the financial year without the express approval of the CFO.

(n) No virement proposal shall affect amounts to be paid by another Department without the agreement of the Manager of that Department, as recorded on the signed virement form. (Section 15 MFMA)

(o) Virement amounts may not be rolled over to subsequent years, or create expectations on following budgets. (Section 30 MFMA)

(p) An approved virement does not give expenditure authority and all expenditure resulting from approved virements must still be subject to the procurement / supply chain management policy of Council as periodically reviewed.

(q) Virements may not be made between Expenditure and Income.

(r) Virements may not be made between capital and operational budgets, except as indicated in paragraph 7.

(s) No Capital Budget virements are permitted across the mSCOA Function/Sub-Function segment, except in an official adjustments budget.

7 VIREMENT PROCEDURE

(a) All virement proposals must be completed on the appropriate documentation and forwarded to the Budget Office for checking and implementation. All virements must be subjected to scrutiny across all seven segments of the mSCOA classification framework.

(b) All virements relating to the operational budget must be approved by the relevant Budget Holder/Manager (Section 79 MFMA) in the case of a departmental budget transfer, and also by the relevant Director in the case of a transfer between departments within a Directorate **[relating to the operational budget]**.

(c) Capital Budget Virements within **[a GFS classification]** the mSCOA Function/Sub-Function segment must be approved by the relevant manager and Director, the Municipal Manager and Director: Finance and, in cases where the amount exceeds R100 000, by the Executive Mayor. Virements across **[GFS classification]** the mSCOA Function/Sub-Function segment will only be considered if it qualifies as an Adjustment Budget request and will then be done as part of **[the]** an official Adjustment Budget.

(d) A virement form must be completed for all Operational Budget Transfers and in the case of a Capital Budget transfer an official memo approved by the relevant director, MM & CFO must be submitted. The prescribed documentation must be completed.

(e) Virements in excess of R 50,000 with a maximum as determined under section 6b. requires the approval of the relevant Director for Inter-departmental transfers, as well as the express approval of the Chief Financial Officer. (Section 79 MFMA).

(f) Virement transfers must be taken into consideration by the respective managers with regards to the SDBIP.

(g) Virements in respect of Ward specific projects must be approved by the Chief Financial Officer, Muncipal Manager and the Mayor.

(h) Virements between Capital and Operational in respect of Ward Specific Projects and grant

allocations, will only be allowed if it qualifies as an Adjustment Budget request and will then be done as part of an Adjustments Budget

(i) All virement documentation must be in order and approved before any expenditure may be committed or incurred. (Section 79 MFMA).

(j) After all virement documentation has been duly completed, including all authorizations, the budget transfer will normally be effected within three working days, subject to the operating system functionality.

(k) The Director: Finance must report to the Municipal Manager and the Mayor on a monthly basis in respect of virements in excess of R50 000 per item.

8. IMPLEMENTATION AND REVIEW OF THIS POLICY

This policy shall be implemented on **1 July 2022** and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.

POLICY SECTION:	**SENIOR MANAGER: FINANCIAL SERVICES**
CURRENT UPDATE:	**31 MAY 2022**
PREVIOUS UPDATE:	26 MAY 2021
PREVIOUS UPDATE:	27 MAY 2020
PREVIOUS UPDATE:	29 MAY 2019
PREVIOUS UPDATE:	30 MAY 2018
PREVIOUS UPDATE:	31 MAY 2017
PREVIOUS UPDATE:	25 MAY 2016
PREVIOUS REVIEW:	28 MAY 2015
PREVIOUS REVIEW:	28 MAY 2014
PREVIOUS REVIEW:	29 MAY 2013
PREVIOUS REVIEW:	30 MAY 2012
PREVIOUS REVIEW:	4 MAY 2011
APPROVAL BY COUNCIL:	26 MAY 2010

OVERSTRAND MUNICIPALITY – VIREMENT POLICY

mSCOA FUNCTION/SUB- FUNCTION

ANNEXURE A1

FUNCTION/SUB-FUNCTION	FUNCTION/SUB-FUNCTION
Community and Social Services	**Finance and Administration**
Aged Care, Home Assistance and Transport Facilities	Administrative and Corporate Support
Animal Care and Diseases	Asset Management
Cemeteries, Funeral Parlours and Crematoriums	Finance
Child Care Facilities	Fleet Management
Community Halls and Facilities	Human Resources
Libraries and Archives	Information Technology
Literacy Programmes	Legal Services
Museums and Art Galleries	Marketing, Customer Relations, Publicity and Media Co-ordination
Theatres	Property Services
Zoo's	Risk Management
	Security Services
Electricity and Gas	Supply Chain Management
Electricity	Valuation Service
Street Lighting and Signal Systems	
	Health
Environmental Protection	Health Services
Biodiversity and Landscape	Laboratory Services
Coastal Protection	
Indigenous Forests	**Housing**
Nature Conservation	
Pollution Control	Housing
Soil Conservation	
Executive and Council	Informal Settlements
Mayor and Council	
Municipal Manager, Town Secretary and Chief Executive	**Internal Audit**
	Governance Function
Other	
Abattoirs	**Road Transport**
Air Transport	Public Transport
Forestry	Roads & Traffic Regulation
Licensing and Regulation	Roads
Markets	Taxi Ranks
Tourism	

OVERSTRAND MUNICIPALITY – VIREMENT POLICY

ANNEXURE A1

FUNCTION/SUB-FUNCTION	FUNCTION/SUB-FUNCTION
Planning and Development	**Sport and Recreation**
Billboards	Beaches and Jetties
Corporate Wide Strategic Planning (IDPs, LEDs)	Community Parks (including Nurseries)
Central Improvement District	Recreational Facilities
Development Facilitation	Sports Grounds and Stadiums
Economic Development/Planning	
Town Planning, Building Regulations and Enforcement, and City Engineer	**Waste Management**
Project Management Unit	Recycling
Support to Local Municipalities	Solid Waste Disposal (Landfill Sites)
	Solid Waste Removal
Public Safety	Street Cleansing
Civil Defence (Municipal Commando's)	
Cleansing	**Waste Water Management**
Control of Public Nuisances	Public Toilets
Fencing and Fences	Sewerage
Fire Fighting and Protection	Storm Water Management
Licensing and Control of Animals	Treatment
Police Forces, Traffic and Street Parking Control	
Pounds	**Water**
	Water Treatment
	Water Distribution
	Water Storage

Note: The function/sub- function segment consist of core and non-core functions

OVERSTRAND MUNICIPALITY – VIREMENT POLICY

ANNEXURE A2

OPERATIONAL BUDGET - DIRECTORATES & DEPARTMENTS (OWN SEGMENT)

DEPT	DIRECTORATE	CODE
	Council & Mayor's Office	1
0010	COUNCIL'S GENERAL	
0050	MAYORS OFFICE	
0060	PENSIONERS & CONTINUED MEMBERS	
	MM & Internal Audit	2
0100	MUNICIPAL MANAGER	
0140	INTERNAL AUDIT	
0070	RISK MANAGEMENT	
	Management Services	3
0080	MUNICIPAL COURT	
0090	COMMUNICATION	
0110	DIRECTOR: MANAGEMENT SERVICES	
0120	LEGAL SERVICES	
0130	STRATEGIC SERVICES	
0650	HUMAN RESOURCES	
0660	INFO & COMMUNICATION TECHNOLGY	
0670	COUNCIL SUPPORT SERVICES	
	Finance	4
0150	FINANCE: DIRECTOR	
0160	FINANCE: DEPUTY DIRECTOR	
0180	FINANCE: ACCOUNTING SERVICES	
0190	FINANCE: EXPENDITURE & ASSETS	
0200	FINANCE: REVENUE	
0210	FINANCE: SUPPLY CHAIN MANAGEMEMT	
0220	DATA CONTROL	
0250	ASSESSMENT RATES	
	Infrastructure & Planning	5
2180	DIRECTOR:INFRASTRUCTURE & PLAN	
2190	ENGINEERING SERVICES	
2200	TOWN PLANNING	
2210	DEP.DIRECTOR:ENGINEERING PLANN	
2220	GEOGRAPHICAL INFO SYSTEM (GIS)	
2240	SOLID WASTE PLANNING	
2250	BUILDING CONTROL SERVICES	
2260	PROPERTY ADMINISTRATION	
2990	OVERSTRAND HOUSING DEVELOPMENT	
2300	ENVIRONMENTAL MANAGEMENT SERV	

DEPT	DIRECTORATE	CODE
1460	STREETLIGHTS: KLEINMOND	
1470	STREETLIGHTS: HERMANUS	
1480	STREETLIGHTS: STANFORD	
1490	STREETLIGHTS: GANSBAAI	
4200	ELECTRICITY(ADMIN) HM/KM	
4210	ELECTRICITY(ADMIN) GB&ST	
4250	ELECTRICITY (DISTR): KLEINMOND	
4260	ELECTRICITY (DISTR): HERMANUS	
4270	ELECTRICITY (DISTR): STANFORD	
4280	ELECTRICITY (DISTR): GANSBAAI	
4350	ELECT (PURCH/SALES): KLEINMOND	
4360	ELECT (PURCH/SALES): HERMANUS	
4370	ELECT (PURCH/SALES): STANFORD	
4380	ELECT (PURCH/SALES): GANSBAAI	
4400	ELECTRICITY INCOME	
4430	ELECT (SERV & CON): KLEINMOND	
4440	ELECT (SERV & CON): HERMANUS	
4450	ELECT (SERV & CON): STANFORD	
4460	ELECT (SERV & CON): GANSBAAI	
3640	OVERSTRAND: SOLID WASTE DISP.	
	Protection Services	6
0700	TRAFFIC	
0710	LAW ENFORCEMENT	
0720	VEHICLE TESTING	
0740	FIRE BRIGADE	
0750	VEHICLE LICENSING	
0760	SPECIAL TASK TEAM UNIT	
0770	DISASTER MANAGEMENT	
0800	DIRECTOR:PROTECTION & SECURITY	
0780	SECURITY SERVICES	
	LED	7
1110	DIRECTOR:ECON.& SOCIAL DEVELOPMENT &TOURISM	
1120	TOURISM	
1130	SOCIAL DEVELOPMENT	
1140	EPWP	
1150	THUSONG CENTRE HAWSTON	
1160	PARKING SERVICES	

OVERSTRAND MUNICIPALITY – VIREMENT POLICY

ANNEXURE A2

DEPT	DIRECTORATE	CODE
	Community Services	8
0500	DIRECTOR:COMMUNITY SERVICES	
0510	DEPUTY DIR:OPERATIONAL SERVICE	
0530	AREA MANAGER: KLEINMOND	
0540	AREA MANAGER: HERMANUS	
0550	AREA MANAGER: STANFORD	
0560	AREA MANAGER: GANSBAAI	
0610	CONTROL ROOM	
0620	FLEET MANAGEMENT	
0630	SPORTS & RECREATION	
0640	MANAGER: CORPORATE PROJECTS	
0950	LIBRARY: BETTY'S BAY	
0960	LIBRARY: KLEINMOND	
0970	LIBRARY: HAWSTON	
0980	LIBRARY: MOUNT PLEASANT	
0990	LIBRARY: ZWELIHLE	
1000	LIBRARY: HERMANUS	
1010	LIBRARY: STANFORD	
1020	LIBRARY: GANSBAAI	
1100	POST OFFICE AGENCY: STANFORD	
1300	OPERATIONAL MANAGER: KLEINMOND	
1310	OPERATIONAL MANAGER: HERMANUS	
1320	OPERATIONAL MANAGER: STANFORD	
1330	OPERATIONAL MANAGER: GANSBAAI	
1600	BEACHES: KLEINMOND	
1610	BEACHES: HERMANUS	
1620	BEACHES: GANSBAAI	
1360	STREETS: PROVINCIAL MAIN ROAD	
1400	STREETS: KLEINMOND	
1410	STREETS: HERMANUS	
1430	STREETS: STANFORD	
1440	STREETS: GANSBAAI	
1450	OVERSTRAND: ROADS	
1640	PARKS & TOWNLANDS (KLEINMOND)	
1650	PARKS & TOWNLANDS (HERMANUS)	
1660	PARKS & TOWNLANDS (STANFORD)	
1670	PARKS & TOWNLANDS (GANSBAAI)	
1800	COMMUNITY BUILDINGS KM	
1810	COMMUNITY BUILDINGS HM	
1820	COMMUNITY BUILDINGS ST	
1830	COMMUNITY BUILDINGS GB	
1840	AUDITORIUM & BANQUETING HALL	
1900	OFFICE BUILDINGS KM	
1910	OFFICE BUILDINGS HM	
1920	OFFICE BUILDINGS ST	
1930	OFFICE BUILDINGS GB	
1940	CORPORATE BUILDING (HM)	
1990	SWIMMING POOL: HAWSTON	
2100	SPORTSGROUNDS: KLEINMOND	
2110	SPORTGROUNDS: HERMANUS	
2120	SPORTGROUNDS: STANFORD	
2130	SPORTGROUNDS: GANSBAAI	
2140	SWIMMING POOL: HERMANUS	
2150	SLIPWAY (KLEINBAAI)	
2160	STONY POINT (BETTY'S BAY)	
2170	SLIPWAY KLEINMOND	
2500	CEMETERIES: KLEINMOND	
2510	CEMETERIES: HERMANUS	
2520	CEMETERIES: STANFORD	
2530	CEMETERIES: GANSBAAI	
2600	CARAVAN PARK: PALMIETCAMP	
2610	CARAVANPARK: KLEINMOND	
2620	CAMPING SITE: HAWSTON	
2630	CARAVAN PARK: ONRUS	
2660	CARAVAN PARK: GANSBAAI	
2900	HOUSING & SOCIAL UPLIFTMENT	
2910	HOUSING ALL SCHEMES	
4560	WATER (TREAT): KLEINMOND	
4590	WATER (TREAT): DE BOS/PREEKSTO	
4600	WATER (TREATMENT) STANFORD	
4620	WATER (TREAT): GANSBAAI/FRANSK	
4800	WATER (DISTRIBUTION): KLEINMON	
4810	WATER (DISTRIBUTION): HERMANUS	
4820	WATER (DISTRIBUTION): STANFORD	
4830	WATER (DISTRIBUTION): GANSBAAI	
4850	OVERSTRAND: WATER	
4890	WATER INCOME	
4900	WATER (SERV & CON): KLEINMOND	
4910	WATER (SERV & CON): HERMANUS	
4920	WATER (SERV & CON): STANFORD	
4930	WATER (SERV & CON): GANSBAAI	
4970	WATER (RAW WAT DAMS): GANSBAAI	
1500	STORMWATER: KLEINMOND	
1510	STORMWATER: HERMANUS	
1530	STORMWATER: STANFORD	
1540	STORMWATER: GANSBAAI	
3200	PUBLIC TOILETS (HERMANUS)	
3750	SEWERAGE (DISTRIBU): KLEINMOND	
3760	SEWERAGE (DISTRIBU): HERMANUS	

OVERSTRAND MUNICIPALITY – VIREMENT POLICY

ANNEXURE A2

DEPT	DIRECTORATE	CODE
3770	SEWERAGE (DISTRIBU): STANFORD	
3780	SEWERAGE (DISTRIBU): GANSBAAI	
3860	SEWERAGE (SERV/CON): HERMANUS	
3950	SEWERAGE (TANKERS): KLEINMOND	
3960	SEWERAGE (TANKERS): HERMANUS	
3970	SEWERAGE (TANKERS): STANFORD	
3980	SEWERAGE (TANKERS): GANSBAAI	
4050	SEWERAGE (TREATMENT) KLEINMOND	
4060	SEWERAGE (TREATMENT): HAWSTON	
4070	SEWERAGE (TREATMENT) HERMANUS	
4080	SEWERAGE (TREATMENT) STANFORD	
4090	SEWERAGE (TREATMENT) GANSBAAI	
4100	SEWERAGE INCOME	
3300	REFUSE REMOVAL: KLEINMOND	
3310	REFUSE REMOVAL: HERMANUS	
3320	REFUSE REMOVAL: STANFORD	
3330	REFUSE REMOVAL: GANSBAAI	
3400	SOLID WASTE DISPOSAL:B/BAY	
3410	SOLID WASTE DISPOSAL: HAWSTON	
3420	SOLID WASTE DISPOSAL: VOELKLIP	
3430	SOLID WASTE DISPOSAL: STANFORD	
3440	REFUSE DISPOSAL:P/BEACH(TRFST)	
3500	SOLID WASTE DISPOSAL: KLEINMON	
3510	SOLID WASTE DISPOSAL: HERMANUS	
3620	WASTE DISPOSAL SITE: GANSBAAI	
3650	REFUSE INCOME	
	Costing Services **9**	
9996	INTERNAL BILLING	
9997	ACTIVITY BASED COSTING	
9998	DEPT CHARGES AND RECOVERIES	
	Main Ledger **10**	
9995	MAIN LEDGER	

OVERSTRAND MUNICIPALITY



BORROWING POLICY

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OVERSTRAND MUNICIPALITY – BORROWING POLICY

1 PURPOSE

To establish a borrowing framework policy for the Municipality and set out the objectives, policies, statutory requirements and guidelines for the borrowing of funds.

2 OBJECTIVES OF POLICY

The objectives of this Policy are to:

a manage interest rate and credit risk exposure;
b maintain debt within specified limits and ensure adequate provision for the repayment of debt;
c to ensure compliance with all Legislation and Council policy governing borrowing of funds.

3 SCOPE OF THE POLICY

The primary goal in the borrowing of funds is to ensure that the funds are obtained at the lowest possible interest rates at minimum risk, within the parameters of authorized borrowings.

3.1 Risk Management

The need to manage interest rate risk, credit risk exposure and to maintain debt within specified limits is the foremost objective of the borrowing policy. To attain this objective, diversification is required to ensure that the Chief Financial Officer prudently manages interest rate and credit risk exposure.

3.2 Cost of Borrowings

The borrowings should be structured to obtain the lowest possible interest rate, on the most advantageous terms and conditions, taking cognisance of borrowing risk constraints, infrastructure needs and the borrowing limits determined by Legislation.

3.3 Prudence

Borrowings shall be made with care, skill, prudence and diligence.

4 LEGISLATIVE FRAMEWORK AND DELEGATION OF AUTHORITY

The relevant Legislation in terms of which borrowing decisions are governed is the Local Government Municipal Finance Management Act, No 56 of 2003.

The Municipal Regulations on Debt Disclosure has been promulgated (Government Gazette no. 29966, 15 June 2007) and has been effective from 01 July 2007 for a municipality or municipal entity.

5 TYPES OF LOANS AND FINANCING

5.1 Annuity loans

Annuity loans are straight forward and uncomplicated. The loan amount, interest rate and repayment period offered by the Financial Institution are fixed. Normally with an annuity loan, the instalment of the loan will be repaid in equal six monthly instalments over the term of the loan. The capital portion of the instalment will increase over the duration of the loan, and conversely, the interest amount charged will decrease over the loan period. Where the interest rate offered by the Financial Institution is on a variable basis, an interest rate swap (IRS) option should be included in the agreement. An IRS agreement will need to be signed with the party agreeing to accept the variable rate and in turn, offer the fixed rate to the Municipality. An Interest Rate Swap Agreement must comply with the terms set out by the International Swap Dealers Association (ISDA). The fixing of debt repayments is an important consideration in meeting the financial requirements of the Municipality, that of annually producing a balanced budget. There are from time to time various options offered by Financial Institutions which need to be treated on their merits and which could invariably result in slightly lower interest rates being offered.

5.2 Bullet payment redemption

In this instance, the total capital is usually repaid at the end of the term and interest on the total amount borrowed is paid annually or semi-annually. The interest rate can be fixed and the interest payable is known for the duration of the loan. Cash has to be set aside to repay the capital at the end of the term.

The lender could require security in the form of an investment (sinking fund).

5.3 Bonds

A Bond is an instrument used by Government and Parastatals such as Telkom, Eskom, Transnet, Corporates and Municipalities to raise loan capital on the open market. Bond holders have the right to interest, usually paid on a semi-annual basis, and the repayment of the capital amount reflected on the stock certificate held on maturity date. The coupon, maturity, principal value and market value are intrinsic features of a Bond. The most critical variable factor in determining Bond rates is the expected long term trend in inflation, in order to provide a return that equals inflation plus a risk premium. The higher the risk attached to a borrower, the higher will be the risk premium investors will demand. During its tenure the Bond will trade on the Bond market at prevailing interest levels. The price of a Bond trading at any given time on the market is a function of prevailing interest rates. Bond prices move inversely to movements in interest rates.

5.4 Use of Internal Funds

The Municipality from time to time, will use certain of its surplus funds to fund its Capital programme. The utilisation of surplus funds enables the Municipality to reduce its reliance on external debt financing, thereby allowing it to borrow only funds from external sources when favourable market conditions prevail. The use of internal funds impacts negatively on surplus cash for return of interest and should be within limits to reduce the impact on the Current Ratio, ideally to be at a minimum ratio of 1.5 : 1, and the Cost Coverage, ideally not be less than 2 months.

6 OTHER CONSIDERATIONS

The Municipality has by the judicious use of surplus funds and external long term debt implemented its Integrated Development Plan, which has facilitated the much needed service delivery program.

Factors to be considered when borrowing:

(a) the type and extent of benefits to be obtained from the borrowing;
(b) the length of time the benefits will be received;
(c) the beneficiaries of the acquisition or development;
(d) the impact of interest and redemption payments on both current and forecasted property tax and services revenue;
(e) the current and future capacity of the property tax base and rendering of services to pay for borrowings and the rate of growth of the property tax base and services;
(f) likely movements in interest rates for variable rate borrowings;
(g) other current and projected sources of funds;
(h) competing demands for funds;
(i) timing of money market interest rate movements and the long term rates on the interest rate curve.

The Municipality will, in general, seek to limit its dependence on borrowings in order to minimise future revenue committed to debt servicing and redemption charges. The Municipality may only borrow funds, in terms of the Municipal Finance Management Act, for the purpose of acquiring assets, improving facilities or infrastructure to provide service delivery.

Overstrand Municipality may incur long term debt only for the purpose of Capital expenditure on infrastructure, property, plant or equipment to be used for the purpose of achieving the objects of Local Government as set out in section 152 of the Constitution.

The use of external loans should be limited to financing infrastructure where a return can be realised from tariffs to service the debt, or major infrastructure exceeding R10 million for a single project, with long term benefits to the community as a whole, where indirect revenue streams are evident.

The gearing for external loans (total outstanding debt to operating revenue, including recurrent operational grants) was fixed at a ceiling of 60% as at 30 June 2012. To reduce the reliance on external long term borrowing this percentage must reduce till a level of 45% or less is attained by 30 June 2022.

7 REFINANCING DEBT

Section 46 of the Municipal Finance Management Act provides that the Overstrand Municipality may refinance existing long term debt, if such refinancing is in accordance with the framework as prescribed by the Municipal Finance Management Act, as follows:

- The Municipality may borrow money for the purpose of refinancing existing long term debt, provided the existing long term debt was lawfully incurred and the refinancing will not extend the term of the debt beyond the useful life of the infrastructure, property, plant or equipment for which the money was originally borrowed.

Cognisance must be taken of any early repayment penalty clauses in the initial loan agreement, as part of the financial feasibility assessment. No loans will be prematurely redeemed unless there is a financial benefit to the Municipality.

8 DEBT REPAYMENT PERIOD

Whilst the period for which loan debt may be received will vary from time to time according to the needs of the various Lenders, presently the typical debt repayment period for loans is fifteen years, though not closely matching the underlying asset lives serviced by the loans.

Cognisance is taken of the useful lives of the underlying assets to be financed by the debt, and, moreover, careful consideration is taken of the interest rates on the interest yield curve. Should it be established that it is cost effective to borrow the funds on a shorter duration (as opposed to the life of the asset) as indicated by the interest yield curve, the loan will be negotiated to optimise the most favourable and cost effective benefit to the Municipality.

9 SECURITY

In terms of the Municipal Finance Management Act the Municipality may provide security for any of its debt obligations, including the giving of a lien, pledging, mortgaging or ceding an asset, or giving any other form of collateral. It may cede as security any category of revenue or rights of future revenue. Some Lenders may require the Municipality to agree to restrictions on debt that the Municipality may incur in future until the secured debt is settled.

10 SHORT TERM DEBT

The Municipal Finance Management Act provides that the Municipality may incur short term debt 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 municipal council may approve an individual transaction or a credit facility for a line of credit or overdraft facility.

The Municipality must pay off short term debt within the same financial year and may not renew or refinance its short term debt if it will have the effect of extending the short term debt into a new financial year.

11 DISCLOSURE

The Municipality must, when interacting with a prospective Lender or when preparing documentation for consideration by a prospective Investor, disclose all relevant information that may be requested or that may be material to the decision of the prospective Lender or Investor. Reasonable care must be taken to ensure the accuracy of any information disclosed. Whilst this is a standard and acceptable business practice, it is also in compliance with section 49 of the Municipal Finance Management Act.

12 GUARANTEES

The Municipal Finance Management Act provides that the Municipality may not guarantee any debt of any entity unless the entity is a Municipal entity under its sole ownership control. The debt must be reflected in the approved business plan of the entity. The guarantee must be authorised by the Municipality. This must be done in the same manner and subject to the same conditions applicable to any other borrowings. Neither the National nor Provincial Government may guarantee the debt of any Municipality.

13 APPROVAL OF LOANS BY THE MUNICIPALITY

Section 46 of the Municipal Finance Management Act stipulates that the Municipality may incur long-term debt only if a resolution of the Council, signed by the mayor, has approved the debt agreement and the Accounting Officer has signed the agreement or other document which acknowledges the debt. At least 21 days prior to the meeting of the Council at which approval for the debt is to be considered, the Municipality must make public an information statement setting out particulars of the proposed debt, including the amount of the proposed debt, the purposes for which

the debt is to be incurred and particulars of any security to be provided. The Public, the National Treasury and Provincial Treasury must be invited to submit written comments or representations to the council in respect of the proposed debt.

A copy of the information statement submitted to Council at least 21 days prior to the meeting to approve the loan agreement must contain particulars of -

(a) the essential repayment terms, including the anticipated debt repayment schedule; and
(b) the anticipated total cost in connection with such debt over the repayment period.

14 PROVISION FOR REDEMPTION OF LOANS

Overstrand Municipality may borrow from Institutions and set up sinking funds to facilitate loan repayments, when the repayment is to be met by a bullet payment on the maturity date of the loan. These sinking funds may also be invested directly with the Lender's Bank. The maturity date and accumulated value of such investment must coincide with the maturity date and amount of the intended loan that is to be repaid.

15 NON-REPAYMENT OR NON-SERVICING OF LOAN

Overstrand Municipality must honour all its loan obligations timeously. Failure to effect prompt payment will adversely affect the raising of future loans at favourable costs of borrowing.

Failure to pay any loan instalment, even by one day, and even if only through administrative oversight, will have severe repercussions, and may jeopardise the Municipality's credit rating.

In addition to the timeous payment of the loans, the Municipality must adhere to the covenants stipulated in the loan agreements.

16 PROHIBITED BORROWING PRACTICES

Overstrand Municipality shall not borrow for investment purposes, with the sole purpose of investing to earn a return. The cost of debt is almost always more expensive than the return that the Municipality can derive by investing in permitted investments.

17 FOREIGN BORROWINGS

Foreign Borrowing is permitted in terms of section 47 of the Municipal Finance Management Act, whereby the debt must be denominated in Rand and is not indexed to, or affected by, fluctuations in the value of the Rand against any foreign currency.

18 NATIONAL TREASURY AND OTHER REPORTING AND MONITORING REQUIREMENTS

The Municipality submits returns to National Treasury quarterly and annually, as well as

submissions to Council. It is mainly coordinated by the Financial Services Department.

19 IMPLEMENTATION AND REVIEW PROCESS

This policy shall be implemented on **1 July 2022** and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.

POLICY SECTION:	SENIOR MANAGER: FINANCIAL SERVICES
CURRENT UPDATE	**31 May 2022**
PREVIOUS REVIEW:	26 May 2021
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PREVIOUS REVIEW:	25 May 2016
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OVERSTRAND MUNICIPALITY



FUNDING, RESERVES AND PROVISIONS POLICY

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OVERSTRAND MUNICIPALITY – FUNDING, RESERVES AND PROVISIONS POLICY

1. INTRODUCTION AND OBJECTIVE

The Council sets as objective a long term financially sustainable municipality with acceptable levels of service delivery to the community.

This policy aims to set standards and guidelines towards ensuring financial viability over both the short- and long term and includes funding as well as reserves requirements.

2. SECTION A: FUNDING POLICY

2.1 LEGISLATIVE REQUIREMENTS

In terms of Sections 18 and 19 of the Municipal Finance Management Act (Act No 56 of 2003) (MFMA), an annual budget may only be funded from:

2.1.1 Realistically anticipated revenues to be collected, including grants;
2.1.2 Cash backed accumulated funds from previous years' surpluses not committed for other purposes, and
2.1.3 Borrowed funds, but only for capital projects.

Furthermore, spending on a capital project may only be commenced once the funding sources have been considered, are available and have not been committed for other purposes.

The requirements of the MFMA are clear in that the budget must be cash – funded, i.e. cash receipts inclusive of prior period cash surpluses committed to this specific budget, must equal or be more than cash paid.

In determining whether the budget is actually cash funded and in addition ensuring long term financial sustainability, the municipality will use analytical processes, including those specified by National Treasury from time to time.

2.2 STANDARD OF CARE

Each functionary in the budgeting and accounting process must do so with judgment and care with the primary objective of ensuring that the objectives of this policy are achieved.

2.3 STATEMENT OF INTENT

The municipality will not pass a budget which is not cash – funded or where any of the indicators as listed in this document are negative, unless acceptable reasons can be provided for non-compliance and provided that the requirements of the MFMA must at all times be adhered to.

2.4 CASH MANAGEMENT

Cash must be managed in terms of the municipality's Investment and Cash Management Policy.

2.5 LIABILITY MANAGEMENT

Debt must be managed in terms of the municipality's Borrowing Policy, together with any requirements in this policy.

2.6 FUNDING THE OPERATING BUDGET

2.6.1 INTRODUCTION

The municipality's objective is that the user of municipal resources must pay for such usage in the period in which it will occur.

The municipality recognises the plight of the poor, and in line with national and provincial objectives, commits itself to subsidising services to the poor. This may necessitate cross- subsidisation in some tariffs to be calculated in the budget process.

2.6.2 GENERAL PRINCIPLE WHEN COMPILING THE OPERATING BUDGET

The following specific principles apply when compiling the budget:

a) The budget must be cash – funded, i.e. revenue and expenditure projections must be realistic and the provision for impairment of receivables must be calculated on proven recovery rates;
b) Growth parameters must be realistic and be based on historic patterns adjusted for current reliable information;
c) Tariff adjustments must be fair, taking into consideration general inflation indicators as well as the geographic region's ability to pay;
d) Revenue from Government Grants and Subsides must be in accordance with the amounts promulgated in the Division of Revenue Act, proven provincial transfers and any transfers from other municipalities.
e) Projected revenue from services charges must be reflected as net (i.e. all billing less revenue foregone, including free basic services).
f) Projected revenue from property rates must include all rates to be levied.
g) For the purpose of the Cash flow Budget all rebates and discounts must be deducted from the projected revenue.
h) Only changes in fair values related to cash may be included in the cash flow budget. Changes to unamortized discount must be included in the Operating Budget. Employee related costs include contributions to non-current and current employee benefits. It is acknowledged that the non-current benefits' requirements are well above the initial cash capabilities of the municipality. It is therefore determined that the short term expenditure portion of employee benefits be funded from the current year operating cash surplus.
i) Depreciation must be fully budgeted for in the operating budget.

j) Contributions to provisions (non-current and current) do not form part of the cash flow for provisions with a non-current portion, except for the current portion of post retirement benefits relating to continued members for medical aid and long service awards. It is necessary to provide for an increase in cash resources in order to comply with the conditions of the provision at the time when it is needed.

2.7 FUNDING THE CAPITAL BUDGET

2.7.1 INTRODUCTION

The municipality's objective is to maintain, through proper maintenance and replacement measures, existing levels of service and to improve and implement services which are neglected or non-existent.

In order to achieve this objective, the municipality must annually, within financial means, budget for the replacement of redundant assets as well as new assets.

2.7.2 FUNDING SOURCES FOR CAPITAL EXPENDITURE

The capital budget can be funded by way of own cash, grants, public contributions as well as external loans.

Cash

The capital budget or portions thereof may also be funded from surplus cash generated in previous financial years. The cash must already be available and not be committed for other purposes or expected to be generated in the current or future years. The allocations of the funding sources from own contributions will be determined during the budget process.

Grants (Including Public Contributions and Bulk Infrastructure Contributions)

Only cash portions of these grants will be made available for funding of capital projects as might be applicable. Grants for capital expenditure have become a common practice, especially in order to extend service delivery to previously disadvantaged areas. While such grants are welcomed, care should also be taken that grant funding does not place an unreasonable burden on the residents for future maintenance costs which may be higher than their ability to pay.

The accounting officer will annually evaluate the long term effect of unusual capital grants on future tariffs, and if deemed necessary, report on such to Council.

Depreciation charges on assets financed from grants and donations must not have a negative effect on tariffs charged to the users of such assets. The Accounting Officer will put such accounting measures in place as to comply with this requirement as far as possible.

MFMA Circular 48, read with MFMA Circular 58 and 75, states that municipalities may treat the 'reclaimed VAT' in terms of the expenditure from conditional grant funds as 'own revenue'. The municipality opts to utilise the full grant funding for

the grant related projects.

External Loans

The municipality may only raise loans in accordance with its Borrowing Policy.

The Accounting Officer must also put such accounting measures in place to ensure that no unspent portions of loans raised, be included in the cash surplus for the year.

2.8 FUNDING COMPLIANCE MEASUREMENT

2.8.1 INTRODUCTION

The municipality must ensure that the annual budget or any subsequent adjustments budget complies with the requirements of the MFMA and this policy. For this purpose, a set of indicators must be used as part of the budget process and be submitted with the budget. These indicators include all the indicators as recommended by National Treasury as well as any additional indicators detailed in this policy.

If any of the indicators are negative during the compilation or approval process of the budget, the budget may not be approved until all the indicators provide a positive return, unless those negative indicators can be reasonable explained and any future budget projections address the turn-around of these indicators to within acceptable levels.

2.8.2 CASH AND CASH EQUIVALENTS AND INVESTMENTS

A positive Cash and Cash Equivalents position should be maintained throughout the year.

2.8.3 CASH PLUS INVESTMENTS LESS APPLICATION OF FUNDS

The overall cash position of the municipality must be sufficient to cover the following:

a) unspent conditional grants;
b) unspent conditional public contributions;
c) unspent borrowings;
d) VAT due to SARS;
e) ceded investments;
f) the cash portion of statutory funds such as the Housing Development Fund;
g) other working capital requirements; and
h) the cash position must be sufficient to back reserves as approved by the municipality and those portions of provisions as indicated elsewhere in this policy.

INDICATORS

2.8.4 MONTHLY AVERAGE PAYMENT COVERED BY CASH AND CASH EQUIVALENTS ("CASH/COST COVERAGE")

This indicator shows the level of risk should the municipality experience financial stress.

The norm indicated by National Treasury indicates 1 – 3 months Working Capital, but should ideally not be less than 2 months.

2.8.5 SURPLUS/DEFICIT EXCLUDING DEPRECIATION AND OTHER NON CASH ITEMS

It is probable that the operating budget including depreciation charges on assets funded by grants and public contributions, as well as on revalued assets, will result in a deficit.

As determined elsewhere in this policy it is not the intention that residents be burdened with tariff increases to provide for such depreciation charges. In order to ensure a "balanced" budget, the cash position must be determined.

Should a budget result in a deficit cash position, the budget will be deemed unfunded and must be revised.

2.8.6 PROPERTY RATES/SERVICE CHARGE REVENUE PERCENTAGE INCREASE LESS MACRO INFLATION TARGET

The intention of this indicator is to ensure that tariff increases are in line with macro economic targets, but also to ensure that revenue increases for the expected growth in the geographic area are realistically calculated.

2.8.7 CASH COLLECTION RATE AS A PERCENTAGE

The object of the indicator is to establish whether the projected cash to be collected is realistic and complies with section 18 of the MFMA.

The collection rate for calculating the provision for impairment of receivables must be based on past and present experience. Past experience refers to the collection rates of the prior years and present experience refers to the collection rate of the current financial year as from 1 July.

It is not permissible to project a collection rate higher that the current rate. Any improvement in collection rates during the budget year may be appropriated in an Adjustments Budget.

2.8.8 DEBT IMPAIRMENT EXPENSE AS A PERCENTAGE OF BILLABLE REVENUE

This indicator provides information as to whether the contribution to the provision for impairment of receivables is adequate. In theory it should be equal to the difference between 100% and the cash collection rate, but other factors such as past performance can have an influence on it. Any aberration must be

motivated in the budget report.

2.8.9 BORROWING AS A PERCENTAGE OF CAPITAL EXPENDITURE (EXCLUDING GRANTS AND CONTRIBUTIONS)

This indicator provides information as to compliance with the MFMA in determining borrowing needs. The Accounting Officer must ensure compliance with the Municipality's Borrowing Policy.

2.8.10 GRANT REVENUE AS A PERCENTAGE OF GRANTS AVAILABLE

The percentage attained should never be less that 100% and the recognition of expected unspent grants at the current year-end as revenue in the next financial year must be substantiated in a report.

2.8.11 CONSUMER DEBTORS CHANGE (CURRENT AND NON-CURRENT)

The object of the indicator is to determine whether budgeted reductions in outstanding debtors are realistic.

Any unacceptably high increase in either current or non-current debtors' balances should be investigated and reported.

2.8.12 REPAIRS AND MAINTENANCE EXPENDITURE LEVEL

Property Plant and Equipment should be maintained properly at all times in order to ensure sustainable service delivery. The budget should allocate sufficient resources to maintain assets and care should be exercised not to allow a declining maintenance program in order to fund other less important expenditure requirements.

Similarly, if the maintenance requirements become excessive, it could indicate that a capital renewal strategy should be implemented or reviewed.

2.8.13 ASSET RENEWAL/REHABILITATION EXPENDITURE LEVEL

This indicator supports further the indicator for repairs and maintenance.

The Accounting Officer must, as part of the capital budget, indicate whether each project is a new asset or a replacement/renewal asset in order to determine whether the renewal program is sufficient or needs revision.

3 SECTION B: RESERVES AND PROVISIONS POLICY

3.1 INTRODUCTION

Fund accounting historically formed the major component of municipal finance in the IMFO standards.

After the change to General Recognised Accounting Practices (GRAP), fund accounting is no longer allowed.

The municipality, however, recognizes the importance of providing to the municipality itself, as well as its creditors, financiers, staff, and general public a measure of protection for future losses, as well as providing the necessary cash resources for future capital replacements and other current and non-current liabilities.

This policy therefore aims to provide for a measure of protection by creating certain reserves and provisions.

3.2 LEGAL REQUIREMENTS

There are specific legal requirements for the creation of reserves, such as the Housing Development Fund. The GRAP Standards themselves do not provide for reserves, although certain provisions are required in terms of GRAP.

3.3 TYPES OF RESERVES / PROVISIONS

Reserves/Provisions can be classified into two main categories being “cash funded” and “non–cash funded”.

3.3.1 CASH FUNDED RESERVES

In order to provide for sufficient cash resources for future expenditure, the municipality hereby approves the establishment of the following reserves:

a) Statutory reserves

It may be necessary to create reserves prescribed by law, such as the Housing Development Fund. The Accounting Officer must create such reserves according to the directives in the relevant laws.

b) Self-Insurance reserves

The Municipality has a Self-Insurance Reserve to set aside amounts to offset potential losses or claims that cannot be insured externally. This Reserve is ring-fenced within the accumulated surplus. Contributions to the Fund are considered annually during the Budget process.

3.3.2 NON – CASH FUNDED RESERVES / PROVISIONS

On occasion it is necessary to create non – cash funded reserves. The Accounting Officer must create any reserves prescribed by the accounting standards, such as the Revaluation Reserve, if required and provisions such as post-retirement benefits and rehabilitation of land fill sites.

3.4 ACCOUNTING FOR RESERVES / PROVISIONS

3.4.1 REVALUATION RESERVE

The accounting for the Revaluation Reserve must be done in accordance with the requirements of GRAP 17.

3.4.2 OTHER RESERVES

The accounting for all other reserves must be processed through the Statement of Financial Performance. The required transfer to or from the reserves must be processed in the Statement of Net Assets to or from the accumulated surplus.

In terms of GRAP1 transactions may be directly appropriated against these reserves.

3.4.3 PROVISIONS

Provisions are established from contributions appropriated in the annual budget. Currently, the long term portions of provisions are non-cash funded and are covered by non-current assets.

4. SECTION C: REVIEW OF THE POLICY

This policy shall be implemented on **1 July 2022** and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.

POLICY SECTION:	**SENIOR MANAGER: FINANCIAL**
CURRENT UPDATE:	**31 May 2022**
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OVERSTRAND MUNICIPALITY



LONG TERM FINANCIAL PLANNING AND IMPLEMENTATION POLICY

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OVERSTRAND MUNICIPALITY

LONG TERM FINANCIAL PLANNING AND IMPLEMENTATION POLICY

1. INTRODUCTION

1.1 In essence a financial plan encompasses the development, implementation and evaluation of a plan for the provision of basic municipal services and capital assets. Such a plan aims to help Municipal Councillors and other decision makers make informed choices about the provision of basic services and capital assets and to promote stakeholder participation in the process.

1.2 The financial plan should set out the Municipality's estimated expenditure over the medium- term, based on its goals and objectives, as well as the resources necessary to achieve this. In addition, the financial plan must set out where funding for the planned expenditure will come from.

1.3 The compilation of a financial plan is a core component of an Integrated Development Plan (IDP). The envisaged timeframe allocations for a long term financial plan are:-

1.3.1 Immediate (12 months).

1.3.2 Medium term (3 years).

1.3.3 Long term (4 years onwards).

2. PURPOSE

2.1 The Policy on Long Term Financial Planning is aimed at ensuring that the Municipality has sufficient and cost-effective funding in order to achieve its long term objectives through the implementation of the medium term operating and capital budgets. The purpose of the Policy on Long Term Financial Planning is therefore to:

2.1.1 Ensure that all long term financial planning is based on a structured and consistent methodology in order to ensure the long term financial sustainability of Overstrand Municipality.

2.1.2 Identify capital investment requirements and associated funding sources to ensure the future sustainability of the Municipality;

2.1.3 Identify revenue enhancement and cost saving strategies in order to improve service delivery at affordable rates; and

2.1.4 Identify new revenue sources as funding for future years.

3. GUIDING PRINCIPLES

3.1 The policy on Long Term Financial Planning is based on the following principles:

3.1.1 Future financial sustainability;

3.1.2 Annual growth in population and consumer base;

3.1.3 Optimal collection of revenue, taking into consideration the socio economic environment;

3.1.4 Optimal utilisation of grant funding and public donations; and

3.1.5 Continuous improvement and expansion in service delivery framework.

4. DEVELOPMENT OF A FINANCIAL PLAN

4.1 The phases for development of the Financial Plan are set out below.

Phase One	→	**Compile a Status Quo assessment of the municipality's current financial status and key challenges**
Phase Two	→	**Conduct financial modelling to determine financial viability**
Phase Three	→	**Analyse outcomes and ratios**
Phase Four	→	**Prepare a long term financial plan**

4.2 Phase One: Status Quo Assessment

4.2.1 Perform a Status Quo assessment under the following criteria:-

(a) The Municipality's current financial status;

(b) Current revenue sources, internal and external;

(c) Main cost drivers impacting on the sustainability of the municipality

(d) Status of municipal infrastructure;

(e) Ability to finance capital expenditure; and

(f) Municipal service delivery backlogs.

4.2.2 The financial viability and creditworthiness of the Municipality is measured against a number of nationally recognised key ratios. These key ratios should include for example the following:

a) Gross debtors to annual revenue;

b) Gross Debtors Collection Period (Days);

c) Net debtors to annual revenue;

d) Net Debtors Collection Period (Days);

e) Annual Collection Rate;

f) Service Charges and Property Rates Revenue Budget Implementation Indicator;

g) Cash Coverage Ratio;

h) Personnel Costs to Total Operating Expenditure;

i) Repairs and Maintenance to PPE;

j) Liquidity Ratio (Current Ratio); and

k) Net Asset Position.

4.2.3 The objective of the status quo report is to assess the current financial position and to identify the key challenges faced by the Municipality. The status quo report will aim to identify issues which impact on the overall financial stability of the Municipality and will include a historical analysis and assessment of financial results (based on financial statements).

4.3 Phase Two: Planned Finance and Financial Modelling

4.3.1 Upon completion of the status quo assessment, resulting in an understanding of the Municipality's financial position, the next phase is to determine the Municipality's financing need over the medium-term.

4.3.2 This entails determining what expenditure the Municipality plans to undertake over the medium-term and what its financing requirements are likely to be and how these can be funded either internally or externally.

4.3.3 As the Municipality evolves and expands its service delivery framework, so do those of the National Government. Long term community development and economic development projects will therefore also be included under this phase.

4.4 Phase Three: Analyse Outcomes and Ratios

4.4.1 Evaluate the short-term financial viability (6 months to 12 months):

(a) Develop a financial forecast model to identify immediate opportunities and risks;

(b) Perform scenario planning to identify the optimum balance between revenue

collection and municipal spending; taking into account the following:

(c) Potential revenue enhancement strategies which may have an immediate impact on the revenue base of the Municipality;

(d) Evaluate cost saving mechanisms to minimise the cost of effective service delivery;

(e) Current infrastructure investments and maintenance programs which may influence revenue streams or the cost of service delivery;

4.4.2 Evaluate the medium and long term financial viability (1 year to 10 years):-

(a) Develop a financial forecast model to identify future opportunities and risks;

(b) Perform scenario planning to identify the optimum balance between revenue collection and municipal spending, taking into account the following:

i. The impact each scenario has on the financial viability ratios of the Municipality;

ii. Potential revenue enhancement strategies which may have a long term impact on the revenue base of the Municipality;

iii. Cost saving mechanisms to minimise the cost of effective service delivery; taking into account potential infrastructure developments and renewals;

iv. The impact of current infrastructure investments and maintenance programs on future revenue streams or cost of service delivery;

v. The impact of envisaged future infrastructure investments on the revenue stream and cost of service delivery; and

vi. The impact of national and municipal priorities over the medium and long term.

4.5 Phase Four: Develop a Long Term Financial Plan

4.5.1 Once the Municipality has finalised the prioritisation of initiatives and projects; a comprehensive long term financial plan is developed to indicate the envisaged impact it will have on the financial status of the Municipality. An overall financial forecast will have to be done in order to illustrate the projected result of the implementations throughout the five-year period.

4.5.2 Although a long term financial plan provides a forecast of potential outcomes, it has to be emphasised that the success of the financial plan remains in continuous revision. As is the case with any forecast model, the financial plan should be seen as a moving target and should be subject to honest and realistic assessments of

successes and failures on a regular basis.

4.5.3 The fourth phase involves finalising a medium-term income and expenditure plan based on the various alternative service delivery options.

4.5.4 A key component in determining future options, potential problems and opportunities is the forecast of revenues and expenditures. The revenue and expenditure plan essentially involves combining the forecasting of revenues and the forecasting of expenditures into a single financial forecast.

4.5.5 Finalisation of the Financial Plan includes collating all short, medium and long term financial data and develop a long term financial plan that:

(a) Identifies future revenue projections based on current and projected revenue streams, as well as those projects required to achieve these projections;

(b) Identifies future expenditure frameworks and cost of service delivery based on current and projected expenditure patterns;

(c) Identifies the level of infrastructure development required to achieve the municipal priorities, within the funding restrictions; and

(d) Identifies external funding requirements required for capital investment.

5. ANNUAL REVIEW

5.1 The financial plan must be reviewed on an annual basis as part of the annual review of the IDP and updated with at least the following information:

5.1.1 any direct change in financial status or internal factors, other than previously predicted, which may influence the financial status and viability of the Municipality;

5.1.2 any changes in the economic and socio economic environment, other than previously predicted, which may influence the financial status of the Municipality;

5.1.3 any changes in the revenue base or composition which may have an impact on the financial viability of the Municipality;

5.1.4 any changes in the national or municipal priorities as previously identified; and

5.1.5 any factors which may have an impact on the ability to implement previously identified projects.

6. IMPLEMENTATION AND REVIEW OF THIS POLICY

This policy shall be implemented on **1 July 2022** and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.

OVERSTRAND MUNICIPALITY

LONG TERM FINANCIAL PLANNING AND IMPLEMENTATION POLICY

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OVERSTRAND MUNICIPALITY

UNAUTHORISED, IRREGULAR OR FRUITLESS AND WASTEFUL EXPENDITURE POLICY

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1 ABBREVIATIONS/ACRONYMS

1.1 Except if otherwise stated in this policy, the following abbreviations or acronyms will represent the following words:

1.1.1.	CFO	-	Chief Financial Officer
1.1.2.	MBRR	-	Municipality Budget and Reporting Regulations
1.1.3.	MFMA	-	Local Government: Municipal Finance Management Act, No. 56 of 2003
1.1.4.	MIG	-	Municipal Infrastructure Grant
1.1.5.	MM or AO	-	Municipal Manager or Accounting Officer appointed in terms of section 54A of the MSA
1.1.6.	MSA	-	Local Government: Municipal Systems Act, No. **[Act]** 32 of 2000
1.1.7.	MSCMR	-	Municipal Supply Chain Management Regulations
1.1.8.	OM	-	Overstrand Local Municipality
1.1.9.	POLICY	-	Policy on unauthorised, irregular or fruitless and wasteful expenditure
1.1.10.	RPOBA	-	Remuneration of Public Office Bearers Act, No. **[Act]** 20 of 1998
1.1.11.	SAPS	-	South African Police Services
1.1.12.	SCM	-	Supply Chain Management
1.1.13.	SM	-	Directors appointed in terms of section 56 of the MSA
1.1.14.	Structures Act	-	Local Government: Municipal Structures Act, No. 117 of 1998 **[Annually Gazetted]**

2 DEFINITIONS

Except if otherwise indicated:

"Councillor" means	member of the municipal council of OM.
"Financial Misconduct" means	any misappropriation, mismanagement, waste or theft of the finances of the OM, and also includes any form of financial misconduct specifically set out in sections 171 and 172 of the MFMA.
"Fruitless and wasteful expenditure" means	expenditure that was made in vain and would have been avoided had reasonable care been exercised.
"Irregular expenditure", in relation to a municipality or municipal entity, means:	a) expenditure incurred by the OM in contravention of, or that is not in accordance with, a requirement of the MFMA, and which has not been condoned in terms of section 170; b) expenditure incurred by the OM in contravention of, or that is not in accordance with, a requirement of the MSA, and which has not been condoned in terms of this Act; c) expenditure incurred by the OM in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act;; d) expenditure incurred by the OM in contravention of, or that is not in accordance with, a requirement of the SCM policy of OM or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law; or e) excludes expenditure by the OM which falls within the definition of "unauthorised expenditure".
"Official", in relation to OM, means:	a) an employee of OM; b) a person seconded to OM to work as a member of the staff of the OM; or c) a person contracted by OM to work as a member of the staff of the OM.
"Overspending" means:	a) in relation to the budget of the OM, means causing the operational or capital expenditure incurred by the municipality during a financial year

	to exceed the total amount appropriated in that year's budget for its operational or capital expenditure, as the case may be; b) In relation to a vote, means causing expenditure under the vote to exceed the amount appropriated for that vote; or c) In relation to expenditure under section 26 of the MFMA, means causing expenditure under that section to exceed the limits allowed in subsection (5) of that section.
"Political Office Bearer" in relation to a municipality, means-	a) the Speaker. Executive Mayor, Deputy Executive Mayor, a member of the mayoral committee of the OM elected, designated or appointed in terms of a specific provision of the Structures Act; or b) a councillor referred to in section 57(1) of the MFMA;
"Prohibited expenditure" in relation to this policy means	unauthorised, irregular, or fruitless and wasteful expenditure;
"Senior Manager"	has the meaning assigned to it in section 1 of the MFMA and in relation to SM.
"Unauthorised expenditure", means:	any expenditure incurred by the OM otherwise than in accordance with section 15 or 11(3) od the MFMA, and includes- a) overspending of the total amount appropriated in the municipality's approved budget; b) overspending of the total amount appropriated for a vote in the approved budget; c) expenditure from a vote unrelated to the department or functional area covered by the vote; d) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose; e) spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of allocation in section 1 of the MFMA otherwise than in accordance with any conditions of the allocation; or f) a grant by OM otherwise than in accordance with the MFMA.
"Vote" means:	a) One of the main segments into which a budget of a municipality is divided for the appropriation of money for the different directorates or functional areas of the municipality; and b) which specifies the total amount that is appropriated for the purposes of the directorate or functional area concerned.

3 INTRODUCTION

3.1 In terms of section 62 of the MFMA, the accounting officer is responsible for managing the financial affairs of the OM and he/she must, for this purpose, inter alia:

3.1.1 Take all reasonable steps to ensure that unauthorised, irregular or fruitless and wasteful expenditure and other losses are prevented; and

3.1.2 Ensure that disciplinary or, when appropriate, criminal proceedings are instituted against any official or councillor of OM who has allegedly committed an act of financial misconduct or an offence in terms of Chapter 15 of the MFMA.

3.2 This is to ensure the effective, efficient and transparent systems of financial, risk management and internal control.

4 OBJECTIVE

4.1 This document sets out OM's policy and procedures with regards to unauthorised, irregular or fruitless and wasteful expenditure.

4.2 This policy aims to ensure that, amongst other things:

4.2.1 Unauthorised, irregular or fruitless and wasteful expenditure is detected, processed, recorded, and reported in a timely manner;

4.2.2 Officials and councillors have a clear and comprehensive understanding of the procedures they must follow when addressing unauthorised, irregular or fruitless and wasteful expenditure;

4.2.3 OM's resources are managed in compliance with the MFMA, its regulations and other relevant legislation; and

4.2.4 All officials and councillors are aware of their responsibilities in respect of unauthorised, irregular or fruitless and wasteful expenditure.

5 ENABLING LEGISLATION

5.1 The following enabling legislation sets the precedent for the development of OM's Unauthorised, Irregular or Fruitless and Wasteful Expenditure Policy:

5.1.1 The Constitution of the Republic of South Africa, 1996;

5.1.2 The Local Government: Municipal Finance Management Act, No. 56 of 2003;

5.1.3 The Remuneration of Public Office Bearers Act, No. 20 of 1998;

5.1.4 The Local Government: Municipal Systems Act, No. 32 of 2000;

5.1.5 Municipal Budget and Reporting Regulations;

5.1.6 Municipal Supply Chain Management Regulations;

5.1.7 Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings;

5.1.8 The Local Government: Municipal Structures Act No. 117 of 1998;

5.1.9 Any other legislation or regulation that may impact this policy.

6 APPLICATION OF THIS POLICY

6.1 This policy applies to all officials and councillors of OM.

6.2 This policy should be read in conjunction with the following:

6.2.1 Delegations of Authority of the OM;

6.2.2 Codes of Conduct for Municipal Staff Members and Councillors, as provided for in Schedules 1 and 2 of the MSA.

6.3 Officials and Councillors must ensure that all instances of unauthorised, irregular or fruitless and wasteful expenditure is prevented, detected and reported in a timely manner.

7 UNAUTHORISED EXPENDITURE

7.1 Overstrand Municipality may incur expenditure only in terms of an approved budget and within the limits of the amounts appropriated for the different votes in an approved budget.

7.2 Expenditure incurred within the ambit of OM's virement policy is not regarded as unauthorised expenditure.

7.3 Any expenditure that has not been budgeted for, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, economic entity or organ of state and expenditure in the form of a grant that is not permitted in terms of the MFMA is regarded as unauthorised expenditure and furthermore includes the following:

7.3.1 Overspending of the total amount appropriated in the municipality's approved budget;

7.3.2 Overspending of the total amount appropriated for a vote in the approved budget;

7.3.3 Expenditure from a vote unrelated to the department or functional area covered by the vote;

7.3.4 Expenditure of money that have been appropriated for a specific purpose, otherwise than for that specific purpose;

7.3.5 Spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation", in the MFMA, otherwise than in accordance with the conditions of the allocation; or

7.3.6 A grant by the Municipality otherwise in accordance with the MFMA, the indigent policy, bursary scheme, or the grants-in-aid policy;

7.3.7 Unforeseen and unavoidable expenditure not authorised within an adjustments budget within 60 days after the expenditure was incurred; and

7.3.8 Any overspending on non-cash items, for example depreciation, impairments, provisions.

7.4 Expenditure that is **NOT** classified as unauthorised expenditure

7.4.1 Given the definition of unauthorised expenditure, the following are examples of expenditure that are NOT unauthorised expenditure:

7.4.1.1 Any over-collection on the revenue side of the budget as this is not an expenditure; and

7.4.1.2 Any expenditure incurred in respect of:

7.4.1.2.1 re-allocation of funds and the use of such funds in accordance with a council approved virement policy;

7.4.1.2.2 overspending of an amount allocated by standard classification on the main budget Table A2 (Budgeted Financial Performance: revenue and expenditure by standard classification), as long as it does not result in overspending of a vote on the main budget Table A3 (Budgeted Financial Performance: revenue and expenditure by municipal vote) and Table A4 (Budgeted Financial Performance: revenue and expenditure, read in conjunction with supporting Table SA1) of the MBRR; and

7.4.1.2.3 overspending of a municipal vote on the main budget Table A5 (Budgeted Capital Expenditure by vote, standard classification and funding) so long as it does not result in overspending of an amount allocated by standard classification on the main budget Table A5.

7.4.2 Money withdrawn from a bank account under the following circumstances, without appropriation, in terms of an approved budget, is not regarded as unauthorised expenditure:

7.4.2.1 To defray expenditure authorised in terms of section 26 (4) of the MFMA, [Section 26: Consequences of failure to approve a budget before the start of the budget year];

7.4.2.2 To defray unforeseen / unavoidable expenditure circumstances strictly in accordance with Section 29 (1) of the MFMA [Section 29: Unforeseen and unavoidable expenditure] failing which the unforeseen / unavoidable expenditure is unauthorised;

7.4.2.3 Re-allocation of funds and the use of such funds in accordance with a council approved virement policy;

7.4.2.4 Expenditure incurred from a special fund for relief, charitable or trust purposes provided of course that it is done strictly in accordance with Section 12 of the MFMA [Section 12: Relief, charitable, trust or other funds];

7.4.2.5 To pay over to a person or organ of state money received by the OM on behalf of that person or organ of state, including—

7.4.2.6 money collected by the OM on behalf of that person or organ of state by agreement; or

7.4.2.7 any insurance or other payments received by the OM for that person or organ of state;

7.4.2.8 To refund money incorrectly paid into a bank account;

7.4.2.9 To refund guarantees, sureties and security deposits;

7.4.2.10 For cash management and investment purposes in accordance with section 13 [Section 13: Cash Management and Investments]; and

7.4.2.11 To defray increased expenditure in terms of section 31 [Section 31: Shifting of funds between multi-year appropriations].

8 IRREGULAR EXPENDITURE

8.1 Irregular expenditure, in relation to a municipality means-

8.1.1 Expenditure incurred by a municipality in contravention of, or that is not in accordance with a requirement of the MFMA and that has not been condoned in terms of section 170;

8.1.2 Expenditure incurred by a municipality in contravention of, or that is not in accordance with a requirement of the MSA and that has not been condoned in terms of that Act;

8.1.3 Expenditure incurred by a municipality in contravention of, or that is not in accordance with a requirement of the RPOBA; or

8.1.4 Expenditure incurred by a municipality in contravention of, or that is not in accordance with a requirement of the supply chain management policy of the municipality or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law.

but excludes expenditure by a municipality which falls within the definition of "unauthorised expenditure"

8.2 Examples of irregular expenditure include, but are not limited to:

8.2.1 Procuring goods and/or services without obtaining an official order prior to the receipt of the goods and/or services;

8.2.2 Procuring goods and/or services without following the official procurement processes;

8.2.3 Procuring goods and/or services without advertising for the requisite number of numbers;

8.2.4 Procuring goods and/or services without obtaining a valid tax clearance certificate;

8.2.5 Procuring goods and/or services in an emergency without the timely application of a deviation in terms of clause 36 of the SCM policy.

8.3 In terms of section 32(2)(b) of the MFMA, irregular expenditure may only be written-off by Council if, after an investigation by a council committee, the irregular expenditure is certified as irrecoverable. In other words writing-off is not a primary response, it is subordinate to the recovery processes, and may only take place if the irregular expenditure is certified by Council as irrecoverable, based on the findings of an investigation.

8.4 With reference to Irregular Expenditure as defined in paragraph 2 above:

8.4.1 In terms of section 170 of the MFMA, only the National Treasury may condone non-compliance with a regulation issued in terms of the MFMA or a condition imposed by the Act itself. The Council therefore has no power in terms of the MFMA to condone any act of non-compliance in terms of the MFMA or any of its regulations. The treatment of expenditure associated with the non-compliance is therefore the responsibility of the Council and is elaborated on in paragraph 15.

8.4.2 There is no provision in the MSA that allows for a contravention of the Act to be condoned. Nevertheless, should the OM wish to request that an act of non-compliance with any provision of the MSA be condoned, then the AO must address the request to the Minister of Co-operative Governance, who is responsible for administering the MSA. The resultant expenditure must however be dealt with in terms of section 32(2) of the MFMA.

8.4.3 There is no provision to allow irregular expenditure resulting from a contravention of the Public Office-Bearers Act to be condoned. This is consistent with section 167(2) of the MFMA, which provides that such irregular expenditure cannot be written-off and must be recovered from the political office-bearer concerned.

8.4.4 The OM may condone a contravention of the council approved SCM policy, provided that the contravention is not also a contravention of the MFMA or the SCM regulations, in which case paragraph 8.4.1 applies and then only National Treasury can condone a contravention of the SCM regulations.

9 FRUITLESS AND WASTEFUL EXPENDITURE

9.1 The concept of fruitless and wasteful expenditure is founded on public administration and accountability principles, to promote “efficient, economic and effective use of resources and the attainment of value for money”. The idea is also founded on the fact that the council, the mayor and the accounting officer have a fiduciary responsibility to ensure that municipal resources are used in the best interests of the municipality and the local community.

9.2 In this context ‘expenditure’ refers broadly to processes that must be followed, transactions with service providers or suppliers and the use of other resources belonging to the municipality. The phrase ‘made in vain’ indicates that the municipality derived no value for money from the expenditure or the use of other resources. Fruitless and wasteful expenditure must fulfil both the conditions in the definition, namely, that it was made in vain and it would have been avoided had reasonable care been exercised.

9.3 In determining whether expenditure is fruitless and wasteful, officials and councillors must apply the requirement of reasonable care as an objective measurement to determine whether or not a particular expenditure was fruitless and wasteful, that is-

9.3.1 Would the average man (in this case the average experienced official or councillor) have incurred the particular expenditure under exactly the same conditions or circumstances? and

9.3.2 Is the expenditure being incurred at the right price, right quality, right time and right quantity?

9.4 An expense is only fruitless and wasteful in terms of this policy if:

9.4.1 If was made in vain (meaning that the municipality did not receive value for money) and;

9.4.2 And would have been avoided had reasonable care been exercised (meaning that the official or councillor concerned deliberately or negligently caused the expenditure to be incurred by the municipality, furthermore, another official or councillor under the same circumstances would have been able to avoid incurring the expenditure.

9.5 Fruitless and wasteful expenditure includes but is not limited to; interest on late payment, fines and penalties.

10 REPORTING ON UNAUTHORISED, IRREGULAR OR FRUITLESS AND WASTEFUL EXPENDITURE

10.1 Reporting of unauthorised, irregular or fruitless and wasteful expenditure must be done at the appropriate level, as follows:

10.1.1 a Councillor of the OM, must be reported to the Speaker of the Council;

10.1.2 the MM and Speaker, must be reported to the Executive Mayor;

10.1.3 all other municipal officials, must be reported to the MM;

10.2 All reports made by officials and councillors must be treated with the utmost confidentiality.

10.3 The MM must promptly inform the Executive Mayor, the Provincial Minister for Local Government and the Auditor-General, in writing:

10.3.1 of any unauthorised, irregular or fruitless and wasteful expenditure incurred by the municipality;

10.3.2 whether any person is responsible or under investigation for such unauthorised, irregular or fruitless and wasteful expenditure; and

10.3.3 the steps that have been taken to:

10.3.3.1 recover or rectify such expenditure; and

10.3.3.2 prevent a recurrence of such expenditure.

10.4 All expenditure classified as unauthorised, irregular or fruitless and wasteful expenditure must be reported to:

10.4.1 The MM as AO on a quarterly basis;

10.4.2 The Council on a quarterly basis; and

10.5 In accounting for unauthorised, irregular or fruitless and wasteful expenditure, the MM or delegated officials (as may be relevant) must ensure that all such expenditure is disclosed in the annual financial statements as required by the MFMA.

11 MAINTAINING OF REGISTERS FOR UNAUTHORISED, IRREGULAR OR FRUITLESS AND WASTEFUL EXPENDITURE

11.1 The OM must maintain registers of all incidents of unauthorised, irregular or fruitless and wasteful expenditure of which:

11.1.1 The unauthorised and irregular expenditure register will be maintained by the CFO; and

11.1.2 The fruitless and wasteful expenditure register will be maintained by the Department: Council Support Services.

12 INVESTIGATION OF UNAUTHORISED, IRREGULAR OR FRUITLESS AND WASTEFUL EXPENDITURE

12.1 On receiving a report in terms of regulation 3(1) of the Municipal regulations on financial misconduct procedures and criminal proceedings, if the municipal council, or accounting officer of the municipality is satisfied that there is reasonable cause to believe that an act of financial misconduct has been committed, it must within seven days refer to the matter to the disciplinary board to conduct a preliminary investigation into the allegation as envisaged in section 171(4)(a) of the MFMA.

12.2 A disciplinary board must conduct a preliminary investigation to determine whether or not the allegation is founded and make a recommendation to the council as to whether sufficient grounds exists to warrant a full investigation into the allegation. If during the preliminary

investigation, the disciplinary board determines that the allegation is frivolous, vexatious, speculative or obviously unfounded, the investigation must be terminated.

12.3 If the disciplinary board determines that the allegation is founded, a full investigation must be conducted by-

12.3.1 the disciplinary board

12.3.2 the Provincial Treasury or the National Treasury, but only if the conditions in regulation 19 apply.

12.4 After completion of a full investigation, the investigator must-

12.4.1 compile a report on the investigation

12.4.2 submit its report to the mayor and the accounting officer together with its findings and recommendations, if applicable, regarding disciplinary steps that should be taken against alleged transgressor; and

12.4.3 immediately inform the speaker of the council of the submission of the report referred to in sub-clause (b), and also submit a copy of the report to the Provincial Treasury and the National Treasury.

13 DISCIPLINARY AND CRIMINAL CHARGES FOR UNAUTHORISED, IRREGULAR OR FRUITLESS AND WASTEFUL EXPENDITURE

13.1 After having followed a proper investigation, as per paragraph 12 above:

13.1.1 In relation to an official, the MM or delegated official must table the report referred to in 12.5.2 above;

13.1.2 In relation to a councillor, the Speaker or Mayor must table the report referred to in 12.5.2 above.

13.2 If a *prima facie* case has been established then the Executive Mayor, Speaker, MM or delegated official (as may be relevant) must institute disciplinary action as follows:

13.2.1 For financial misconduct in terms of section 171 of the MFMA: in the case of an official that deliberately or negligently:

13.2.1.1 contravened a provision of the MFMA which resulted in prohibited expenditure; or

13.2.1.2 made, permitted or instructed another official to make an unauthorised, irregular or fruitless and wasteful expenditure.

13.2.2 For a breach of the Code of Conduct for Municipal Staff Members in the case of an official whose actions in making, permitting or authorising a prohibited expenditure constitute a breach of the Code; and

13.2.3 For a breach of the Code of Conduct for Councillors in the case of a Councillor, whose actions in making, permitting or authorising a prohibited expenditure constitute a breach of the Code. This would also include instances where a councillor knowingly voted in favour of or agreed with a resolution passed by Council, that contravened legislation resulting in prohibited expenditure when implemented, or where the Councillor improperly interfered in the management or administration of the municipality.

13.3 The Executive Mayor, Speaker, MM or delegated official (as may be relevant) must promptly report, to the SAPS all cases of alleged:

13.3.1 Prohibited expenditure that constitutes a criminal offense; and

13.3.2 Theft and fraud that occurred in the OM.

14 RECOVERY OF UNAUTHORISED, IRREGULAR OR FRUITLESS AND WASTEFUL EXPENDITURE

14.1 The MM or delegated official must recover unauthorised, irregular or fruitless and wasteful expenditure from the person liable for that expenditure unless the expenditure:

14.1.1 in the case of unauthorised expenditure, is

14.1.1.1 authorised in an adjustment budget; OR

14.1.1.2 certified by the Council, after investigation by the Municipal Public Accounts Committee, as irrecoverable and is written off by Council; and

14.1.2 in the case of irregular or fruitless and wasteful expenditure, after investigation by Municipal Public Accounts Committee, is certified by Council as irrecoverable and written off by Council.

14.2 Irregular expenditures resulting from breaches of the RPOBA must be recovered from the Councillor to whom it was paid.

14.3 Once it has been established who is liable for the unauthorised, irregular or fruitless and wasteful expenditure through a disciplinary process, the MM must in writing request that the liable Councillor or official pay the amount within 30 days or as per an agreed written arrangement.

14.4 If the official or councillor fails to make satisfactory payment arrangements or fails to honour payment arrangements made, the amount owed for prohibited expenditure must be recovered through the normal debt collection process of the municipality.

15 PROTECTION OF OFFICIALS OR COUNCILLORS WHO HAVE REPORTED UNAUTHORIZED, IRREGULAR OR FRUITLESS AND WASTEFUL EXPENDITURE

15.1 If any official or councillor who has complied with this policy and as a result thereof has been subjected to intimidation, victimisation or threats, such official or councillor should immediately report such threats, victimisation or intimidation immediately to the MM, Speaker or Executive Mayor as the case may be.

15.2 The MM, Executive Mayor or Speaker must immediately take appropriate action to ensure the protection of the official or councillor after receiving the above report.

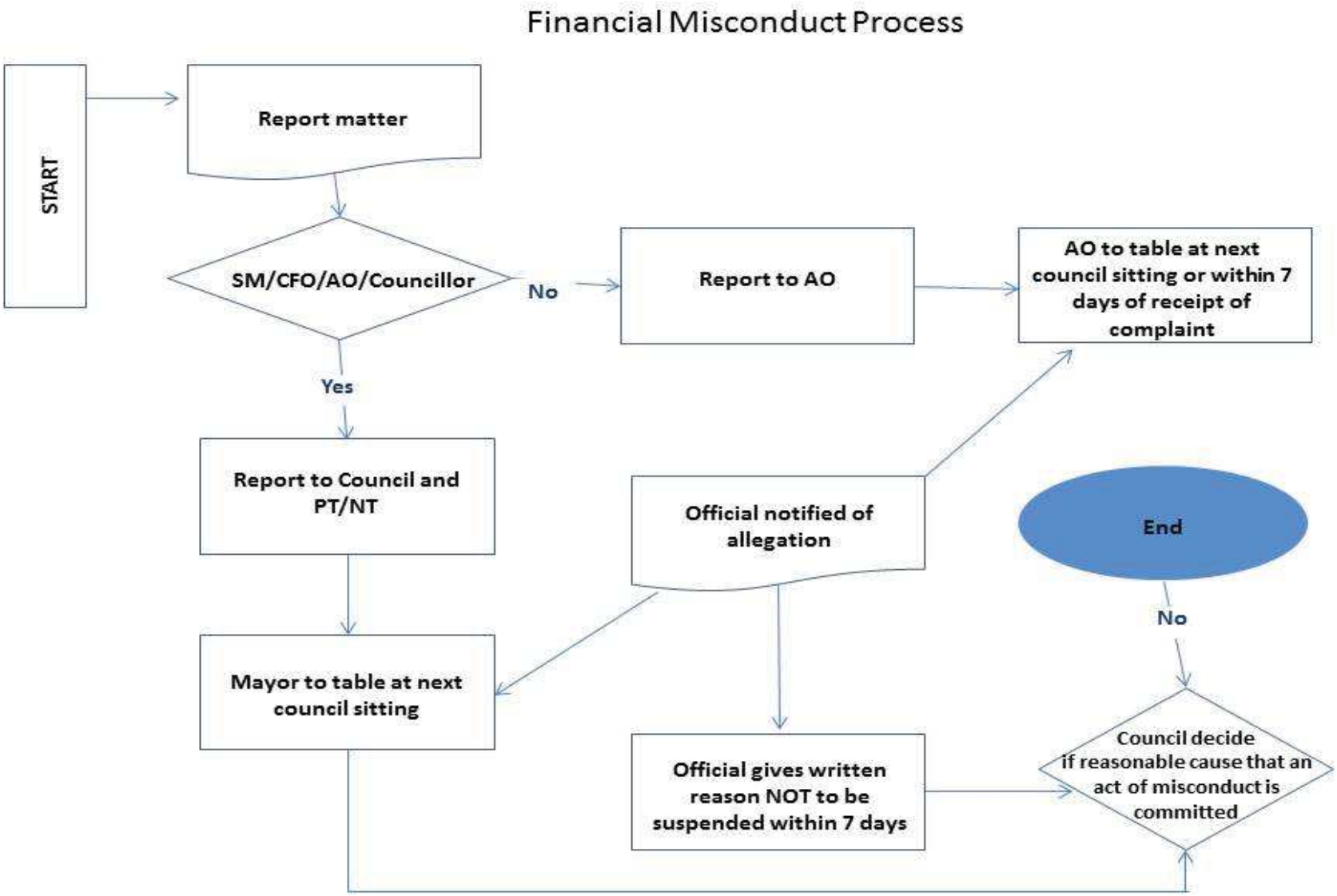
15.3 Where the nature of the threats warrants such action, the threats should be reported to the SAPS by the official with the assistance of the MM, Executive Mayor or Speaker, as the case may be.

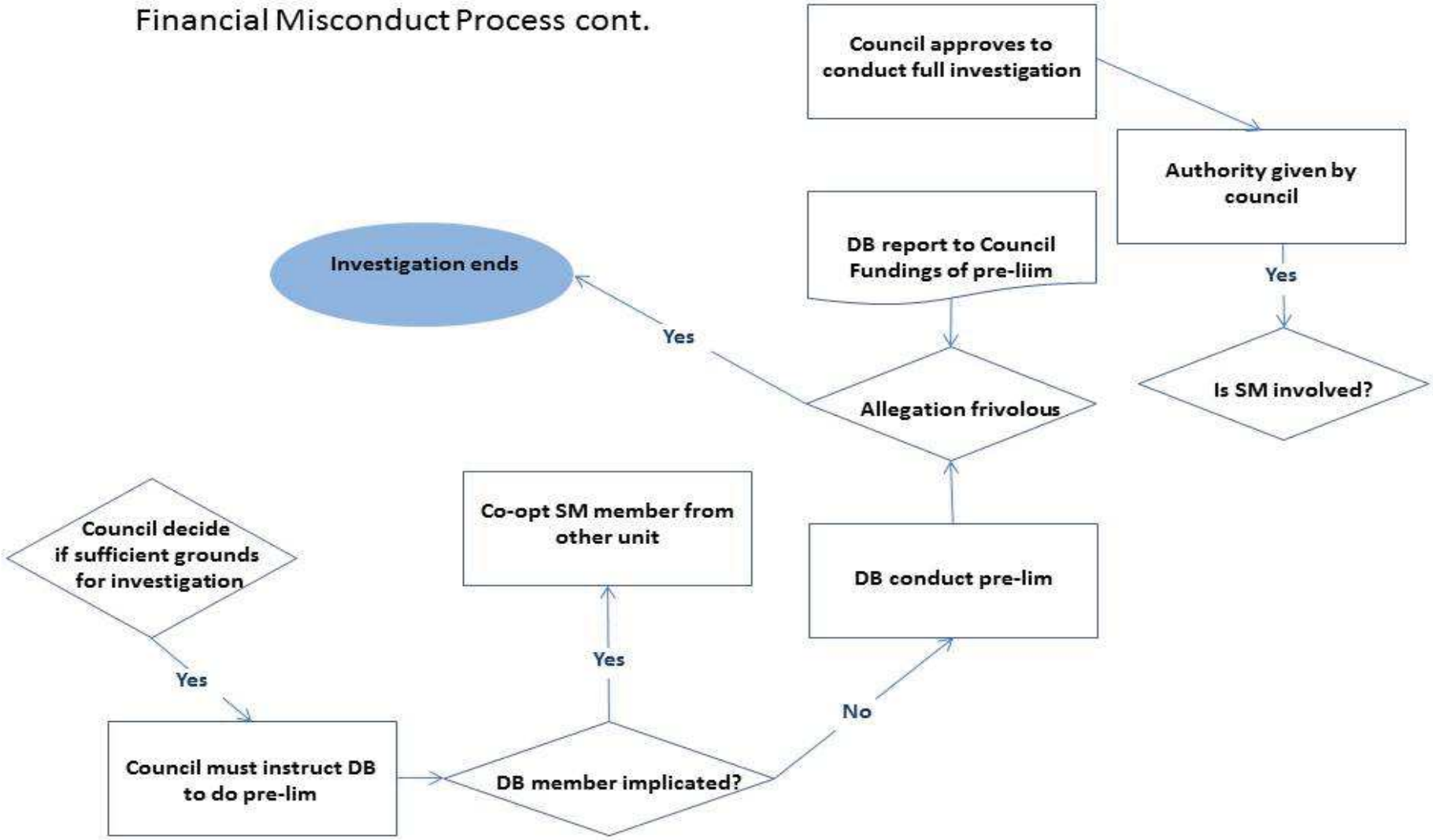
16 SHORT TITLE AND COMMENCEMENT

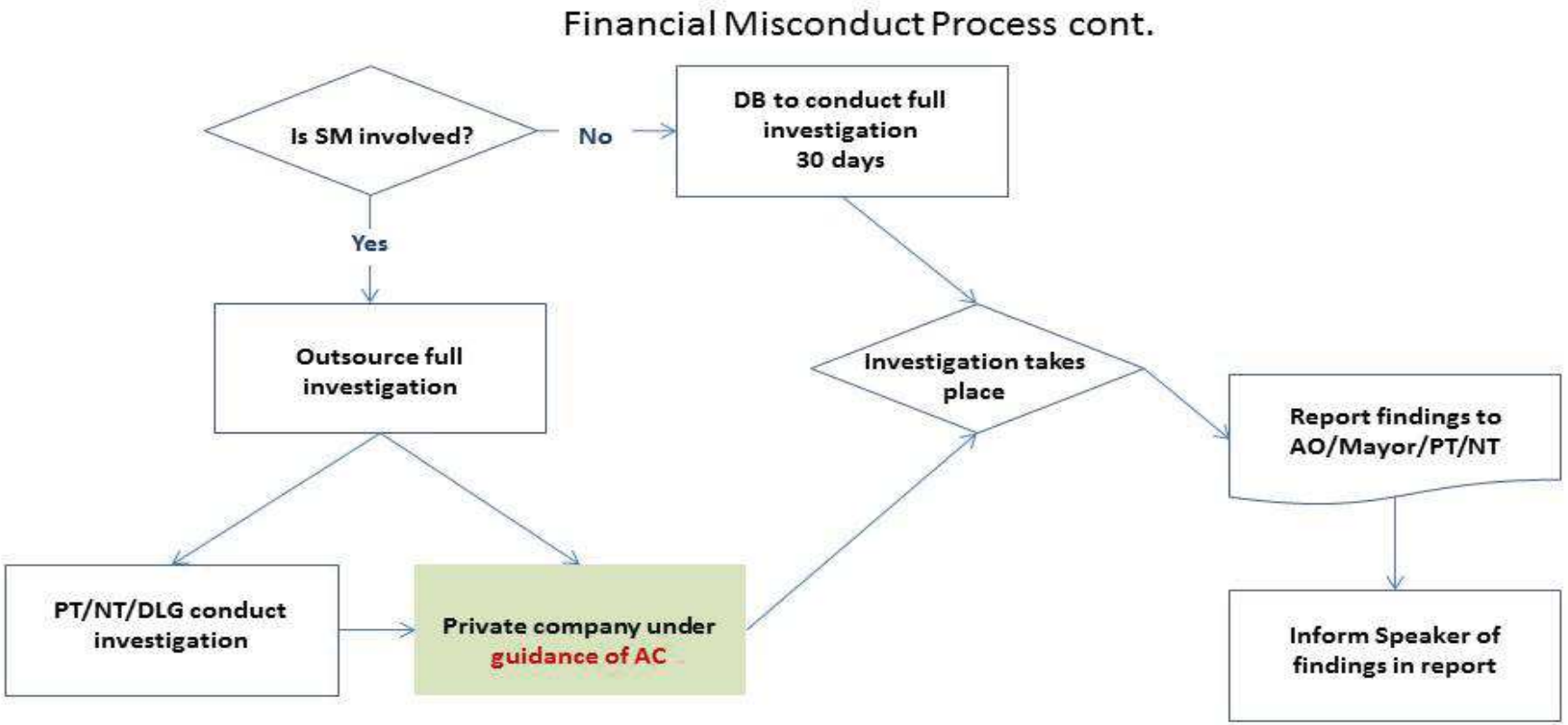
This policy is called the Overstrand Municipality's Unauthorised, Irregular or Fruitless and Wasteful Expenditure Policy.

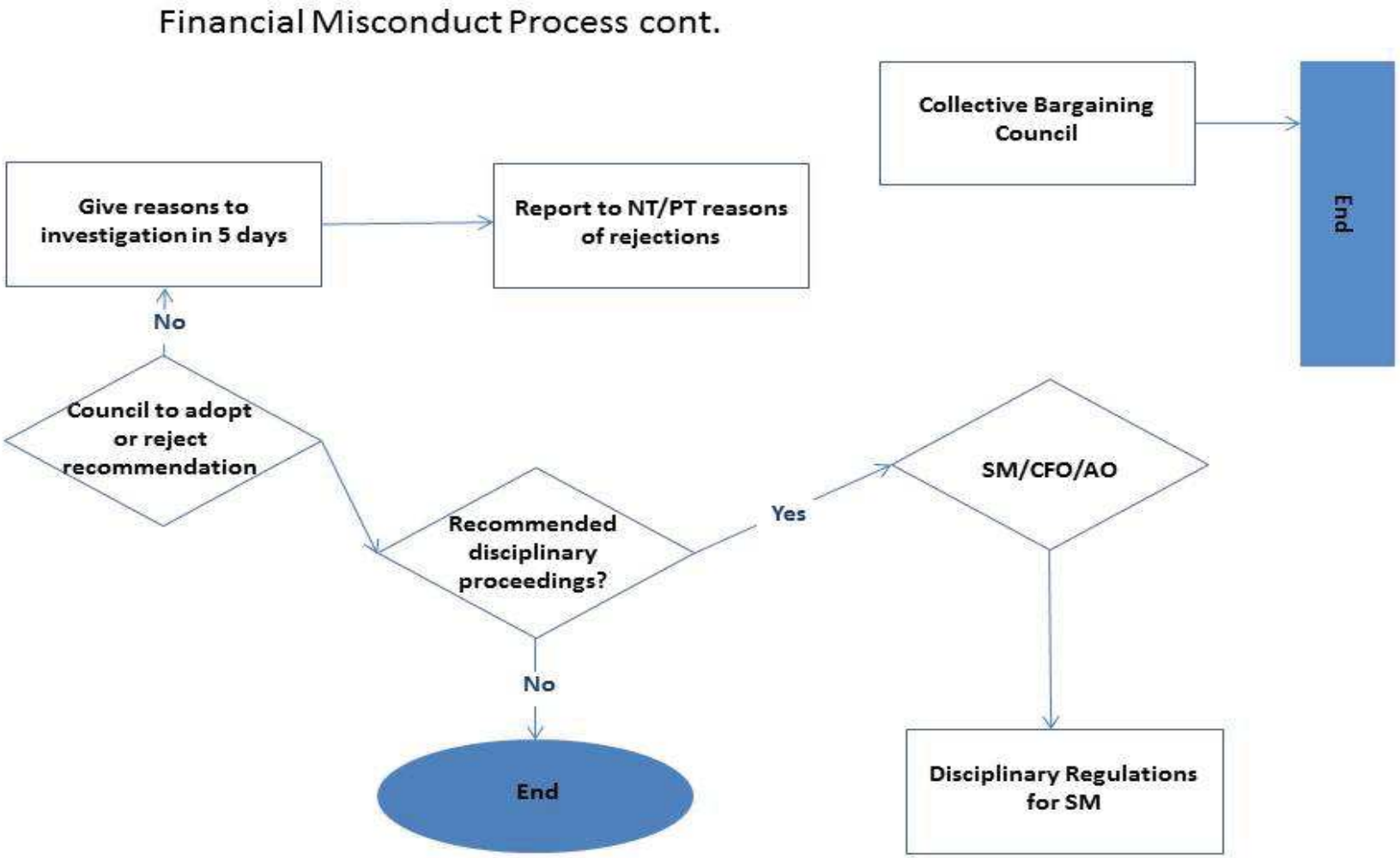
This policy will come into effect on **1 July 2022** and will be reviewed at least annually by way of a Council resolution.

POLICY SECTION:	**HEAD: SUPPLY CHAIN MANAGEMENT**
CURRENT UPDATE	**31 MAY 2022**
PREVIOUS REVIEW:	**27 MAY 2020**
PREVIOUS REVIEW:	**29 MAY 2019**
APPROVAL BY COUNCIL	**30 MAY 2018**

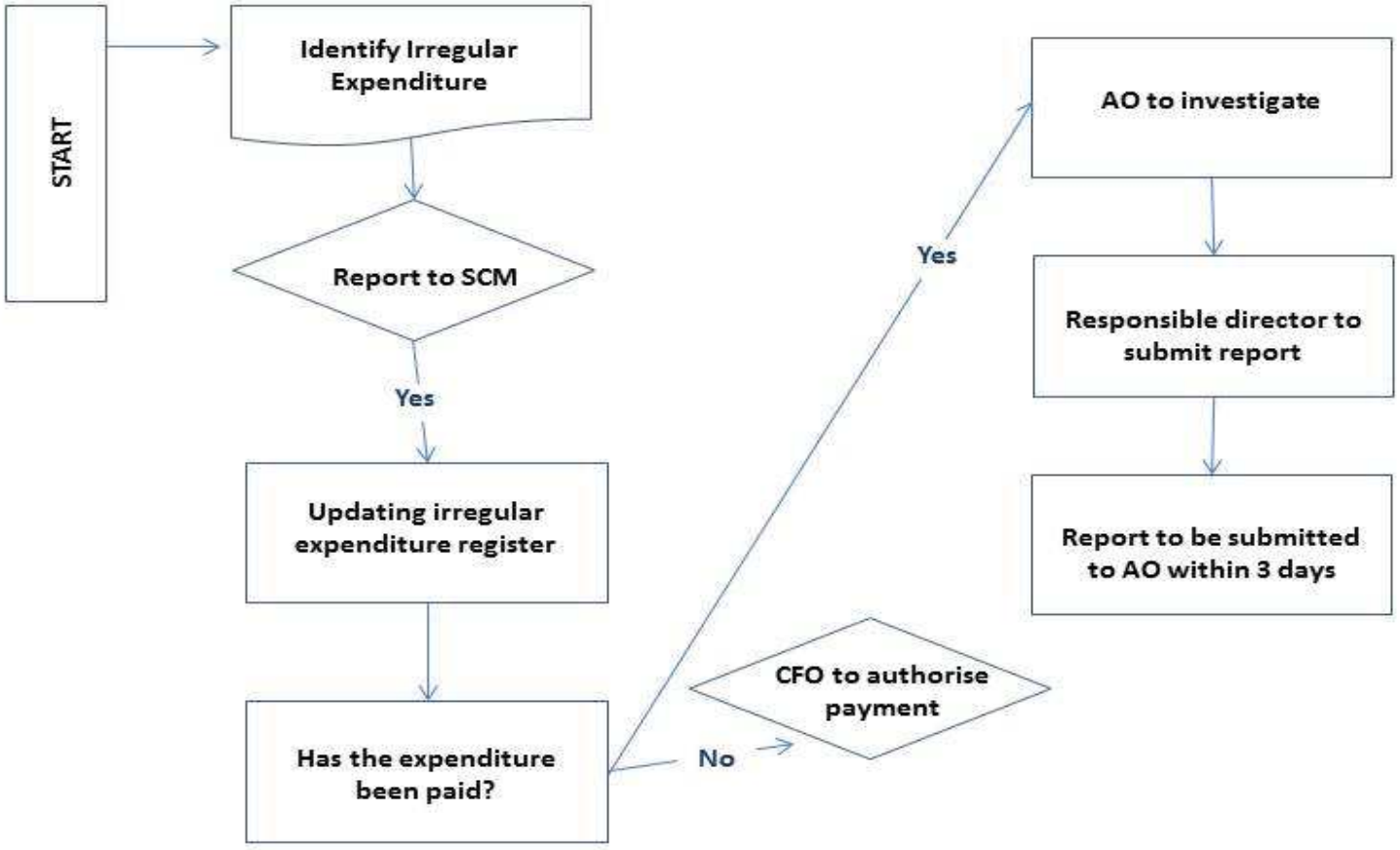

Financial Misconduct Process
START
Report matter
SM/CFO/AO/Councillor
No
Report to AO
AO to table at next council sitting or within 7 days of receipt of complaint
Yes
Report to Council and PT/NT
Official notified of allegation
End
No
Mayor to table at next council sitting
Official gives written reason NOT to be suspended within 7 days
Council decide if reasonable cause that an act of misconduct is committed


Financial Misconduct Process cont.
Council approves to conduct full investigation
Authority given by council
Yes
Is SM involved?
DB report to Council Fundings of pre-liim
Investigation ends
Yes
Allegation frivolous
DB conduct pre-lim
Co-opt SM member from other unit
Council decide if sufficient grounds for investigation
Yes
Yes
No
Council must instruct DB to do pre-lim
DB member implicated?

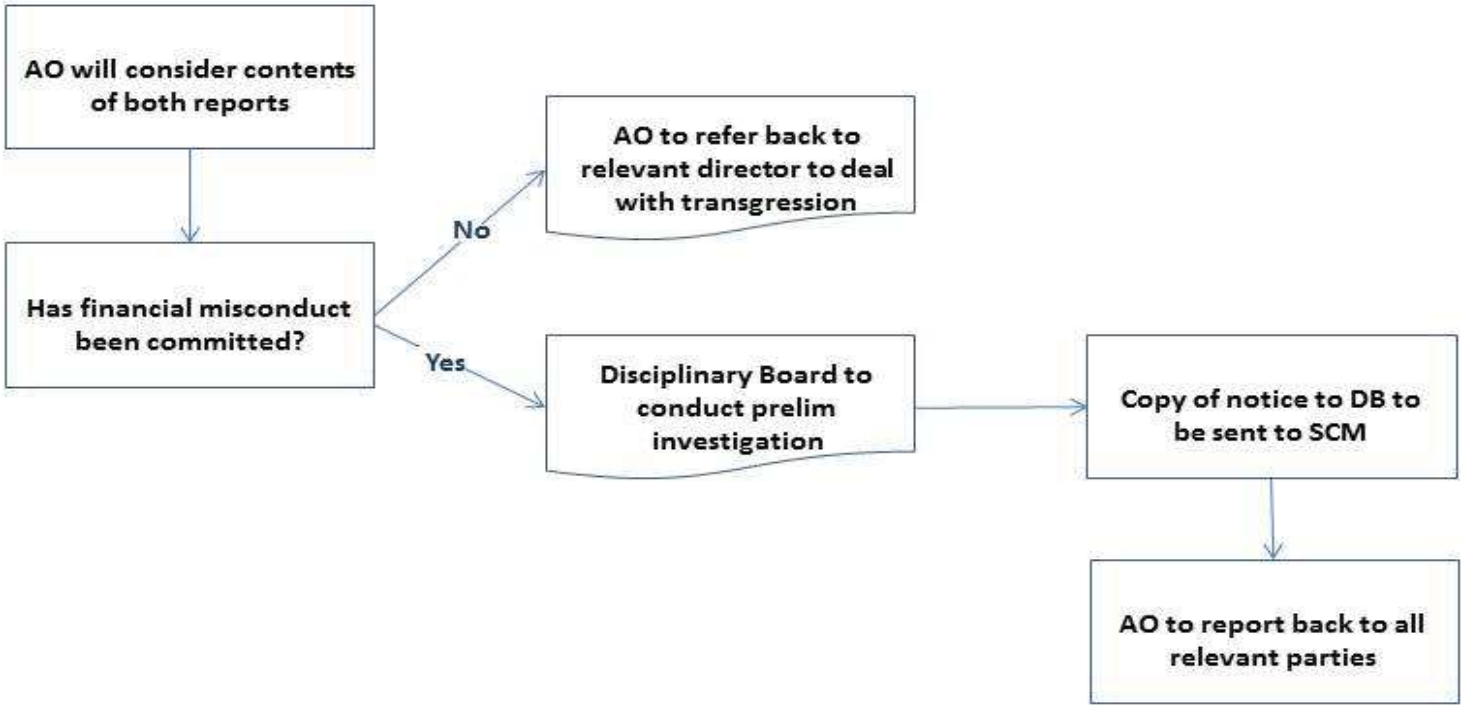

Financial Misconduct Process cont.
Is SM involved?
No
DB to conduct full investigation 30 days
Yes
Outsource full investigation
Investigation takes place
Report findings to AO/Mayor/PT/NT
PT/NT/DLG conduct investigation
Private company under guidance of AC
Inform Speaker of findings in report


Financial Misconduct Process cont.
Collective Bargaining Council
End
Give reasons to investigation in 5 days
Report to NT/PT reasons of rejections
No
Council to adopt or reject recommendation
Recommended disciplinary proceedings?
Yes
SM/CFO/AO
No
End
Disciplinary Regulations for SM

Irregular Expenditure Process



Irregular Expenditure Process cont.



OVERSTRAND
MUNICIPALITY



COST CONTAINMENT POLICY

OVERSTRAND MUNICIPALITY – COST CONTAINMENT POLICY

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15. Short title and commencement

16. Annexure A: Municipal Cost Containment Regulations, 2019

OVERSTRAND MUNICIPALITY – COST CONTAINMENT POLICY

1 Definitions

In this Policy, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, unless the context indicates otherwise, and-

"Act" means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

“consultant” means a professional person, individual partnership, corporation, or a company appointed to provide technical and specialist advice or to assist with a design and implementation of projects or to assist the municipality to achieve its objectives of local government in terms of section 152 of the Constitution.

“cost containment” means the measures implemented to curtail spending in terms of this policy.

"credit card" means a card issued by a financial services provider, which creates a revolving account and grants a line of credit to the cardholder.

“municipality” means Overstrand Municipality (“OSM”)

“regulations” means the Municipal Cost Containment Regulations, 2019

2. Object of the Policy

The object of the Policy is in line with sections 62(1)(a), 78(1)(b), 95(a) and 105(1)(b) of the Act, and the regulations, to ensure that resources of a municipality and municipal entity are used effectively, efficiently and economically by implementing cost containment measures.

3. Application of Policy

This Policy applies all officials and political office bearers in Overstrand Municipality.

4. Use of consultants

This Policy is in line with **[section]** paragraph 35 of the Overstrand Supply Chain Management Policy to ensure that resources of the municipality with regard to the use of consultants, are used effectively, efficiently and economically by implementing cost containment measures.

5. Vehicles used for political office –bearers

This Policy is in line with the stipulations of the Overstrand Travel and Subsistence Policy and the Overstrand Fleet Management Policy, to ensure that resources of the municipality with regard to vehicles used for political office-bearers, are used effectively, efficiently and economically by implementing cost containment measures.

6. Travel and subsistence

This Policy is in line with the stipulations of the Overstrand Travel and Subsistence Policy, to ensure that resources of the municipality with regard to Travel and subsistence, are used effectively, efficiently and economically by implementing cost containment measures.

7. Domestic accommodation

This Policy is in line with the stipulations of the Overstrand Travel and Subsistence Policy, to ensure that resources of the municipality with regard to Domestic accommodation, are used effectively, efficiently and economically by implementing cost containment measures.

8. Credit cards

The accounting officer must ensure that no credit card or debit card linked to a bank account of the municipality is issued to any official or public office bearer.

9. Sponsorships, events and catering

This Policy is in line with the stipulations of the Overstrand Budget Policy, to ensure that resources of the municipality with regard to Sponsorships, events and catering, are used effectively, efficiently and economically by implementing cost containment measures.

10. Communication

This Policy is in line with the stipulations of the Overstrand Budget Policy, to ensure that resources of the municipality with regard to Communication, are used effectively, efficiently and economically by implementing cost containment measures.

11. Conferences, meetings and study tours

This Policy is in line with the stipulations of the Overstrand Budget Policy and the Travel and Subsistence Policy, to ensure that resources of the municipality with regard to Conferences, meetings and study tours, are used effectively, efficiently and economically by implementing cost containment measures.

12. Other related expenditure items

This Policy is in line with the stipulations of the Overstrand Budget Policy, Overstrand Supply Chain Management Policy, Basic Conditions of Employment Act, 1997 and the Conditions of Service Collective Agreement of the Western Cape Division, to ensure that resources of the municipality with regard to the following, are used effectively, efficiently and economically by implementing cost containment measures:

1) All commodities, services and products covered by a transversal contract concluded by the National Treasury must be considered before approaching the market, to benefit from savings where lower prices or rates have been negotiated.

2) Municipal resources may not be used to fund elections, campaign activities, including the provision of food, clothing, printing of agendas and brochures and other inducements as part of, or during election periods or to fund any activities of any political party at any time.

3) Expenditure on tools of trade for political office bearers must be limited to the upper limits as approved and published by the Cabinet member responsible for local government in terms of the Remuneration of Public Office Bearers Act, 1998.

4) The municipality must avoid expenditure on elaborate and expensive office furniture.

5) The municipality may only use the services of the South African Police Service to conduct periodical or quarterly security threat assessments of political office bearers and key officials and a report must be submitted to the speaker's office.

6) The municipality may consider providing additional time -off in lieu of payment for overtime worked. Planned overtime must be submitted to the relevant manager for consideration on a monthly basis. A motivation for all unplanned overtime must be submitted to the relevant manager.

13. Enforcement procedures

Failure to implement or comply with this policy may result in any official of the municipality or political office bearer, who has authorized or incurred any expenditure contrary to determinations in this policy, being charged and held liable for:

1) financial misconduct or a financial offence in the case of political office bearers as defined in section 32 of the Act, or in the case of officials, also in terms of Chapter 15 of the MFMA read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014;

2) a financial offence in terms of Council's Unauthorised, Irregular or Fruitless and Wasteful Expenditure Policy.

14. Disclosures of cost containment measures

1) The disclosure of cost containment measures applied by the municipality and municipal entity must be included in the municipal in -year budget reports and annual costs savings disclosed in the annual report.

2) The measures implemented and aggregate amounts saved per quarter, together with the regular reports on reprioritisation of cost savings and on the implementation of the cost containment measures must be submitted to the Municipal Council for review and resolution.

3) The municipal council can refer such reports to an appropriate Council Committee for further recommendations and actions.

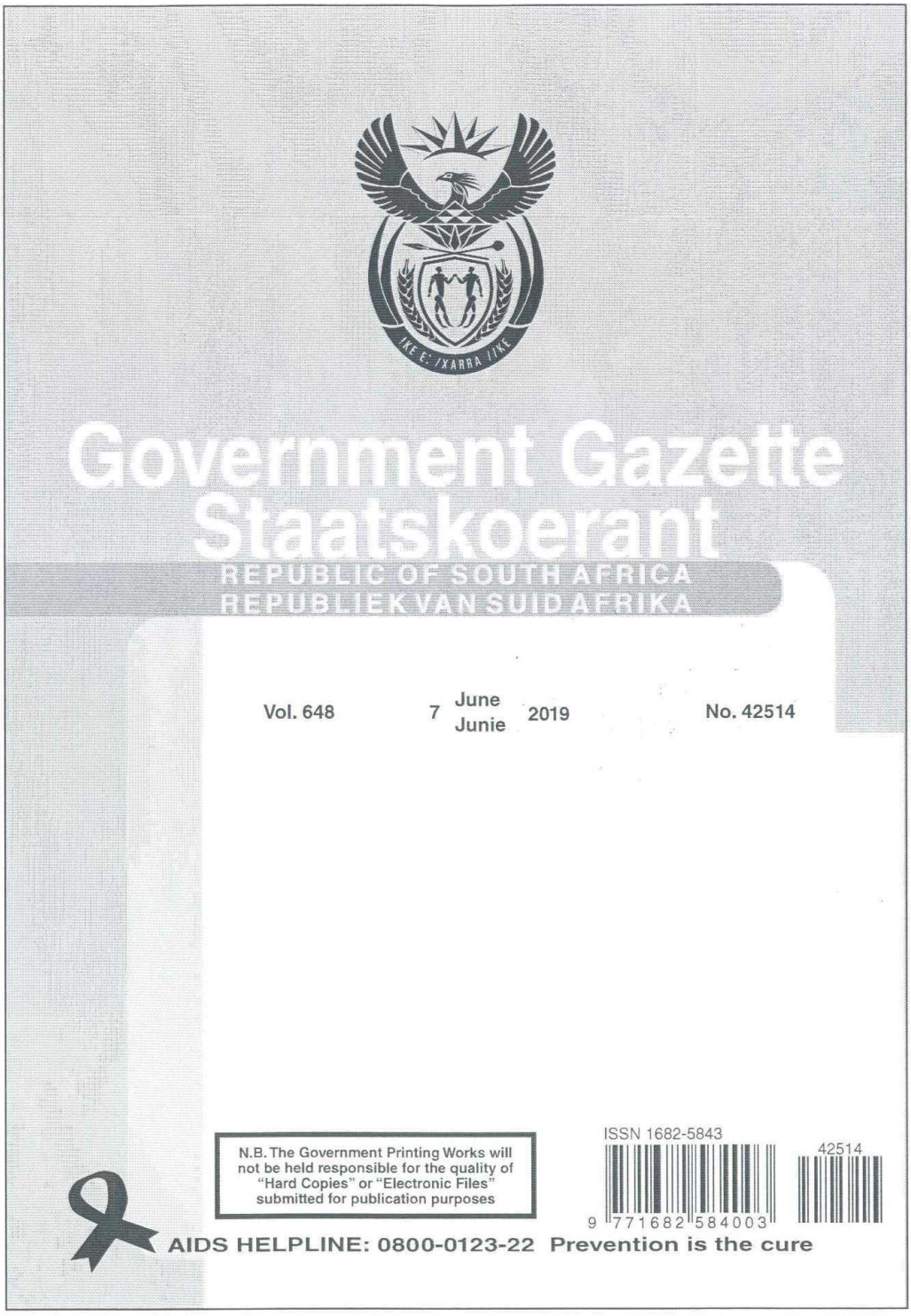
4) The reports referred to in sub -regulation (2) must be copied to the National Treasury and the relevant provincial treasury within seven calendar days after the report is submitted to municipal council.

15. Short title and commencement

This policy shall be called the Cost Containment Policy of the Overstrand Municipality and will come into effect on **1 July 2022**.

This policy shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.

POLICY SECTION:	**SENIOR MANAGER: EXPENDITURE & ASSET MANAGEMENT**
CURRENT UPDATE:	31 MAY 2022
PREVIOUS UPDATE:	26 MAY 2021
APPROVAL BY COUNCIL:	27 MAY 2020


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NATIONAL TREASURY

NOTICE 317 OF 2019

LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003

MUNICIPAL COST CONTAINMENT REGULATIONS, 2019

The Minister of Finance has, acting with the concurrence of the Minister of Cooperative Governance and Traditional Affairs, in terms of section 168(1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), made the Regulations as set out in the Schedule.

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SCHEDULE

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Definitions

1. In these Regulations, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, unless the context indicates otherwise, and–

"**Act**" means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);
"**consultant**" means a professional person, individual, partnership, corporation, or a company appointed to provide technical and specialist advice or to assist with a design and implementation of projects or to assist a municipality or municipal entity to perform its functions to achieve the objects of local government in terms of section 152 of the Constitution;
"**cost containment**" means measures implemented to curtail spending in terms of these regulations; and
"**credit card**" means a card issued by a financial services provider, which creates a revolving account and grants a line of credit to the cardholder.

Object of Regulations

2. The object of these Regulations, in line with sections 62(1)(a), 78(1)(b), 95(a) and 105(1)(b) of the Act, is to ensure that resources of a municipality and municipal entity are used effectively, efficiently and economically by implementing cost containment measures.

Application of Regulations

3. These Regulations apply to all officials and political office bearers in municipalities and municipal entities.

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Cost containment policies

4. (1) Each municipality or municipal entity must develop or revise and implement a cost containment policy which must–
   (a) in the case of a municipality, be adopted by the municipal council, and in the case of a municipal entity, by the board of directors as part of its budget related policies;
   (b) define a municipality or municipal entity's objectives for the use of consultants; and
   (c) be consistent with the Act and these Regulations.

   (2) The cost containment policy of a municipality or a municipal entity contemplated in sub-regulation (1) must–
   (a) be in writing;
   (b) give effect to these Regulations;
   (c) be reviewed annually, as may be appropriate;
   (d) be communicated on the municipality's or municipal entity's website; and
   (e) set out–
      (i) monitoring measures for ensuring implementation of the policy;
      (ii) procedures for the annual review of the policy; and
      (iii) consequences for non-adherence to the measures contained therein.

Use of consultants

5. (1) A municipality or municipal entity may only appoint consultants if an assessment of the needs and requirements confirms that the affected municipality or municipal entity does not have the requisite skills or resources in its full-time employ to perform the function.
   (2) An accounting officer must adopt a fair and reasonable remuneration framework for consultants taking into account the rates–
   (a) determined in the "Guideline on fees for audits undertaken on behalf of the Auditor-General of South Africa", issued by the South African Institute of Chartered Accountants;
   (b) set out in the "Guide on Hourly Fee Rates for Consultants", issued by the Department of Public Service and Administration; or
   (c) as prescribed by the body regulating the profession of the consultant.
   (3) The tender documentation for the appointment of consultants must include a clause that the remuneration rates will be subject to negotiation, not exceeding the applicable rates mentioned in sub-regulation (2).
   (4) When negotiating cost-effective consultancy rates for international consultants, the accounting officer may take into account the relevant international and market-determined rates.
   (5) When consultants are appointed, an accounting officer must–
   (a) appoint consultants on a time and cost basis with specific start and end dates;
   (b) where practical, appoint consultants on an output-specified basis, subject to specific measurable objectives and associated remuneration;
   (c) ensure that contracts with consultants include overall cost ceilings by specifying whether the contract price is inclusive or exclusive of travel and subsistence disbursements;
   (d) ensure the transfer of skills by consultants to the relevant officials of a municipality or municipal entity;
   (e) undertake all engagements of consultants in accordance with the Municipal Supply Chain Management Regulations, 2005 and the municipality or municipal entity's supply chain management policy; and
   (f) develop consultancy reduction plans to reduce the reliance on consultants.
   (6) All contracts with consultants must include a fee retention or penalty clause for poor performance.
   (7) A municipality or municipal entity must ensure that the specifications and performance are used as a monitoring tool for the work to be undertaken and are appropriately recorded and monitored.
   (8) The travel and subsistence costs of consultants must be in accordance with the national travel policy issued by the National Department of Transport, as updated from time to time.

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(9) The contract price must specify all travel and subsistence costs and if the travel and subsistence costs for appointed consultants are excluded from the contract price, such costs must be reimbursed in accordance with the national travel policy of the National Department of Transport.

Vehicles used for political office-bearers

6. (1) The threshold limit for vehicle purchases relating to official use by political office-bearers must not exceed R700 000 or 70% (VAT inclusive) of the total annual remuneration package for the different grades of municipalities, as defined in the Public Office Bearers Act and the notices issued in terms thereof by the Minister of Cooperative Governance and Traditional Affairs, whichever is lower.

(2) The procurement of vehicles in sub-regulation (1) must be undertaken using the national government transversal contract mechanism, unless it may be procured at a lower cost through other procurement mechanisms.

(3) Before deciding to procure a vehicle as contemplated in sub-regulation (2), the accounting officer or delegated official must provide the council with information relating to the following criteria which must be considered:
   (a) status of current vehicles;
   (b) affordability of options including whether to procure a vehicle as compared to rental or hire thereof, provided that the most cost effective option is followed and the cost is equivalent to or lower than that contemplated in sub-regulation (1);
   (c) extent of service delivery backlogs;
   (d) terrain for effective usage of the vehicle; and
   (e) any other policy of council.

(4) If the rental referred to in sub-regulation (3) is preferred, the accounting officer must review the costs incurred regularly to ensure that value for money is obtained.

(5) Regardless of their usage, vehicles for official use by political office bearers may only be replaced after completion of 120 000 kilometres.

(6) Notwithstanding sub-regulation (5), a municipality or municipal entity may replace a vehicle for official use by political office bearers before the completion of 120 000km only in instances where the vehicle has a serious mechanical problem and is in a poor condition and subject to obtaining a detailed mechanical report by the vehicle manufacturer or approved dealer.

(7) An accounting officer must ensure that there is a policy that addresses the use of municipal vehicles for official purposes.

Travel and subsistence

7. (1) An accounting officer–
   (a) may approve the purchase of economy class tickets for all officials or political office bearers where the flying time for the flights is five hours or less; and
   (b) may only approve the purchase of business class tickets for officials, political office bearers and persons reporting directly to the accounting officer for flights exceeding five hours.

(2) In the case of the accounting officer, the mayor may approve the purchase of economy class tickets where the flying time is five hours or less and business class tickets for flights exceeding five hours.

(3) Notwithstanding sub-regulation (1) or (2), an accounting officer, or the mayor in the case of an accounting officer, may approve the purchase of business class tickets for an official or a political office bearer with a disability or a medically certified condition.

(4) The cost containment policy must limit international travel to meetings or events that are considered critical. The number of officials or political office bearers attending such meetings or events must be limited to those officials or political office bearers directly involved in the subject matter related to such meetings or events.

(5) An accounting officer, or the mayor in the case of the accounting officer, may approve accommodation costs that exceed an amount as determined from time to time by the National Treasury through a notice only–
   (a) during peak holiday periods; or

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(b) when major local or international events are hosted in a particular geographical area that results in an abnormal increase in the number of local and/or international guests in that particular geographical area.

(6) An official or a political office bearer of a municipality or municipal entity must–
(a) utilise the municipal fleet, where viable, before incurring costs to hire vehicles;
(b) make use of available public transport or a shuttle service if the cost of such a service is lower than-
(i) the cost of hiring a vehicle;
(ii) the cost of kilometres claimable by the official or political office bearer; and
(iii) the cost of parking.
(c) not hire vehicles from a category higher than Group B or an equivalent class; and
(d) where a different class of vehicle is required for a particular terrain or to cater for the special needs of an official, seek the written approval of the accounting officer before hiring the vehicle.

(7) A municipality or a municipal entity must utilise the negotiated rates for flights and accommodation as communicated from time to time by the National Treasury through a notice or any other available cheaper flight and accommodation.

Domestic accommodation

8. (1) An accounting officer must ensure that costs incurred for domestic accommodation and meals are in accordance with the maximum allowable rates for domestic accommodation and meals as communicated from time to time by the National Treasury through a notice.
(2) Overnight accommodation may only be booked where the return trip exceeds 500 kilometres.

Credit cards

9. (1) An accounting officer must ensure that no credit card or debit card linked to a bank account of a municipality or a municipal entity is issued to any official or political office bearer, including members of the board of directors of municipal entities.
(2) Where officials or political office bearers incur expenditure in relation to official municipal activities, such officials or political officer bearers must use their personal credit cards or cash or arrangements made by the municipality or municipal entity, and request reimbursement in accordance with the written approved policy and processes.

Sponsorships, events and catering

10. (1) A municipality or municipal entity may not incur catering expenses for meetings which are only attended by persons in the employ of the municipality or municipal entity, unless the prior written approval of the accounting officer is obtained.
(2) An accounting officer may incur catering expenses for the hosting of meetings, conferences, workshops, courses, forums, recruitment interviews, and proceedings of council that exceed five hours.
(3) Entertainment allowances of qualifying officials may not exceed two thousand rand per person per financial year, unless approved otherwise by the accounting officer.
(4) A municipality or municipal entity may not incur expenses on alcoholic beverages unless the municipality or the municipal entity recovers the cost from the sale of such beverages.
(5) An accounting officer must ensure that social events, team building exercises, year-end functions, sporting events and budget vote dinners are not financed from the municipality or the municipal entity's budgets or by any suppliers or sponsors.
(6) A municipality or municipal entity may not incur expenditure on corporate branded items like clothing or goods for personal use of officials, other than uniforms, office supplies and tools of trade unless costs related thereto are recovered from affected officials or is an integral part of the business model.

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(7) An accounting officer may incur expenditure not exceeding the limits for petty cash usage to host farewell functions in recognition of officials who retire after serving the municipality or municipal entity for ten or more years or retire on grounds of ill health.

Communication

11. (1) A municipality or municipal entity may, as far as possible, advertise municipal related events on its website instead of advertising in magazines or newspapers.
(2) An accounting officer must ensure that allowances to officials for private calls and data costs are limited to an amount as determined by the accounting officer in the cost containment policy of the municipality or municipal entity.
(3) Newspapers and other related publications for the use of officials must be discontinued on expiry of existing contracts or supply orders, unless required for professional purposes and where unavailable in electronic format.
(4) A municipality or municipal entity may participate in the transversal term contract arranged by the National Treasury for the acquisition of mobile communication services.

Conferences, meetings and study tours

12. (1) An accounting officer must establish policies and procedures to manage applications to attend conferences or events hosted by professional bodies or non-governmental institutions held within and outside the borders of South Africa taking into account their merits and benefits, costs and available alternatives.
(2) When considering applications from officials or political office bearers to attend conferences or events within and outside the borders of South Africa, an accounting officer or mayor as the case may be, must take the following into account–
(a) the official's or political office bearer's role and responsibilities and the anticipated benefits of the conference or event;
(b) whether the conference or event addresses relevant concerns of the institution;
(c) the appropriate number of officials or political office bearers, not exceeding three, attending the conference or event; and
(d) the availability of funds to meet expenses related to the conference or event.
(3) An accounting officer may consider appropriate benchmark costs with other professional bodies or regulatory bodies prior to granting approval for an official to attend a conference or event within and outside the borders of South Africa.
(4) The benchmark costs referred to in sub-regulation (3) may not exceed an amount as determined from time to time by the National Treasury through a notice.
(5) The amount referred to in sub-regulation (4) excludes costs related to travel, accommodation and related expenses, but includes–
(a) conference or event registration expenses; and
(b) any other expense incurred in relation to the conference or event.
(6) When considering costs for conferences or events these may not include items such as laptops, tablets and other similar tokens that are built into the price of such conferences or events.
(7) The accounting officer of a municipality or municipal entity must ensure that meetings and planning sessions that entail the use of municipal funds are, as far as may be practically possible, held in-house.
(8) Municipal or provincial office facilities must be utilised for conference, meetings, strategic planning sessions, *inter alia*, where an appropriate venue exists within the municipal jurisdiction.
(9) An accounting officer must grant the approval for officials and in the case of political office bearers and the accounting officer, the mayor, as contemplated in sub-regulation (2).
(10) A municipality or municipal entity must, where applicable, take advantage of early registration discounts by granting the required approvals to attend the conference, event or study tour, in advance.

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Other related expenditure items

13. (1) All commodities, services and products covered by a transversal contract concluded by the National Treasury must be considered before approaching the market, to benefit from savings where lower prices or rates have been negotiated.

(2) Municipal resources may not be used to fund elections, campaign activities, including the provision of food, clothing, printing of agendas and brochures and other inducements as part of, or during election periods or to fund any activities of any political party at any time.

(3) Expenditure on tools of trade for political office bearers must be limited to the upper limits as approved and published by the Cabinet member responsible for local government in terms of the Remuneration of Public Office Bearers Act, 1998.

(4) A municipality or municipal entity must avoid expenditure on elaborate and expensive office furniture.

(5) A municipality or municipal entity may only use the services of the South African Police Service to conduct periodical or quarterly security threat assessments of political office bearers and key officials and a report must be submitted to the speaker's office.

(6) A municipality or municipal entity may consider providing additional time-off in lieu of payment for overtime worked. Planned overtime must be submitted to the relevant manager for consideration on a monthly basis. A motivation for all unplanned overtime must be submitted to the relevant manager.

(7) A municipality or municipal entity must ensure that due process is followed when suspending or dismissing officials to avoid unnecessary litigation costs.

Enforcement Procedures

14. Failure to implement or comply with these Regulations may result in any official of the municipality or municipal entity, political office bearer or director of the board that authorised or incurred any expenditure contrary to these regulations being held liable for financial misconduct or a financial offence in the case of political office bearers as defined in Chapter 15 of the Act read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014.

Disclosures of cost containment measures

15. (1) The disclosure of cost containment measures applied by the municipality and municipal entity must be included in the municipal in-year budget reports and annual costs savings disclosed in the annual report.

(2) The measures implemented and aggregate amounts saved per quarter, together with the regular reports on reprioritisation of cost savings and on the implementation of the cost containment measures must be submitted to the Municipal Council for review and resolution. The municipal council can refer such reports to an appropriate Council Committee for further recommendations and actions.

(3) The reports referred to in sub-regulation (2) must be copied to the National Treasury and the relevant provincial treasury within seven calendar days after the report is submitted to municipal council.

Short title and commencement

16. These Regulations are called the Municipal Cost Containment Regulations, 2019 and take effect on 1 July 2019.

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