OVERSTRAND MUNICIPALITY



DRAFT BUDGET REPORT 2026/2027

2026/27 TO 2028/29
MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

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Table of Contents

PART 1 – ANNUAL BUDGET **2**

1.1 MAYOR'S REPORT 2
1.5 OPERATING EXPENDITURE FRAMEWORK 16
1.6 CAPITAL EXPENDITURE 21
1.7 ANNUAL BUDGET TABLES 23

2 PART 2 – SUPPORTING DOCUMENTATION **42**

2.1 OVERVIEW OF THE ANNUAL BUDGET PROCESS 42
2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP 44
2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS 47
2.4 OVERVIEW OF BUDGET RELATED-POLICIES 52
2.5 OVERVIEW OF BUDGET ASSUMPTIONS 52
2.6 OVERVIEW OF BUDGET FUNDING 54
2.7 EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS 63
2.8 COUNCILLOR AND EMPLOYEE BENEFITS 65
2.9 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW …. / 66
2.10 ANNUAL BUDGETS AND SDBIP 73
2.11 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS 73
2.12 CAPITAL ASSETS: REPAIRS AND MAINTENANCE 73
2.13 LEGISLATION COMPLIANCE STATUS 78
2.14 OTHER SUPPORTING DOCUMENTS 78
2.15 MUNICIPAL MANAGER'S QUALITY CERTIFICATE 88

List of Tables

Table 1 Consolidated Overview of the 2026/27 MTREF 5
Table 2 Summary of revenue classified by main revenue source 7
Table 3 Percentage growth in revenue by main revenue source 7
Table 4 Operating Transfers and Grant Receipts 8
Table 5 Costing of services 9
Table 6 Comparison of proposed rates to be levied for the 2026/27 financial year 11
Table 7 Comparison between current water charges and increases (Domestic) 12
Table 8 Comparison between current electricity charges and increases (Domestic) 13
Table 9 Comparison between current sanitation charges and increases (Domestic) 14
Table 10 Comparison between current waste removal fees and increases (Domestic) 14
Table 11 MBRR Table SA14 – Household bills 16
Table 12 Summary of operating expenditure by functional classification item 17
Table 13 Operational repairs and maintenance 19
Table 14 Repairs and maintenance per asset class 20
Table 15 MBRR Table SA21 – Transfers and grants made by the municipality 21
Table 16 2026/27 Medium-term capital budget per function 21
Table 17 MBRR Table A1 - Budget Summary 24
Table 18 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by functional classification) 26
Table 19 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote) 27
Table 20 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure) 28

Table 21 MBRR Table A5 - Budgeted Capital Exp. by vote, functional classification and funding source 30
Table 22 MBRR Table A6 - Budgeted Financial Position 32
Table 23 MBRR Table A7 - Budgeted Cash Flow Statement 34
Table 24 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation 35
Table 25 MBRR Table A9 - Asset Management 36
Table 26 MBRR Table A10 - Basic Service Delivery Measurement 40
Table 27 IDP Strategic Objectives 44
Table 28 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue ... 46
Table 29 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure 47
Table 30 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure 47
Table 31 MBRR Table SA7 - Measurable performance objectives 48
Table 32 MBRR Table SA8 - Performance indicators and benchmarks 51
Table 33 Breakdown of the operating revenue over the medium-term 54
Table 34 Proposed tariff increases for 2026/27 56
Table 35 MBRR SA15 – Detail Investment Information 56
Table 36 MBRR SA16 – Investment particulars by maturity 57
Table 37 Sources of capital revenue over the MTREF 57
Table 38 MBRR Table SA18 - Capital transfers and grant receipts 58
Table 39 MBRR Table SA17 - Detail of borrowings 58
Table 40 MBRR Table A7 - Budgeted cash flow statement 59
Table 41 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation 60
Table 42 MBRR SA10 – Funding compliance measurement 62
Table 43 MBRR SA19 - Expenditure on transfers and grant programmes 63
Table 44 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds 64
Table 45 MBRR SA22 - Summary of councillor and staff benefits 65
Table 46 MBRR SA23 – Salaries and benefits (political office bearers/councillors/senior managers) 66
Table 47 MBRR SA24 – Summary of personnel numbers 66
Table 48 MBRR SA25 - Budgeted monthly revenue and expenditure 67
Table 49 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote) 68
Table 50 MBRR SA27 - Budgeted monthly revenue and expenditure (functional classification) 69
Table 51 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote) 70
Table 52 MBRR SA29 - Budgeted monthly capital expenditure (functional classification) 71
Table 53 MBRR SA30 - Budgeted monthly cash flow 72
Table 55 MBRR SA35 - Future financial implications of the capital budget 73
Table 54 MBRR SA34c - Repairs and maintenance expenditure by asset class 73
Table 56 MBRR SA36 - Detailed capital budget per municipal vote 75
Table 57 MBRR SA37 - Projects delayed from previous financial year 77
Table 58 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department) 79
Table 59 MBRR Table SA9 – Social, economic and demographic statistics and assumptions 80
Table 60 MBRR SA11 – Property rates summary 81
Table 61 MBRR SA12a – Property rates by category (current year) 82
Table 62 MBRR SA12b – Property rates by category (budget year) 83
Table 63 MBRR SA13a – Service tariffs by category 84
Table 64 MBRR SA13b – Service tariffs by category (explanatory) 85

Table 65 MBRR SA32 – List of external mechanisms 86
Table 66 MBRR SA38 – Consolidated detailed operational projects 86
Table 67 MBRR SA33 – Contracts having future budgetary implications 87

List of Figures

Figure 1 Main operational expenditure categories for the 2026/27 financial year 19
Figure 2 Capital Infrastructure Programme 22
Figure 3 Expenditure by major type 29
Figure 4 Depreciation in relation to repairs and maintenance over the MTREF 39
Figure 5 Breakdown of operating revenue over the 2026/27 MTREF 55
Figure 6 Sources of capital revenue for the 2026/27 financial year 57
Figure 7 Growth in outstanding borrowing (long-term liabilities) 58
Figure 8 Cash and cash equivalents / Cash backed reserves and accumulated funds 61

List of Annexures

Annexure A Draft Budget Schedule 1-10
Annexure B A1 Schedule mSCOA Version 7.1 02 February 2026) & A2 Budget reg. charts
Annexure C Tariffs
Annexure D Basket of tariffs
Annexure E Capital projects & Housing Programme
Annexure F Service Delivery Standards
Annexure G Water and Wastewater Quality
Annexure H NT Budget Circulars 132 & 134
Annexure I mSCOA Implementation Status
Annexure J Procurement Plan
Annexure K Draft Budget Related Policies

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

Part 1 – Annual Budget

1.1 Mayor's Report

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

The Integrated Development Plan (IDP) review for 2026/27 and the draft SDBIP will also be tabled at the Council meeting.

1.2 Council Resolution

The following is the resolution that will be considered for the approval and adoption of the annual budget for 2026/27:

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 2026/27 to 2028/29 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 2026/27;

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 2026/27;

4. that the Municipal Manager be authorised to sign the necessary documents to give effect to the 3rd draw down of the proposed three-year borrowing programme for external loans amounting to R70 million;

5. that the Municipal Manager be authorised to sign the necessary documents to give effect to an additional amount of R30m borrowings to fund the 2026/2027 capital budget;

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

8. that the Draft Budget Report for 2026/2027, **be noted**.

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 sustainably, 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 to maintain sound financial stewardship. A critical review was also undertaken of expenditure with regards to cost containment measures and non-core items.

The Municipality has undertaken 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 draft IDP for 2026/27 will be tabled in Council on 31 March 2026. The strategic direction remains unchanged and therefore the vision, mission will continue to support the implementation of the strategic objectives.

Municipalities are responsible for basic service rendering related to supply water and sanitation, electricity, energy and solid waste management services. These services are reliant on optimal management of the related infrastructure (maintaining, upgrading and expanding of water and sewer distribution networks, inclusive of bulk water works and reservoirs, bulk wastewater (sewer) treatment works, vehicles, staff, and waste management. Specialised equipment and infrastructure are relevant in all these instances, strictly regulated to ensure compliance to international standards, also further impacted by the cost of imported components. The price of chemicals for these services also experienced drastic price increases over multiple years.

Environmental factors, such as sea-level rise, drought, rising temperatures, vegetation fires, and floods, present various challenges and potential threats to the area, impacting ecosystems, livelihoods, and infrastructure. These issues require attention and planning for long-term resilience.

Multiple global crises over the past years have had a noticeable impact on the landscape, in terms of the compilation of annual municipal budgets, with the latest developments the growing tensions in the Middle East. This is directly impacting on world energy production and supply. At a local level, the sharp increase in fuel prices from 1 April 2026 will directly impact on the cost of service delivery. This draft budget does not yet include these recent developments and will be reviewed leading up to the tabling of the final budget at the end of May 2026.

Local energy sector (Electricity) increases place increasing pressure on electricity sales as a key revenue source.

High bulk purchase tariff increases from Eskom for municipalities on an annual basis as mentioned as well as the phased approach in implementing the electricity tariffs in accordance with Eskom's approved Cost of Supply study for the municipality, remains a concern in managing an affordable basket of services. Before-mentioned is a critical step in ensuring that the cost structure for Bulk Purchases applicable on municipalities, is aligned with the municipal tariffs charged to municipal consumers, to ensure sustainability of this service.

The annual increase for municipalities on a national level to implement, as issued by the National Energy Regulator of South Africa (NERSA), represents the increase announced, together with the increase per category consumer is to be considered in view of phase three (2026/27) of the Cos tariffs. This increase should be determined in combination with the capacity charge tariff applicable to the consumer, together with the unit costs (kWh) consumed.

Before-mentioned implementation also involves the phasing out over four years of the familiar sliding

scale for electricity unit costs, previously prescribed for a number of years by NERSA. An important principle of the CoS tariffs will be the option for individual consumers to migrate to, or to choose the most cost effective capacity charge tariff, allowing consumers to manage this portion of electricity costs, as well as consumption levels, which are already managed by the consumer.

The proposed tariff increases for 2026/27 to be tabled in Council on 31 March 2026 for the next financial year, are thus as follows – Property Rates (%increase on the cent in the Rand) at 5.00%, Refuse at 5.00%, Sewer at 5.00%, Water at 5.00%, Electricity at 8.5%.

The Budget Steering Committee recommended revenue projections for the 2026/2027 MTREF Budget, based on before-mentioned tariff increases for the respective municipal services.
(More information later on in this report).

The mSCOA chart is reviewed on an annual basis by the National Treasury, to address implementation challenges and to correct chart related errors and improvements. Towards this end, National Treasury issued a revised A Schedule – mSCOA Version 7.1 (Municipal annual budgets and MTREF & supporting tables) effective from 2026/27 and deployed this version to compile the 2026/27 MTREF Budget.

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 next phase is already underway with the publishing of the draft regulations on Minimum Business Processes during November 2025. The expected date for promulgation of regulations is during 2027. This will impact severely on the current financial systems and the drafting of a roadmap is in progress.

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 main challenges experienced during the compilation of the 2026/27MTREF, 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.
- Financial sustainability of the municipality are integral to cost reflective tariffs especially for services managed as business units;
- The on-going difficulties in the national and local economy, inclusive of the current global economic uncertainties;
- 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 2026/27 MTREF process;

- Maintaining a positive cash flow; and
- Ensuring financial sustainability.

The following budget principles and guidelines directly informed the compilation of the 2025/26 MTREF:

- The 2025/26 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 2026/27 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 (to be noted that this will always remain a consideration due to international oil price fluctuations impacted by periods of international political instability), 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;
- No budget will be 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;

In view of the aforementioned, the following table is a consolidated overview of the proposed 2026/27 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2026/27 MTREF

Total Revenue (excluding capital grants)

R thousand	Budget Year 2025/26	Budget Year 2026/27	Budget Year +2 2027/28	Budget Year +3 2028/29			
Revenue	1,949,465	2,131,681	2,252,329	2,372,107	9.35%	5.66%	5.32%
Housing-Operational	52,107	1,847			-96.46%	-100.00%	
Total Revenue excl Capital Grants	**2,001,572**	**2,133,528**	**2,252,329**	**2,372,107**	**6.59%**	**5.57%**	**5.32%**
Expenditure	2,053,438	2,195,510	2,326,250	2,512,089	6.92%	5.95%	7.99%
Housing-Operational	52,107	1,847			-96.46%	-100.00%	
Total Operational Expenditure	**2,105,545**	**2,197,357**	**2,326,250**	**2,512,089**	**4.36%**	**5.87%**	**7.99%**
Surplus / (Deficit)	**(103,973)**	**(63,829)**	**(73,921)**	**(139,982)**			
Total Capital Expenditure	**269,836**	**242,739**	**294,445**	**308,168**	**-10.04%**	**21.30%**	**4.66%**

Total revenue (excluding capital grants) to expenditure (Table 1) indicates accounting deficits over the 2026/27 MTREF.

Operational revenue (Table 1) indicates an increase in revenue of 9.35 per cent for the 2026/27 financial year when compared to the 2025/26 Adjustments Budget. For the two outer years, revenue will increase by 5.66 and increase with 5.32 per cent respectively. Total Revenue as informed by noticeable 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 2026/27 financial year has been appropriated at R2.197bn and translates to an accounting deficit of R63.8m (excluding capital grants). Important to note that the format of Table 1 is updated for 2026/27 to include the top structures portion of the Housing grant (Construction Contracts), as Exchange Revenue. Furthermore, it is important to note that the

services portion (Capital) is classified as Non-Exchange Revenue (Transfers and Subsidies: Capital) which is no longer classified as construction contract revenue. Before-mentioned re-classification complies with Generally Recognized Accounting Principles (GRAP 23).

Information presented later on in this report also include the Surplus / Deficit position including capital grants, which relates to a surplus of R27.75m (including capital grants) for 2026/27.

When compared to the 2025/26 Adjustments Budget, operating expenditure has increased by 4.36 per cent in the 2026/27 budget and increases by 5.87 and 7.99 per cent for each of the respective outer years of the MTREF.

The capital budget of R242.7m for 2026/27 is 10.04 per cent less when compared to the 2025/26 Budget. The impact of roll over projects for the current financial period is R1.1m.

The capital programme increases to R294m and to R308m in the outer years. Own funding (new borrowings) is anticipated at R100m and R1.1m rollovers from the current financial year. Borrowings contribute to 52.66% of the funding over the 2026/27 MTREF. Internally generated funds contribute 17.74% and capital grants 29.6% over the 2026/27 MTREF.

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. We are also faced with an increasing population (*In the broader Overberg District population of 326 974, the Overstrand region stands out with a substantial population of 120 422 in 2024. Furthermore, this area experiences robust population growth, projecting an annual increase of 1.8 per cent from 2023 to 2029, in accordance with the 2024 Socio Economic Profile for Overstrand Municipality a publication produced by the Provincial Treasury*).

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 98 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.

Revenue generated from rates and services forms a significant percentage of the revenue basket for the Municipality. Rates (including special rating levies) and services revenues comprise 80.94% of the total operating revenue mix for 2026/27. For the 2026/27 financial year, revenue from rates (including special rating levies) and services charges totals R1.727bn and increases to R1.830bn, R1.940bn in the respective financial years of the MTREF.

The following table is a summary of the 2026/27 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue										
Exchange Revenue										
Service charges - Electricity	2	495,999	607,344	680,585	745,540	718,135	718,135	822,903	871,718	923,997
Service charges - Water	2	158,070	179,935	200,340	209,109	208,803	208,803	225,950	239,494	253,864
Service charges - Waste Water Management	2	100,655	113,954	127,050	129,533	126,779	126,779	134,321	142,381	150,923
Service charges - Waste Management	2	85,923	97,574	108,353	115,444	115,444	115,444	121,971	129,289	137,046
Sale of Goods and Rendering of Services	2	80,448	131,093	106,778	63,725	73,387	73,387	29,014	30,755	32,600
Agency services	2	7,140	6,599	6,846	7,500	7,500	7,500	7,819	8,288	8,785
Interest		33	215	507	0	0	0	–	–	–
Interest earned from Receivables	2	5,796	10,299	11,703	12,500	12,500	12,500	12,500	13,250	14,045
Interest earned from Current and Non Current Assets	2	51,751	68,418	73,160	55,000	68,000	68,000	68,000	68,000	68,000
Dividends	2	-	–	–	–	–	–	–	–	–
Rent on Land	2	1,401	2,704	855	452	452	452	1,243	1,318	1,397
Rental from Fixed Assets	2	5,346	5,570	8,246	7,544	7,544	7,544	9,370	9,932	10,528
Licence and permits	2	1,143	923	1,116	780	780	780	1,481	1,570	1,664
Special rating levies	2	-	–	–	15,420	15,420	15,420	16,193	17,165	18,195
Construction Contract Revenue	2	-	–	–	–	–	–	1,847	–	–
Development Charges	2	-	–	–	–	–	–	3,599	3,815	4,044
Operational Revenue	2	10,988	11,090	16,233	5,554	5,620	5,620	8,812	9,341	9,901
Non-Exchange Revenue										
Property rates	2	297,101	339,224	367,109	383,977	383,977	383,977	405,548	429,881	455,674
Surcharges and Taxes	2	-	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	2	58,043	(22,970)	12,341	52,537	42,344	42,344	42,861	43,032	43,214
Licences or permits	2	1,834	2,008	1,858	2,000	2,000	2,000	2,186	2,317	2,456
Transfer and subsidies - Operational	2	172,163	191,359	199,017	205,957	207,587	207,587	215,312	228,047	232,891
Interest	2	1,294	2,186	2,027	2,300	2,300	2,300	2,300	2,438	2,584
Fuel Levy	2	-	–	–	–	–	–	–	–	–
Operational Revenue	2	-	–	–	–	–	–	–	–	–
Gains on disposal of Assets	2	904	–	13,632	–	–	–	–	–	–
Other Gains	2	14,279	16,679	16,121	3,000	3,000	3,000	300	300	300
Discontinued Operations		-	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		**1,550,312**	**1,764,206**	**1,953,878**	**2,017,871**	**2,001,572**	**2,001,572**	**2,133,528**	**2,252,329**	**2,372,107**

Table 3 Percentage growth in revenue by main revenue source

Description	Current Year 2025/26	2026/27 Medium Term Revenue & Expenditure Framework					
R thousand		Budget Year 2026/27		Budget Year +1 2027/28		Budget Year +2 2028/29	
Revenue							
Exchange Revenue							
Service charges - Electricity	718,135	822,903	**14.59%**	871,718	**5.93%**	923,997	**6.00%**
Service charges - Water	208,803	225,950	**8.21%**	239,494	**5.99%**	253,864	**6.00%**
Service charges - Waste Water Management	126,779	134,321	**5.95%**	142,381	**6.00%**	150,923	**6.00%**
Service charges - Waste Management	115,444	121,971	**5.65%**	129,289	**6.00%**	137,046	**6.00%**
Sale of Goods and Rendering of Services	73,387	29,014	**-60.46%**	30,755	**6.00%**	32,600	**6.00%**
Agency services	7,500	7,819	**4.25%**	8,288	**6.00%**	8,785	**6.00%**
Interest earned from Receivables	12,500	12,500	**0.00%**	13,250	**6.00%**	14,045	**6.00%**
Interest earned from Current and Non Current Assets	68,000	68,000	**0.00%**	68,000	**0.00%**	68,000	**0.00%**
Rent on Land	452	1,243	**174.98%**	1,318	**6.00%**	1,397	**6.00%**
Rental from Fixed Assets	7,544	9,370	**24.20%**	9,932	**6.00%**	10,528	**6.00%**
Licence and permits	780	1,481	**89.83%**	1,570	**6.01%**	1,664	**6.01%**
Special rating levies	15,420	16,193	**5.02%**	17,165	**6.00%**	18,195	**6.00%**
Construction Contract Revenue	–	1,847		–	**-100.00%**	–	
Development Charges	–	3,599		3,815	**6.00%**	4,044	**6.00%**
Operational Revenue	5,620	8,812	**56.79%**	9,341	**6.00%**	9,901	**6.00%**
Non-Exchange Revenue							
Property rates	383,977	405,548	**5.62%**	429,881	**6.00%**	455,674	**6.00%**
Fines, penalties and forfeits	42,344	42,861	**1.22%**	43,032	**0.40%**	43,214	**0.42%**
Licences or permits	2,000	2,186	**9.30%**	2,317	**6.00%**	2,456	**6.00%**
Transfer and subsidies - Operational	207,587	215,312	**3.72%**	228,047	**5.91%**	232,891	**2.12%**
Interest	2,300	2,300	**0.00%**	2,438	**6.00%**	2,584	**6.00%**
Other Gains	3,000	300	**-90.00%**	300	**0.00%**	300	**0.00%**
Total Revenue (excluding capital transfers and contributions)	**2,001,572**	**2,133,528**	**6.59%**	**2,252,329**	**5.57%**	**2,372,107**	**5.32%**

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 2026/27 and the subsequent adjustments budget and further reclassifications of revenue categories relating to mSCOA.

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.

Transfers and subsidies - Operational on Financial Performance (A4) table amount to R215.3m in the 2026/27 financial year. This increases in the outer years to R228m in 2027/28 and R232.9m in 2028/29 respectively, of the MTREF. The housing allocation totals R1.8m in the 2026/27 financial year and zero allocation in the outer years, respectively for the building of top structures for housing development are included under exchange revenue in accordance with GRAP construction contracts. It should be noted that SA18 reflects all grant receipts from National & Provincial Governments, however on A4, Transfers and subsidies – Operational does not include the construction contracts revenue, which is now a line item under exchange revenue on A4.

Equitable share increases over the 3-year MTREF period, the increase from the current 2025/26 adjustments budget to the draft 2026/2027 budget is 5.05%. The NT municipal budget circular release in March 2026, municipalities must put systems and processes in place to comply with the criteria for the release of the equitable share.

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

WC032 Overstrand - Supporting Table SA18 Transfers and grant receipts

Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
RECEIPTS:									
Operating Transfers and Grants									
National Government:	**150,183**	**169,423**	**172,292**	**183,866**	**183,866**	**183,866**	**192,483**	**199,895**	**204,373**
Operational Revenue:General Revenue:Equitable Share	141,896	157,935	168,794	179,268	179,268	179,268	188,321	197,595	201,973
Energy Efficiency and Demand-side [Schedule 5B]	3,000	4,200	–	–	–	–	–	–	–
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	2,593	3,366	1,898	2,588	2,588	2,588	2,062	–	–
Local Government Financial Management Grant [Schedule 5B]	1,550	1,550	1,400	1,800	1,800	1,800	1,900	2,100	2,200
Municipal Disaster Grant [Schedule 5B]	–	1,719	–	–	–	–	–	–	–
Municipal Infrastructure Grant [Schedule 5B]	1,144	652	200	210	210	210	200	200	200
Provincial Government:	**81,340**	**126,129**	**104,399**	**61,906**	**71,823**	**71,823**	**20,742**	**28,152**	**28,518**
Title Deeds Restoration Grant	–	362	174	97	97	97	250	250	250
Community Library Services Grant	8,258	8,398	8,608	8,824	8,824	8,824	9,288	9,381	9,475
Thusong Services Centres Grant	150			150	150	150	150	150	–
Resource funding for the establish & support of K9 Unit	2,420	3,345	4,172	4,350	4,350	4,350	4,473	4,666	4,876
Community Development Workers	75	76	76	76	76	76	78	78	78
Financial Management Capability Grant	450	200	260	672	672	672	–	–	–
Maintenance & Construction of Transport Infrastructure	140	400	7,440	130	130	130	140	8,908	8,908
Resource funding for the est of Law Enforcement Rural Safety Unit	2,958	4,065	4,223	4,317	4,317	4,317	4,516	4,719	4,931
Human Settlements Dev & Informal Settlement Upgrading Partnership Grant	58,189	108,411	79,446	42,790	52,107	52,107	1,847	–	–
Municipal Fire Service Capacity Support Grant	–	–		500	500	500	–	–	–
Municipal Service Delivery & Capacity Building Grant	1,550	500	–	–	600	600	–	–	–
Municipal Intervention Grant	450								
Library Service Replacement Funding	–	372	–	–	–	–	–	–	–
Emergency Municipal Load-shedding relief grant	6,700	–	–	–	–	–	–	–	–
District Municipality:	**35**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
All Grants	35	–	–	–	–	–	–	–	–
Other Grant Providers:	**–**	**–**	**1,602**	**2,975**	**3,424**	**3,424**	**3,934**	**–**	**–**
Departmental Agencies and Accounts	–	–	398	2,600	2,600	2,600	3,722	–	–
Foreign Government and International Organisations	–	–	1,204	375	824	824	212	–	–
Total Operating Transfers and Grants	**231,558**	**295,551**	**278,293**	**248,747**	**259,113**	**259,113**	**217,159**	**228,047**	**232,891**

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. In order to determine the tariffs to be charged for the supply of the four major services: namely, electricity, refuse removal, sanitation and water, the municipality shall use service and expenditure classifications, cost elements, and identify all the costs associated with the service concerned.

It must be acknowledged that a portion of the Overstrand municipal area can still be regarded as a holiday destination with many holiday homeowners. The municipal rates base also includes a substantial number of vacant erven with no improvements on. A metro municipality (city) with large industries and a vastly different and much larger customer / rates base, and a municipality as Overstrand cannot be compared.

Taking into consideration that the basic charge is applicable on vacant erven as well and, that this charge should represent the fixed costs portion of a service, the consumption charges thus reflect the price per unit consumed.

The overtime budget has increased over the past few years with more in comparison with the salary budget increases due, to the following –

- Additional overtime due to prevention of illegal structures, prevention of erection of unauthorised structures on municipal open space, demolishing of illegal structures etc.
- Additional overtime due to the impact of climate change incidents occurring, which had to, and will have to be actively managed over prolonged periods, to assist communities and prevent severe damage to properties or loss of lives, for example recent spell of wildfires and flooding.

The municipality is aware of the cost implications of before mentioned and has embarked on a process to contain costs as far as possible over the past number of years.

The percentage increase of Eskom bulk purchases tariffs charged to municipalities in the ~~NERSA~~ Schedule of Standard Prices for Eskom Tariffs released in February 2026 are now indicated as 9.01%. The indicative overall tariff increases for municipal electricity tariffs for municipal consumers applicable from 1 July 2026 for the electricity basket are now 8.5%. As mentioned in this report, electricity tariffs should be considered in terms of the phased, cost reflective Cost of Supply (Cos) tariffs implementation required by the National Energy Regulator (NERSA).

The following table sets out the costing of services.

Table 5 Costing of services

COSTING OF SERVICES	Actuals 2024/2025	Amended Budget 2025/2026	Draft Budget 2026/2027	Draft Budget 2027/2028	Draft Budget 2028/2029
Service : ELECTRICITY					
TOTAL EXPENDITURE	654,592,475	750,708,713	803,552,732	871,100,800	935,218,730
TOTAL INCOME	-730,744,491	-780,871,200	-879,960,660	-932,199,656	-988,107,702
(SURPLUS)/DEFICIT	-76,152,017	-30,162,487	-76,407,928	-61,098,856	-52,888,972
	10.42%	3.86%	8.68%	6.55%	5.35%
Service : WATER					
TOTAL EXPENDITURE	188,031,555	203,451,018	211,377,681	224,459,376	286,160,308
TOTAL INCOME	-219,425,768	-233,263,200	-245,135,820	-259,831,255	-275,421,151
(SURPLUS)/DEFICIT	-31,394,213	-29,812,182	-33,758,139	-35,371,879	10,739,157
	14.31%	12.78%	13.77%	13.61%	-3.90%

COSTING OF SERVICES	Actuals 2024/2025	Amended Budget 2025/2026	Draft Budget 2026/2027	Draft Budget 2027/2028	Draft Budget 2028/2029
Service : SEWERAGE					
TOTAL EXPENDITURE	140,512,685	152,190,037	154,509,321	162,484,383	172,919,505
TOTAL INCOME	-143,832,723	-156,566,910	-165,478,100	-175,406,808	-185,931,148
(SURPLUS)/DEFICIT	-3,320,038	-4,376,873	-10,968,779	-12,922,425	-13,011,643
	2.31%	2.80%	6.63%	7.37%	7.00%
Service : REFUSE					
TOTAL EXPENDITURE	105,707,781	134,758,634	132,497,668	145,842,512	154,126,156
TOTAL INCOME	-127,884,020	-134,170,200	-149,271,560	-158,227,874	-167,721,534
	-22,176,238	588,434	-16,773,892	-12,385,362	-13,595,378
	17.34%	-0.44%	11.24%	7.83%	8.11%

COSTING OF SERVICES	Actuals 2024/2025	Amended Budget 2025/2026	Draft Budget 2026/2027	Draft Budget 2027/2028	Draft Budget 2028/2029
RATES SERVICES					
TOTAL EXPENDITURE	735,023,754	864,436,592	895,419,692	922,362,433	963,664,644
TOTAL INCOME	-731,991,119	-696,700,287	-693,681,647	-726,663,247	-754,925,748
Deficit on Rates Services	3,032,635	167,736,305	201,738,045	195,699,186	208,738,896
	-0.41%	-24.08%	-29.08%	-26.93%	-27.65%

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 for water treatment and other needs, fuel etc. The current challenge facing the Municipality, is to manage the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Operational costs for both Sewerage services and Refuse Services are severely impacted by fuel price hikes.

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 most recent two years addressed the implementation of new property values, and importantly, a lowering in the cent in the rand with the 1 July 2023 implementation to ease the impact of increased property values.

The proposed Property Rates increase for 2026/27 is set at 5% **on the cent in the rand.**

Table 6 Comparison of proposed rates to be levied for the 2026/27 financial year

RATES TARIFFS

Tariff Code	Detail	2026/2027		2025/2026	
		Exclude VAT	Include VAT	Exclude VAT	Include VAT
		R	R	R	R
RATES	**YEAR OF GENERAL VALUATION: 02 JULY 2022**				
RATE1*	Commercial Land with Improvements	0.009165	0.009165	0.008729	0.008729
RATE2*	Residential Land with Improvements	0.005237	0.005237	0.004988	0.004988
	**** 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	0.000000	0.000000	0.000000	0.000000
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)	0.001310	0.001310	0.001248	0.001248
RATE8	Undeveloped erven	0.007856	0.007856	0.007482	0.007482
	Special Rating Areas				
RAT11	HSRA (Hermanus)	0.000476	0.000476	0.000458	0.000458
RAT12	KSRA (Kleinmond)	0.000375	0.000375	0.000360	0.000360
RAT13	OVSRA (Onrus-Vermont)	0.000260	0.000260	0.000250	0.000250
PLEASE NOTE: VAT IS LEVIED AT A RATE OF 0% ON ASSESSMENT RATES					

The following stipulations in the Property Rates Policy are also highlighted:

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: 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 (excluding vacant properties) is exempted from property tax as per the Municipal Property Rates Act, Section 17 (1) h A further R35 000.00 of the rateable value is exempted in respect of all residential properties An Additional rebate of 20% of the levy calculated on such properties is granted Rebate to qualifying property owners as indicated under "Other Rebate" No property rates are applicable on a property with a valuation of R350 000.00 or less
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 Rebate"
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 permanently 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 are older than 60, who's gross monthly household income may not exceed the amount of two times (2X) of state funded social pensions per month
PR070			* A rebate of 70% 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

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 made in the previous years by Overstrand municipality, a water crisis could up until 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. The second infrastructure levy (Table 7 below), implemented in the 2018/19 financial year, relates to a loan for water & wastewater infrastructure networks, which loan was raised over a period of three years.

Tariff increases as from 1 July 2026 are indicated in the list of tariffs in Annexure C. Free water has since 2014 only been granted to registered indigents, in accordance with the annual NT budget circulars released, emphasising that it should be noted that municipalities are only compensated for free basic services based on an indigent user component calculation through the equitable share.

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

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

WATER TARIFFS

Tariff Code	Detail	2026/2027		2025/2026	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
W1	**BASIC CHARGE**				
W1A1	Basic Monthly Charge per erf/unit per month	195.91	225.30	186.58	214.57
W1A2A	Basic Monthly Subsidy : Residential Indigent as per paragraph A of the Indigent Policyper erf/unit per month	195.91	225.30	186.58	214.57
W1A3	**Infrastructure**	0.00			
W1A3A	Fixed Infrastructure Basic Charge per erf/unit per month (No 1 end date 30 June 2026)	0.00	0.00	15.45	17.77
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
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
	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	8.05	9.26	7.67	8.82
W1B2	7 - 18 kl per kl	16.51	18.99	15.73	18.09
W1B4	19 - 45 kl per kl	34.61	39.80	32.96	37.90
W1B5	46 - 60 kl per kl	69.20	79.58	65.91	75.79
W1B6	>60kl per kl	94.93	109.17	87.90	101.08
	Restriction Tariff 1 (level 2 & 3 water restrictions)				
W1B7	0 - 6 kl per kl	8.05	9.26	7.67	8.82
W1B8	7 - 18 kl per kl	21.47	24.69	20.45	23.51
W1B10	19 - 45 kl per kl	44.99	51.74	42.85	49.27
W1B11	46 - 60 kl per kl	89.96	103.46	85.68	98.53
W1B12	>60kl per kl	123.41	141.92	114.27	131.41
	Restriction Tariff 2 (level 4 & 5 water restrictions)				
W1B13	0 - 6 kl per kl	8.05	9.26	7.67	8.82
W1B14	7 - 18 kl per kl	26.42	30.39	25.17	28.94
W1B16	19 - 45 kl per kl	55.37	63.68	52.73	60.64
W1B17	46 - 60 kl per kl	110.72	127.33	105.45	121.27
W1B18	>60kl per kl	151.89	174.67	140.63	161.73
	Restriction Tariff 3 (level 6 water restrictions)				
W1B19	0 - 6 kl per kl	8.05	9.26	7.67	8.82
W1B20	7 - 18 kl per kl	33.03	37.98	31.46	36.17
W1B22	19 - 45 kl per kl	69.21	79.60	65.92	75.81
W1B23	46 - 60 kl per kl	138.41	159.17	131.82	151.59
W1B24	>60kl per kl	189.86	218.33	175.79	202.16

1.4.3 Sale of Electricity and Impact of Tariff Increases

The recommendations of the Cost of Supply and Pricing Study indicate that, to comply with legislation and the requirements of NERSA, the following should be implemented:

- Simplifying subsidies for indigent customers,
- Phasing out of the inclined block tariff for electrical energy and replacing it ultimately with a flat rate,
- Phasing in a Capacity Charge to enable consumers to choose the most appropriate and cost
- effective electrical capacity connection they require, and
- Large consumers should be charged a Time of Use (ToU) tariff with structure and slots as per the Eskom Megaflex tariff applicable to the Overstrand area. This tariff allows for High- and Low Seasons as well as Peak, Standard and Off-Peak periods.

Electricity increase consumers in the Overstrand Municipal area, for 2026/27 recommended at 8.5%, is also applied in conjunction with the new cost reflective CoS tariffs for the respective brackets of the Inclining Block Tariffs (0-350 kWh, 351-600kWh, and >600kWh). The municipality must submit the electricity tariffs application by 31 March 2026, to ensure that NERSA considers and approves the application on time for implementation on 1 July 2026.

Registered indigents were granted an increased electricity units allocation from 1 July 2024, with an increase from 50 kWh to 70 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)

ELECTRICITY TARIFFS

Tariff Code	Detail		2026/2027		2025/2026	
			Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
EF	FIXED CHARGES					
EF1	Infrastructure Charge per Meter per month (No 1 end date 30 June 2026)	R			16.65	19.15
E1	SINGLE PHASE : DOMESTIC					
E1A	Two-Part Tariff: Credit meters 60 Amp (13.8 kVA BDMD) (Including Resorts)					
EB1A	Basic Monthly charge per meter per month	R	342.56	393.94	413.97	476.07
EC	Capacity Charge per Amp/Phase/Month	R	8.93	10.27	5.48	6.30
EC1D	Capacity Charge : 60Amp	R	535.80	616.17	328.80	378.12
	kWH Unit cost					
E1A2	IBT BLOCK 1 0 - 350 kWh	c	252.04	289.85	232.91	267.85
E1A3	IBT BLOCK 2 351 - 600 kWh	c	281.84	324.12	287.82	330.99
E1A4	IBT BLOCK 3 > 600 kWh	c	303.19	348.67	327.17	376.25
E1B	Two-Part Tariff: Pre-paid up to 60 Amp (13.8 kVA BDMD) (Including Resorts)					
EB1B	Basic Monthly charge per meter per month	R	342.56	393.94	413.97	476.07
EC	Capacity Charge per Amp/Phase/Month	R	8.93	10.27	5.48	6.30
EC1A	Capacity Charge : 30Amp	R	267.90	308.09	164.40	189.06
EC1B	Capacity Charge : 40Amp	R	357.20	410.78	219.20	252.08
EC1C	Capacity Charge : 50Amp	R	446.50	513.48	274.00	315.10
EC1D	Capacity Charge : 60Amp	R	535.80	616.17	328.80	378.12
	kWH Unit cost					
E1B2	IBT BLOCK 1 0 - 350 kWh	c	247.19	284.27	223.97	257.57
E1B3	IBT BLOCK 2 351 - 600 kWh	c	276.45	317.92	277.90	319.59
E1B4	IBT BLOCK 3 > 600 kWh	c	298.74	343.55	318.97	366.82

The full set proposed tariffs are included in Annexure C.

1.4.4 Sanitation and Impact of Tariff Increases

A tariff increase of 5% for sanitation (basic & consumption) is proposed from 1 July 2026. As mentioned previously in this report, costs related to substantial fuel costs sewer tank services, are still identified as risks.

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 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 to an increased benefit of 7 kℓ (70% of 10 kℓ) was approved and implemented on 1 July 2022 for registered indigents.

The following table compares the current and proposed tariffs:

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

SEWER TARIFFS

Tariff Code	Detail	2026/2027		2025/2026	
		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.	20.23	23.26	19.27	22.15
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.	178.66	205.46	170.15	195.67
SE7A3	Call out fee for Tank Service request but no service due to another defect/no acces to tank	821.07	944.23	781.97	899.27
SE7A5	Double the basic charge levied where networks are available but client is not connected	356.96	410.50	339.96	390.95
	SEWERAGE - REGISTERED INDIGENT HOUSEHOLDS				
SE7A6	0 - 7 kl - **subsidised**	20.23	23.26	19.27	22.15
SE7A7	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	20.23	23.26	19.27	22.15
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	20.23	23.26	19.27	22.15
SE7B2	Call out fee for Tank Service request but no service due to another defect/no acces to tank	821.07	944.23	781.97	899.27
SE7C	**SEWERAGE - GUEST HOUSE; BED & BREAKFAST ESTABLISHMENTS**				
SE7C1	per kl (based on 70% of water usage) per unit per month.	20.23	23.26	19.27	22.15
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	20.23	23.26	19.27	22.15
SE7D2	Call out fee for Tank Service request but no service due to another defect/no acces to tank	821.07	944.23	781.97	899.27
SE7E	**CONSUMPTION - DEPARTMENTAL**				
SE7E1	0 - 35 kl per kl (based on 70% of max 50kl water usage) per unit per month	20.23	23.26	19.27	22.15
SE8	**BASIC CHARGE**				
SE8A	Basic Monthly Charge Developed sites per erf/unit per month	178.66	205.46	170.15	195.67
SE8A1	Basic Monthly Subsidy Residential Indigent as per paragraph A of the Indigent Policy per month	178.66	205.46	170.15	195.67
SE8B	Basic Monthly Charge Undeveloped sites - can not connect to the network per erf/unit per month	120.38	138.44	114.65	131.85
SE8C	Basic Monthly Charge Undeveloped sites - can connect to the network per erf/unit per month	178.65	205.44	170.14	195.66
SE8D	Basic Monthly Charge Developed sites - with a septic Tank per erf/unit per month	120.38	138.44	114.65	131.85
SE8E	Basic Monthly Charge - Low Cost Housing & Single Quarters per erf/unit per month	120.38	138.44	114.65	131.85
SE8F	**INFRASTRUCTURE**				
SE8F1	Fixed Infrastructure Basic Charge per erf/unit per month (No 1 end date 30 June 2026)	0.00	0.00	9.60	11.04
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
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

The full-proposed tariffs are included in Annexure C.

1.4.5 Waste Removal and Impact of Tariff Increases

A tariff increase of 5% is proposed for 2026/27. One of the major cost drivers in rendering the municipal waste removal service is a heavily regulated environment.

The following table compares current and proposed amounts payable from 1 July 2026:

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

REFUSE (SOLID WASTE) TARIFFS

Tariff Code	Detail	2026/2027		2025/2026	
		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**)	281.67	323.92	268.26	308.50
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)**	281.67	323.92	268.26	308.50

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, as well as an indigent household receiving free basic services.

SINGLE RESIDENTIAL			Year	Year	Increase/Decrease	
High Consumption			2025/2026	2026/2027	Amount	%
Valuation		R3,500,000				
Rates			1,147.24	1,204.60	57.36	5.00
Sewer	**SE7A1+SE8A**		439.86	461.85	21.99	5.00
Infrastructure Basic Charge Water, Electricity & Sewer			53.54	11.84	-41.70	-77.89
Refuse	**1X Per Week**		268.26	281.67	13.41	5.00
Water		20 kl	487.24	511.60	24.36	5.00
SUB TOTAL			**2,396.14**	**2,471.57**	**75.43**	**3.15**
VAT		15%	187.34	190.05	2.71	1.45
TOTAL			2,583.48	2,661.62	78.14	3.02
SRA Rate as might be applicable to be added			**624.45**			

Medium Consumption			2025/2026	2026/2027	Amount	%
Valuation		R2,500,000				
Rates			814.71	855.44	40.74	5.00
Sewer	**SE7A1+SE8A**		372.43	391.05	18.62	5.00
Infrastructure Basic Charge Water, Electricity & Sewer			53.54	11.84	-41.70	-77.89
Refuse	**1X Per Week**		268.26	281.67	13.41	5.00
Water		15 kl	374.14	392.85	18.71	5.00
SUB TOTAL			**1,883.08**	**1,932.86**	**49.78**	**2.64**
VAT		15%	160.26	161.61	1.36	0.85
TOTAL			2,043.33	2,094.47	51.13	2.50
SRA Rate as might be applicable to be added						

Low Consumption			2025/2026	2026/2027	Amount	%
Valuation		R1,000,000				
Rates			315.91	331.70	15.80	5.00
Sewer	**SE7A1+SE8A**		372.43	391.05	18.62	5.00
Infrastructure Basic Charge Water, Electricity & Sewer			53.54	11.84	-41.70	-77.89
Refuse	**1X Per Week**		268.26	281.67	13.41	5.00
Water		15 kl	374.14	392.85	18.71	5.00
SUB TOTAL			**1,384.28**	**1,409.12**	**24.84**	**1.79**
VAT		15%	160.26	161.61	1.36	0.85
TOTAL			1,544.53	1,570.73	26.19	1.70
SRA Rate as might be applicable to be added						

Low Consumption			2025/2026	2026/2027	Amount	%
Valuation		**R500,000**				
Rates			149.64	157.12	7.48	5.00
Sewer	**SE7A1+SE8A**		372.43	391.05	18.62	5.00
Infrastructure Basic Charge Water, Electricity & Sewer			53.54	11.84	-41.70	-77.89
Refuse	**1X Per Week**		268.26	281.67	13.41	5.00
Water		15 kl	374.14	392.85	18.71	5.00
SUB TOTAL			**1,218.01**	**1,234.54**	**16.52**	**1.36**
VAT		15%	160.26	161.61	1.36	0.85
TOTAL			1,378.27	1,396.15	17.88	1.30
SRA Rate as might be applicable to be added						

Life-Line Consumption (ONE PART) (Indigent)			2025/2026	2026/2027	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	0.00	-41.70	-100.00
Refuse	**1X Per Week**		0.00	0.00	0.00	0.00
Water		8 kl	0.00	0.00	0.00	0.00
SUB TOTAL			**41.70**	**0.00**	**-41.70**	**-100.00**
VAT		15%	6.26	0.00	-6.26	-100.00
TOTAL			47.96	0.00	-47.96	-100.00
SRA Rate as might be applicable to be added						

All proposed basket of tariffs are listed in Annexure C.

Table 11 MBRR Table SA14 – Household bills

WC032 Overstrand - Supporting Table SA14 Household bills

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework			
Rand/cent		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27 % incr.	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		284.70	266.63	287.98	315.91	315.91	315.91	5.0%	331.68	312.91	331.68
Electricity: Basic levy		438.66	504.46	466.10	413.97	413.97	413.97	(17.3%)	342.56	342.56	342.56
Electricity: Capacity Charge (New)		–	–	149.90	328.80	328.80	328.80	63.0%	535.80	567.95	602.02
Electricity: Consumption		2,294.26	2,638.39	2,865.02	2,754.53	2,754.53	2,754.53	(0.1%)	2,751.25	2,916.33	3,091.30
Water: Basic levy		155.62	165.74	175.68	186.58	186.58	186.58	5.0%	195.91	207.66	220.12
Water: Consumption		449.88	559.86	593.52	630.25	630.25	630.25	5.0%	661.74	701.44	743.53
Sanitation		464.01	497.89	543.19	574.82	574.82	574.82	5.0%	603.49	639.70	678.08
Refuse removal		213.48	228.00	253.08	268.26	268.26	268.26	5.0%	281.67	298.57	316.48
Other		53.54	53.54	53.54	53.54	53.54	53.54	(77.0%)	12.34	12.34	12.34
sub-total		**53.54**	**53.54**	**5,388.01**	**5,526.66**	**5,526.66**	**5,526.66**	**3.4%**	**5,716.44**	**5,999.46**	**6,338.11**
VAT on Services		610.42	697.18	765.00	781.61	781.61	781.61		807.71	852.98	900.97
Total large household bill:		**663.96**	**750.72**	**6,153.01**	**6,308.27**	**6,308.27**	**6,308.27**	**3.4%**	**6,524.15**	**6,852.44**	**7,239.08**
% increase/-decrease			**13.1%**	**719.6%**	**2.5%**	**–**	**–**		**3.4%**	**5.0%**	**5.6%**
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		197.10	126.30	136.41	149.64	149.64	149.64	5.0%	157.11	166.54	176.53
Electricity: Basic levy		438.66	504.46	466.10	413.97	413.97	413.97	(17.3%)	342.56	342.56	342.56
Electricity: Capacity Charge (New)		–	–	74.70	164.40	164.40	164.40	63.0%	267.90	283.97	301.01
Electricity: Consumption		893.56	1,104.80	1,249.01	1,200.75	1,200.75	1,200.75	6.6%	1,279.84	1,356.63	1,438.03
Water: Basic levy		155.62	165.74	175.69	186.58	186.58	186.58	5.0%	195.91	207.66	220.12
Water: Consumption		343.78	413.46	438.32	465.50	465.50	465.50	5.0%	488.69	518.01	549.09
Sanitation		409.66	440.29	479.56	507.38	507.38	507.38	5.0%	532.69	564.65	598.53
Refuse removal		213.48	228.00	253.08	268.26	268.26	268.26	5.0%	281.67	298.57	316.48
Other		53.54	53.54	53.54	53.54	53.54	53.54	(77.0%)	12.34	12.34	12.34
sub-total		**2,705.40**	**3,036.59**	**3,326.41**	**3,410.02**	**3,410.02**	**3,410.02**	**4.4%**	**3,558.71**	**3,750.93**	**3,954.69**
VAT on Services		376.25	436.54	478.50	489.06	489.06	489.06	–	510.24	537.66	566.73
Total small household bill:		**3,081.65**	**3,473.13**	**3,804.91**	**3,899.08**	**3,899.08**	**3,899.08**	**4.4%**	**4,068.95**	**4,288.59**	**4,521.42**
% increase/-decrease			**12.7%**	**9.6%**	**2.5%**	**–**	**–**		**4.4%**	**5.4%**	**5.4%**
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		109.50	70.17	75.78	83.13	83.13	–		–	–	–
Electricity: Basic levy		438.66	504.46	466.10	413.97	413.97	413.97	(17.3%)	342.56	342.56	342.56
Electricity: Capacity Charge (New)		–	–	74.70	164.40	164.40	164.40	63.0%	267.90	283.97	301.01
Electricity: Consumption		544.15	678.02	701.15	783.90	783.90	783.90	10.4%	865.16	917.07	972.09
Water: Basic levy		155.62	165.74	175.68	186.58	186.58	186.58	5.0%	195.91	207.66	220.12
Water: Consumption		210.88	267.06	283.12	300.70	300.70	300.70	5.0%	315.64	334.58	354.65
Sanitation		355.99	381.06	415.93	439.93	439.93	439.93	5.0%	461.88	489.59	518.97
Refuse removal		213.48	228.00	253.08	268.26	268.26	268.26	5.0%	281.67	298.57	316.48
Other		(1,154.19)	(1,356.85)	(1,467.05)	(1,603.97)	(1,603.94)	(1,603.97)	4.3%	(1,673.67)	(1,774.09)	(1,880.54)
sub-total		**874.09**	**937.66**	**978.49**	**1,036.90**	**1,036.93**	**953.77**	**1.9%**	**1,057.05**	**1,099.91**	**1,145.34**
VAT on Services		114.69	130.12	135.41	143.07	143.07	143.07		158.56	164.99	171.80
Total small household bill:		**988.78**	**1,067.78**	**1,113.90**	**1,179.97**	**1,180.00**	**1,096.84**	**3.0%**	**1,215.61**	**1,264.90**	**1,317.14**
% increase/-decrease			**8.0%**	**4.3%**	**5.9%**	**0.0%**	**(7.0%)**		**10.8%**	**4.1%**	**4.1%**

References

1. Use as basis property value of R700 000, 1 000 kWh electricity and 30kl water

2. Use as basis property value of R500 000 and R700 000, 500 kWh electricity and 25kl water

3. Use as basis property value of R 300 000, 350kWh electricity and 20kl water (50 kWh electricity and 6 kl water free)

4. Note this is for a SINGLE household.

1.5 Operating Expenditure Framework

The Municipality's expenditure framework for the 2026/27 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*; and

- Taking cognisance of cost containment guidelines and assessing the status of current measures.

The following table is a high-level summary of the 2026/27 budget and MTREF (classified per main type of operating expenditure):

Table 12 Summary of operating expenditure by functional classification item

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

Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Expenditure									
Employee related costs	480,939	523,007	531,381	618,840	594,914	594,914	674,850	702,498	743,048
Remuneration of councillors	12,315	13,519	13,332	14,012	14,349	14,349	15,400	16,480	17,240
Bulk purchases - electricity	346,418	444,223	481,547	556,160	553,190	553,190	603,032	656,280	708,782
Inventory consumed	58,220	59,855	51,539	76,168	73,892	73,892	78,902	83,969	128,795
Debt impairment	52,100	(12,141)	12,698	70,770	25,001	25,001	38,593	38,593	38,593
Depreciation and amortisation	148,321	153,790	152,838	167,211	167,211	167,211	175,572	184,350	193,568
Interest	48,152	48,571	48,767	51,227	45,040	45,040	43,080	47,145	56,450
Contracted services	257,088	293,480	321,654	356,644	383,770	383,770	396,928	419,114	439,592
Transfers and subsidies	16,086	16,512	16,716	16,770	16,770	16,770	17,648	18,500	19,397
Irrecoverable debts written off	10,206	27,155	37,069	20,000	60,131	60,131	20,000	20,000	20,000
Operational costs	142,111	181,851	156,227	164,539	171,278	171,278	125,810	130,201	137,048
Losses on disposal of Assets	-	514	–	–	–	–	–	–	–
Other Losses	72	60	101	–	–	–	7,542	9,120	9,576
Total Expenditure	**1,572,027**	**1,750,397**	**1,823,868**	**2,112,340**	**2,105,545**	**2,105,545**	**2,197,357**	**2,326,250**	**2,512,089**

The budgeted allocation for employee related costs and remuneration of councillors for the 2026/27 financial year totals R690.2m which equals 31.4 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 R29.1m 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 2024 to 30 June 2029 was signed in 2024 and must be implemented by all municipalities on a national level. The increase thus provided for in draft budget for 2026/27 as follows: An increase in the salary budget of 4,75%, and notch increases, with an average of 2.4%. During the previous budget cycle, and as a cost saving measure, an average of 40 posts across the board were not budgeted. This has been carried forward into the 2026/2027 salary budget.

Section 57 Employees' (Directors) remuneration is determined in terms of a fixed agreement. The afore-mentioned employees receive no bonuses, which principle was negotiated with them. 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).

On 21 October 2024, the Minister of Cooperative Governance and Traditional Affairs published the upper limits notice for the salaries, allowances and benefits of councillors and a copy of Government Notice 5446, published in Government Gazette No 51419 dated 21 October 2024. The Overstrand Municipality is, in terms of the Criteria as summarized on the Grading Certificate, regarded as a Grade 4 Municipal Council, with an increase effective from 1 July 2024.

An increase in remuneration of councillors has been factored into the 2026/27 budget, providing for 5 % and the provision for two additional councillors, in the absence of specific indication at the time of the tabling of the Draft Budget.

The provision of debt impairment and write-off of bad debts for consumer accounts has been determined based on an annual collection rate of a minimum of 98 per cent and the Debt Write-off Policy of the Municipality.

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 R175,6m for the 2026/27 financial year and equates to 8 per cent of the total operating expenditure.

Finance charges consist of the repayment of interest on long-term borrowing (cost of capital). Finance charges comprise 1.96 per cent of operating expenditure. The gearing ratio of borrowing to revenue is expected to be below 22% for 2026/27, which is well below the outer proposed limit of 45% by National Treasury.

Bulk purchases are directly informed by the purchase of electricity from Eskom. Municipalities were notified by NERSA that Eskom tariff increases has been approved at 9.01% for bulk purchases.

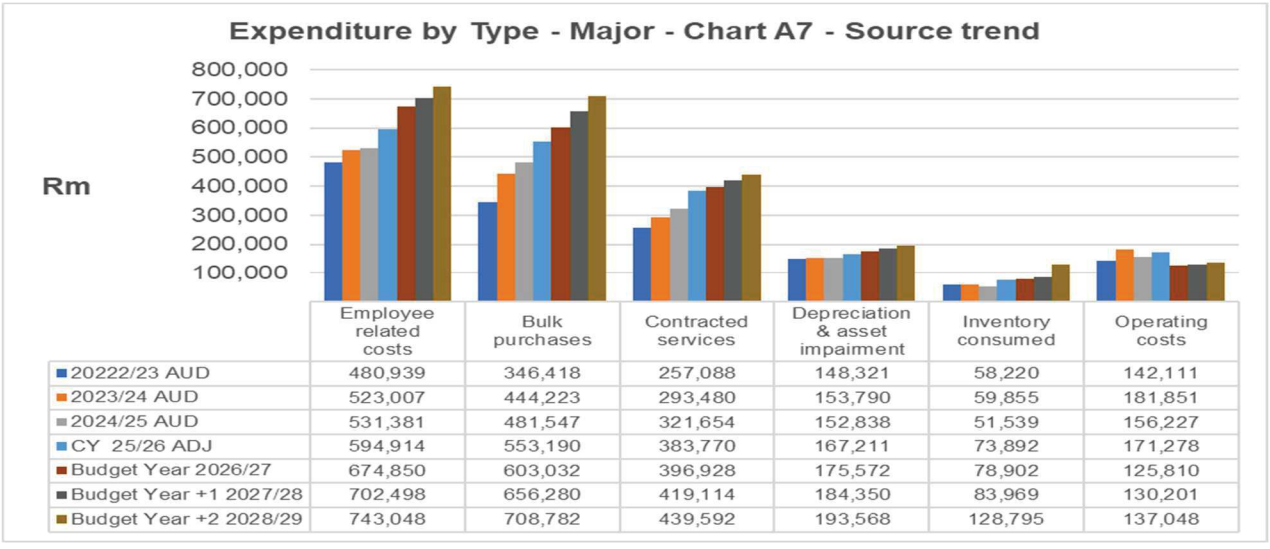
Other materials, now classified as Inventory in mSCOA, comprise amongst others the purchase of materials for maintenance, cleaning materials, fuel, printing etc. In previous financial years the expenditure on top structures relating to Housing Projects funded through the Human Settlement Grant (Construction 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 2026/27 MTREF, this group of expenditure was critically evaluated and operational efficiencies are being enforced, a process that will be continued forthwith. In the 2026/27 financial year, this group of expenditure totals R396.9m.

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. 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 2026/27 financial year.



	Employee related costs	Bulk purchases	Contracted services	Depreciation & asset impairment	Inventory consumed	Operating costs
20222/23 AUD	480,939	346,418	257,088	148,321	58,220	142,111
2023/24 AUD	523,007	444,223	293,480	153,790	59,855	181,851
2024/25 AUD	531,381	481,547	321,654	152,838	51,539	156,227
CY 25/26 ADJ	594,914	553,190	383,770	167,211	73,892	171,278
Budget Year 2026/27	674,850	603,032	396,928	175,572	78,902	125,810
Budget Year +1 2027/28	702,498	656,280	419,114	184,350	83,969	130,201
Budget Year +2 2028/29	743,048	708,782	439,592	193,568	128,795	137,048

Figure 1 Main operational expenditure categories for the 2026/27 financial year

1.5.1 Priority given to repairs and maintenance

Alignment to this priority has been undertaken to preserve and maintain the Municipality's current infrastructure. The 2026/27 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	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Repairs and Maintenance by Expenditure Item									
Employee related costs	116,569	122,183	131,406	149,107	139,203	139,203	154,307	163,565	173,379
Inventory Consumed (Project Maintenance)	23,186	28,196	16,254	27,014	26,492	26,492	31,096	33,549	75,585
Contracted Services	97,410	114,352	120,239	125,509	144,401	144,401	150,020	163,005	172,216
Operational Costs	12,340	15,734	1,544	17,189	18,146	18,146	17,120	18,005	18,942
Total Repairs and Maintenance Expenditure	**249,505**	**280,465**	**269,443**	**318,818**	**328,242**	**328,242**	**352,543**	**378,124**	**440,121**

For 2026/27 MTREF, operational repairs and maintenance remain a strategic imperative owing to the aging of the Municipality's infrastructure. In relation to the total operating expenditure, repairs and maintenance comprises on average 16.04 per cent of the budget over the respective financial years of the MTREF.

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

Table 14 Repairs and maintenance per asset class

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

Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	**137,671**	**159,666**	**159,763**	**193,053**	**183,399**	**183,399**	**206,443**	**230,200**	**284,736**
Roads Infrastructure	54,418	74,585	78,823	85,143	82,665	82,665	93,111	109,049	116,410
Roads	54,418	74,585	78,823	85,143	82,665	82,665	93,111	109,049	116,410
Storm water Infrastructure	6,157	5,588	9,572	13,746	11,423	11,423	13,615	14,431	15,297
Storm water Conveyance	6,157	5,588	9,572	13,746	11,423	11,423	13,615	14,431	15,297
Electrical Infrastructure	35,380	38,864	36,881	49,278	44,748	44,748	51,844	55,986	58,764
LV Networks	35,380	38,864	36,881	49,278	44,748	44,748	51,844	55,986	58,764
Capital Spares	–	–	–	–	–	–	–	–	–
Water Supply Infrastructure	20,432	19,038	17,591	20,984	22,295	22,295	24,096	25,500	67,487
Water Treatment Works	33	–		–	–	–	–	–	–
Distribution	18,708	17,457	17,590	19,901	21,311	21,311	22,947	24,283	66,197
Distribution Points	1,691	1,581	1	1,083	985	985	1,148	1,217	1,290
Sanitation Infrastructure	12,634	12,280	10,134	12,419	11,133	11,133	11,936	12,652	13,411
Reticulation	6,759	6,576	10,134	8,521	8,704	8,704	9,338	9,898	10,492
Waste Water Treatment Works	5,875	5,703		3,898	2,429	2,429	2,598	2,754	2,919
Solid Waste Infrastructure	8,650	9,310	6,763	11,483	11,134	11,134	11,842	12,580	13,366
Waste Processing Facilities	2,662	3,003	331	3,100	3,060	3,060	3,274	3,503	3,749
Waste Drop-off Points	5,988	6,307	6,432	8,383	8,074	8,074	8,568	9,077	9,617
Community Assets	**53,486**	**55,786**	**59,601**	**63,754**	**62,037**	**62,037**	**68,729**	**72,877**	**77,174**
Community Facilities	40,568	43,765	45,665	48,316	47,486	47,486	52,724	55,820	59,109
Halls	5,950	5,954	6,030	5,464	5,584	5,584	6,387	6,711	7,056
Libraries	14	72	–	–	–	–	–	–	–
Cemeteries/Crematoria	943	978	2,111	3,111	2,561	2,561	3,686	3,906	4,139
Parks	28,619	31,644	29,319	31,742	30,981	30,981	33,466	35,474	37,602
Public Open Space	4,553	4,667	6,115	4,186	5,681	5,681	5,145	5,446	5,772
Public Ablution Facilities	488	450	2,090	3,812	2,679	2,679	4,040	4,283	4,540
Sport and Recreation Facilities	12,919	12,021	13,936	15,437	14,551	14,551	16,005	17,057	18,065
Outdoor Facilities	12,919	12,021	13,936	15,437	14,551	14,551	16,005	17,057	18,065
Investment properties	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Other assets	**16,833**	**12,818**	**6,204**	**18,955**	**18,739**	**18,739**	**23,244**	**17,915**	**17,997**
Operational Buildings	16,833	12,818	6,204	18,955	18,739	18,739	23,244	17,915	17,997
Municipal Offices	16,773	12,726	6,204	18,955	18,739	18,739	23,244	17,915	17,997
Building Plan Offices	25	59	–	–	–	–	–	–	–
Depots	34	33	–	–	–	–	–	–	–
Housing	–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Intangible Assets	6,829	7,777	7,842	10,661	11,811	11,811	11,057	11,648	12,275
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	6,829	7,777	7,842	10,661	11,811	11,811	11,057	11,648	12,275
Computer Software and Applications	6,829	7,777	7,842	10,661	11,811	11,811	11,057	11,648	12,275
Computer Equipment	2,157	1,898	1,292	2,546	2,546	2,546	2,546	2,546	2,546
Computer Equipment	2,157	1,898	1,292	2,546	2,546	2,546	2,546	2,546	2,546
Furniture and Office Equipment	8,206	12,316	996	1,704	1,655	1,655	1,737	1,781	1,858
Furniture and Office Equipment	8,206	12,316	996	1,704	1,655	1,655	1,737	1,781	1,858
Machinery and Equipment	4,163	6,749	1,723	5,807	5,797	5,797	6,009	6,415	6,708
Machinery and Equipment	4,163	6,749	1,723	5,807	5,797	5,797	6,009	6,415	6,708
Transport Assets	20,160	23,455	32,021	22,339	42,259	42,259	32,777	34,744	36,828
Transport Assets	20,160	23,455	32,021	22,339	42,259	42,259	32,777	34,744	36,828
Land	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–
Living resources	-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	**249,505**	**280,465**	**269,443**	**318,818**	**328,242**	**328,242**	**352,543**	**378,124**	**440,121**
R&M as a % of PPE	*6.7%*	*7.5%*	*7.3%*	*8.2%*	*8.5%*	*8.5%*	*521.9%*	*342.2%*	*382.7%*
R&M as % Operating Expenditure	*15.9%*	*16.0%*	*14.8%*	*15.1%*	*15.6%*	*15.6%*	*26.8%*	*17.2%*	*18.9%*

For the 2026/27 financial year, 16.04 per cent or R352.5m of the total budget will be spent on repairs and maintenance, of which R206.4m is for infrastructure. Roads infrastructure has received a significant proportion of the infrastructure allocation totalling 45.1 per cent (R93.1m), followed by community assets at 19.5 per cent (R68.7m) and electricity at 14.7 per cent (R51.1m) 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 2026/27 is estimated at 7 800.

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

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.

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

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

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Cash Transfers to Organisations										
Operational	500	530	–	–	–	–	–	–	–	–
Capital	–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Organisations	500	530	–	–	–	–	–	–	–	–
Cash Transfers to Groups of Individuals										
Operational	14,286	15,982	16,716	16,770	16,770	16,770	12,786	17,648	18,500	19,397
Capital	–	–	–	–	–	–	–	–	–	–
TOTAL CASH TRANSFERS AND GRANTS	14,786	16,512	16,716	16,770	16,770	16,770	12,786	17,648	18,500	19,397
TOTAL TRANSFERS AND GRANTS	16,086	16,512	16,716	16,770	16,770	16,770	12,786	17,648	18,500	19,397

1.6 Capital expenditure

The following table provides the budgeted capital expenditure by vote and functional area:

Table 16 2026/27 Medium-term capital budget per function

Vote Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital Expenditure - Functional									
Governance and administration	**2,228**	**6,967**	**3,403**	**3,500**	**3,573**	**3,573**	**7,670**	**3,420**	**3,420**
Executive and council	5	7	48	70	76	76	3,800	50	50
Finance and administration	2,223	6,960	3,355	3,430	3,497	3,497	3,870	3,370	3,370
Internal audit	–	–	–	–	–	–	–	–	–
Community and public safety	**40,838**	**43,100**	**42,468**	**72,520**	**83,107**	**83,107**	**42,120**	**65,112**	**74,230**
Community and social services	3,890	1,371	1,192	6,625	6,077	6,077	7,592	9,420	7,320
Sport and recreation	3,318	5,741	17,476	33,901	33,768	33,768	11,586	7,442	6,250
Public safety	5,007	2,310	6,181	7,452	8,521	8,521	15,831	14,710	20,660
Housing	28,623	33,678	17,619	24,542	34,741	34,741	7,110	33,540	40,000
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	**20,518**	**17,926**	**4,948**	**18,954**	**21,785**	**21,785**	**32,414**	**21,550**	**16,921**
Planning and development	3,719	6,170	1,151	1,554	3,985	3,985	8,150	11,450	7,600
Road transport	16,799	11,755	3,797	17,400	17,800	17,800	24,264	10,100	9,321
Environmental protection	–	–	–	–	–	–	–	–	–
Trading services	**125,737**	**125,525**	**141,935**	**163,372**	**161,371**	**161,371**	**160,536**	**204,363**	**213,597**
Energy sources	55,692	49,583	45,169	60,218	48,613	48,613	63,894	48,083	49,634
Water management	31,608	29,092	34,078	63,653	73,470	73,470	74,742	81,900	84,300
Waste water management	32,801	46,735	58,077	34,560	34,348	34,348	19,700	65,480	72,663
Waste management	5,637	115	4,612	4,940	4,940	4,940	2,200	8,900	7,000
Other	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	189,321	193,518	192,754	258,346	269,836	269,836	242,739	294,445	308,168

For 2026/27, an amount of R160.5m has been appropriated for the development of basic services infrastructure, which represents 66.1 per cent of the total capital budget of R242.7m. In the outer years, this amount totals R204.4m, 69.4 per cent and R213.6m, 69.3 per cent respectively for each of these financial years. Water infrastructure has the highest allocation at R74.7m in 2026/27, which equates to 46.5 per cent of the basic services infrastructure allocation, followed by electricity at 39.8 per cent, R63.9m, wastewater management 12.3 per cent, R19.7m and waste management allocation at 1.4 per cent, R2.2m. Over the MTREF, the capital housing grant expenditure relating to housing infrastructure provision amounts to R80.6m.

Some of the salient projects to be undertaken during 2026/27 includes, amongst others:

Top 10 Capital Projects

Project Description	Ward	AMOUNT
REFURBISHMENT OF BUFFELS RIVER WTW	Multi-ward KM Area	45,892,000
ELECTRIFICATION OF LOW COST HOUSING AREAS + ESDM	Overstrand	30,139,000
OVERSTRAND MV/LV UPGRADE REPLACEMENT	Overstrand	20,100,000
REHABILITATE ROADS (Angelier Street)	Ward 04	12,748,994
REPLACEMENT OF OVERSTRAND WATER PIPES	Overstrand	12,600,000
UPGRADING OF PUMPSTATIONS AND RISING MAINS	Overstrand	10,740,000
NEW STILL STREET 66KV 11KV SUBSTATION	Ward 03	10,000,000
REHABILITATE ROADS & NEW SIDEWALKS PROTEADORP	Ward 09	8,220,152
VEHICLES-PUBLIC SAFETY	Overstrand	7,500,000
LCH SERVICES	Overstrand	7,110,200

Furthermore, 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.

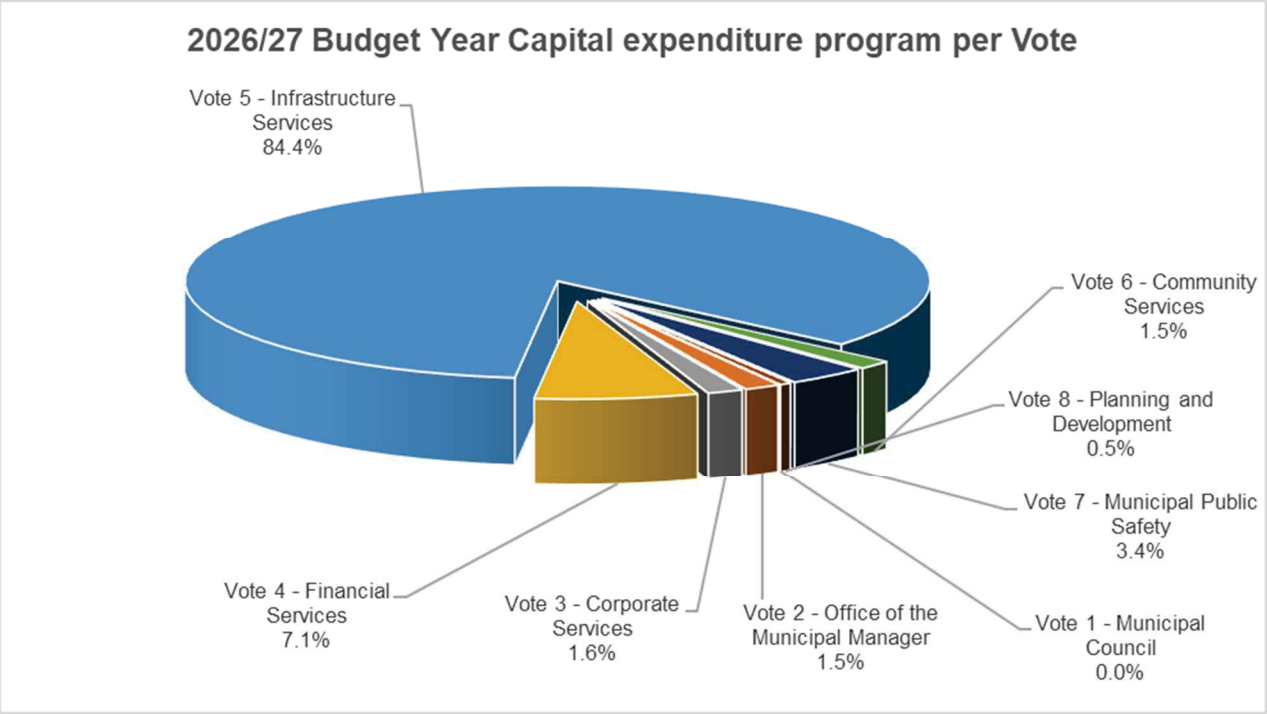


Figure 2 Capital Infrastructure Programme

1.6.1 Future operational cost of new infrastructure

An estimate has been included in Table 59 MBRR SA35. 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 2026/27 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 2026/27 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	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Financial Performance									
Property rates	297,101	339,224	367,109	383,977	383,977	383,977	405,548	429,881	455,674
Service charges	840,648	998,807	1,116,329	1,199,626	1,169,160	1,169,160	1,305,144	1,382,882	1,465,830
Investment revenue	51,751	68,418	73,160	55,000	68,000	68,000	68,000	68,000	68,000
Transfer and subsidies - Operational	172,163	191,359	199,017	205,957	207,587	207,587	215,312	228,047	232,891
Other own revenue	188,650	166,398	198,264	173,311	172,848	172,848	139,524	143,519	149,712
Total Revenue (excluding capital transfers and	1,550,312	1,764,206	1,953,878	2,017,871	2,001,572	2,001,572	2,133,528	2,252,329	2,372,107
Employee costs	480,939	523,007	531,381	618,840	594,914	594,914	674,850	702,498	743,048
Remuneration of councillors	12,315	13,519	13,332	14,012	14,349	14,349	15,400	16,480	17,240
Depreciation and amortisation	148,321	153,790	152,838	167,211	167,211	167,211	175,572	184,350	193,568
Interest	48,152	48,571	48,767	51,227	45,040	45,040	43,080	47,145	56,450
Inventory consumed and bulk purchases	404,638	504,078	533,086	632,328	627,082	627,082	681,934	740,249	837,577
Transfers and subsidies	16,086	16,512	16,716	16,770	16,770	16,770	17,648	18,500	19,397
Other expenditure	461,576	490,920	527,749	611,953	640,180	640,180	588,873	617,028	644,808
Total Expenditure	1,572,027	1,750,397	1,823,868	2,112,340	2,105,545	2,105,545	2,197,357	2,326,250	2,512,089
Surplus/(Deficit)	(21,715)	13,809	130,010	(94,469)	(103,973)	(103,973)	(63,829)	(73,921)	(139,982)
Transfers and subsidies - capital (monetary allocations)	125,273	92,977	72,989	101,549	112,768	112,768	91,584	72,445	86,168
Transfers and subsidies - capital (in-kind)	6,130	21,299	4,003	–	44	44	–	–	–
Surplus/(Deficit) after capital transfers &	109,688	128,085	207,001	7,080	8,839	8,839	27,755	(1,476)	(53,814)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	109,688	128,085	207,001	7,080	8,839	8,839	27,755	(1,476)	(53,814)
Capital expenditure & funds sources									
Capital expenditure	189,321	193,518	192,754	258,346	269,836	269,836	242,739	294,445	308,168
Transfers recognised - capital	112,876	114,260	76,992	101,549	112,748	112,748	91,584	72,445	86,168
Borrowing	34,249	66,513	77,047	106,337	104,918	104,918	101,155	172,000	172,000
Internally generated funds	42,197	12,745	38,716	50,460	52,170	52,170	50,000	50,000	50,000
Total sources of capital funds	189,321	193,518	192,754	258,346	269,836	269,836	242,739	294,445	308,168
Financial position									
Total current assets	833,727	959,788	1,181,533	942,343	1,068,835	1,068,835	1,101,933	1,100,329	1,012,398
Total non current assets	4,012,995	4,027,986	4,051,141	4,166,089	4,155,195	4,155,195	4,214,208	4,324,602	4,439,503
Total current liabilities	306,872	312,598	423,145	326,629	334,448	334,448	368,211	398,062	379,108
Total non current liabilities	707,060	713,869	641,220	693,169	691,707	691,707	714,922	784,317	872,623
Community wealth/Equity	3,832,790	3,961,307	4,168,309	4,088,634	4,197,876	4,197,876	4,233,007	4,242,553	4,200,169
Cash flows									
Net cash from (used) operating	214,123	211,450	346,352	223,747	290,768	290,768	229,960	199,323	139,676
Net cash from (used) investing	(184,495)	(176,913)	(177,438)	(228,178)	(239,724)	(239,724)	(234,284)	(294,445)	(308,168)
Net cash from (used) financing	628	(4,414)	8,492	(59,454)	(61,512)	(61,512)	36,579	91,171	76,328
Cash/cash equivalents at the year end	646,535	676,658	854,064	723,115	843,596	843,596	875,852	871,901	779,737
Cash backing/surplus reconciliation									
Cash and investments available	714,746	708,073	861,379	731,515	852,052	852,052	875,852	871,901	779,737
Application of cash and investments	90,960	1,450	13,555	72,115	62,637	62,637	3,230	3,231	3,232
Balance - surplus (shortfall)	623,786	706,622	847,823	659,400	789,415	789,415	872,621	868,670	776,505
Asset management									
Asset register summary (WDV)	3,944,784	3,996,571	4,043,826	4,157,689	4,146,740	4,146,740	4,214,208	4,324,602	4,439,503
Depreciation	148,321	153,790	152,838	167,211	167,211	167,211	175,572	184,350	193,568
Renewal and Upgrading of Existing Assets	56,518	51,250	73,547	110,336	118,195	118,195	142,620	145,622	144,913
Repairs and Maintenance	249,505	280,465	269,443	318,818	328,242	328,242	352,543	378,124	440,121
Free services									
Cost of Free Basic Services provided	24,182	32,361	26,170	27,740	53,222	53,222	63,350	67,475	71,873
Revenue cost of free services provided	–	–	–	–	–	–	–	–	–
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 emphasise 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 accounting surplus/deficit is negative over the MTREF, however on a positive trajectory, thus ultimately aimed at an accounting surplus position.
    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 indicate the 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)

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

Functional Classification Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue - Functional									
Governance and administration	**462,846**	**564,280**	**568,499**	**558,698**	**531,677**	**531,677**	**571,597**	**599,850**	**624,235**
Executive and council	73,092	106,420	69,018	78,908	37,942	37,942	52,992	54,146	49,917
Finance and administration	389,754	457,860	499,480	479,790	493,735	493,735	518,605	545,704	574,317
Internal audit	–	–	–	–	–	–	–	–	–
Community and public safety	**182,416**	**159,424**	**168,617**	**190,872**	**199,508**	**199,508**	**111,885**	**139,670**	**146,425**
Community and social services	9,270	9,474	9,655	9,667	9,667	9,667	10,509	10,666	10,678
Sport and recreation	14,939	18,510	32,199	42,443	42,443	42,443	29,557	32,475	31,535
Public safety	76,056	(7,188)	29,217	71,012	60,132	60,132	62,292	62,400	63,603
Housing	82,150	138,628	97,546	67,750	87,266	87,266	9,527	34,129	40,610
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	**34,098**	**36,468**	**29,380**	**25,010**	**27,792**	**27,792**	**41,597**	**34,001**	**34,185**
Planning and development	19,181	21,179	17,970	15,605	16,293	16,293	16,965	15,043	15,933
Road transport	14,877	15,248	10,556	6,430	6,474	6,474	20,699	18,958	18,252
Environmental protection	40	40	854	2,975	5,025	5,025	3,934	–	–
Trading services	**1,002,939**	**1,121,669**	**1,264,341**	**1,344,840**	**1,355,407**	**1,355,407**	**1,500,033**	**1,551,252**	**1,653,431**
Energy sources	576,269	661,409	750,422	803,779	794,779	794,779	910,591	942,704	1,002,094
Water management	182,255	206,017	231,351	254,990	262,490	262,490	272,479	260,998	279,658
Waste water management	141,829	145,524	154,580	151,900	156,967	156,967	167,523	189,144	203,768
Waste management	102,585	108,719	127,989	134,170	141,170	141,170	149,440	158,406	167,910
Other	**0**	**0**	**33**	**–**	**0**	**0**	**–**	**–**	**–**
Total Revenue - Functional	**1,682,299**	**1,881,841**	**2,030,870**	**2,119,420**	**2,114,384**	**2,114,384**	**2,225,112**	**2,324,774**	**2,458,275**
Expenditure - Functional									
Governance and administration	**279,049**	**290,826**	**298,802**	**239,756**	**241,781**	**241,781**	**273,277**	**270,780**	**277,101**
Executive and council	60,364	68,349	67,122	54,863	48,535	48,535	54,461	47,372	48,565
Finance and administration	215,535	219,138	227,724	180,030	188,223	188,223	213,688	218,019	222,869
Internal audit	3,150	3,339	3,956	4,863	5,023	5,023	5,129	5,390	5,666
Community and public safety	**297,737**	**296,230**	**314,658**	**367,826**	**357,714**	**357,714**	**326,411**	**335,728**	**353,128**
Community and social services	22,970	36,149	25,556	28,762	28,694	28,694	31,826	33,014	34,138
Sport and recreation	57,811	57,556	64,141	79,622	71,489	71,489	79,866	84,713	89,752
Public safety	156,969	92,802	140,324	209,210	200,062	200,062	206,104	210,863	221,709
Housing	59,987	109,723	84,638	50,232	57,469	57,469	8,615	7,138	7,529
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	**179,614**	**204,094**	**212,127**	**238,076**	**234,631**	**234,631**	**257,640**	**275,515**	**290,985**
Planning and development	47,425	48,212	51,500	58,293	50,923	50,923	60,162	60,886	63,808
Road transport	107,694	131,258	133,810	150,904	153,695	153,695	165,665	185,425	196,809
Environmental protection	24,496	24,623	26,817	28,879	30,012	30,012	31,813	29,204	30,367
Trading services	**810,879**	**958,821**	**995,836**	**1,259,762**	**1,266,990**	**1,266,990**	**1,332,675**	**1,436,487**	**1,582,727**
Energy sources	439,681	553,664	586,592	755,473	753,342	753,342	806,195	874,013	938,151
Water management	139,629	160,902	167,885	203,332	204,088	204,088	211,378	224,459	286,160
Waste water management	134,709	147,196	146,977	172,526	175,479	175,479	182,605	192,172	204,290
Waste management	96,861	97,059	94,382	128,430	134,081	134,081	132,498	145,843	154,126
Other	**3,722**	**2,830**	**2,445**	**6,921**	**4,429**	**4,429**	**7,354**	**7,739**	**8,149**
Total Expenditure - Functional	**1,571,001**	**1,752,801**	**1,823,868**	**2,112,340**	**2,105,545**	**2,105,545**	**2,197,357**	**2,326,250**	**2,512,089**
Surplus/(Deficit) for the year	**111,298**	**129,040**	**207,001**	**7,080**	**8,839**	**8,839**	**27,755**	**(1,476)**	**(53,814)**

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)

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

Vote Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue by Vote									
Vote 1 - Municipal Council	74,415	106,209	69,013	78,908	37,942	37,942	52,992	54,146	49,917
Vote 2 - Office of the Municipal Manager	–	–	833	515	860	860	576	611	647
Vote 3 - Corporate Services	1,496	1,492	122	1,274	1,774	1,774	1,057	1,120	1,188
Vote 4 - Financial Services	370,122	436,859	475,912	477,666	490,666	490,666	516,406	543,396	571,894
Vote 5 - Infrastructure Services	1,102,798	1,275,677	1,373,260	1,419,613	1,450,527	1,450,527	1,530,590	1,603,952	1,711,884
Vote 6 - Community Services	24,795	29,545	42,900	52,939	52,939	52,939	41,090	44,216	43,492
Vote 7 - Municipal Public Safety	76,056	(7,188)	29,217	71,012	60,132	60,132	62,292	62,400	63,603
Vote 8 - Planning and Development	32,033	35,888	39,611	17,494	19,544	19,544	20,109	14,933	15,651
Vote 9 - Costing Services	–	–	–	–	–	–	–	–	–
Vote 10 - Main Ledger Services	–	–	–	–	–	–	–	–	–
Total Revenue by Vote	**1,681,715**	**1,878,482**	**2,030,870**	**2,119,420**	**2,114,384**	**2,114,384**	**2,225,112**	**2,324,774**	**2,458,275**
Expenditure by Vote ***to be appropriated***									
Vote 1 - Municipal Council	46,177	41,353	45,672	55,516	53,635	53,635	57,064	50,823	53,213
Vote 2 - Office of the Municipal Manager	9,709	14,201	20,551	33,702	29,173	29,173	36,841	38,672	40,608
Vote 3 - Corporate Services	58,075	56,963	68,360	82,589	81,712	81,712	86,730	91,316	96,164
Vote 4 - Financial Services	140,078	106,638	136,147	171,468	174,513	174,513	192,404	199,181	210,176
Vote 5 - Infrastructure Services	943,253	1,189,410	1,179,782	1,293,520	1,299,399	1,299,399	1,319,177	1,427,221	1,566,544
Vote 6 - Community Services	157,827	186,656	176,139	203,116	193,622	193,622	221,509	227,148	238,601
Vote 7 - Municipal Public Safety	153,723	94,947	135,700	201,555	205,522	205,522	207,166	217,730	229,089
Vote 8 - Planning and Development	63,185	60,230	61,517	70,875	67,969	67,969	76,466	74,158	77,695
Vote 9 - Costing Services	–	–	–	–	–	–	–	–	–
Vote 10 - Main Ledger Services	–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	**1,572,027**	**1,750,397**	**1,823,868**	**2,112,340**	**2,105,545**	**2,105,545**	**2,197,357**	**2,326,250**	**2,512,089**
Surplus/(Deficit) for the year	**109,688**	**128,085**	**207,001**	**7,080**	**8,839**	**8,839**	**27,755**	**(1,476)**	**(53,814)**

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.

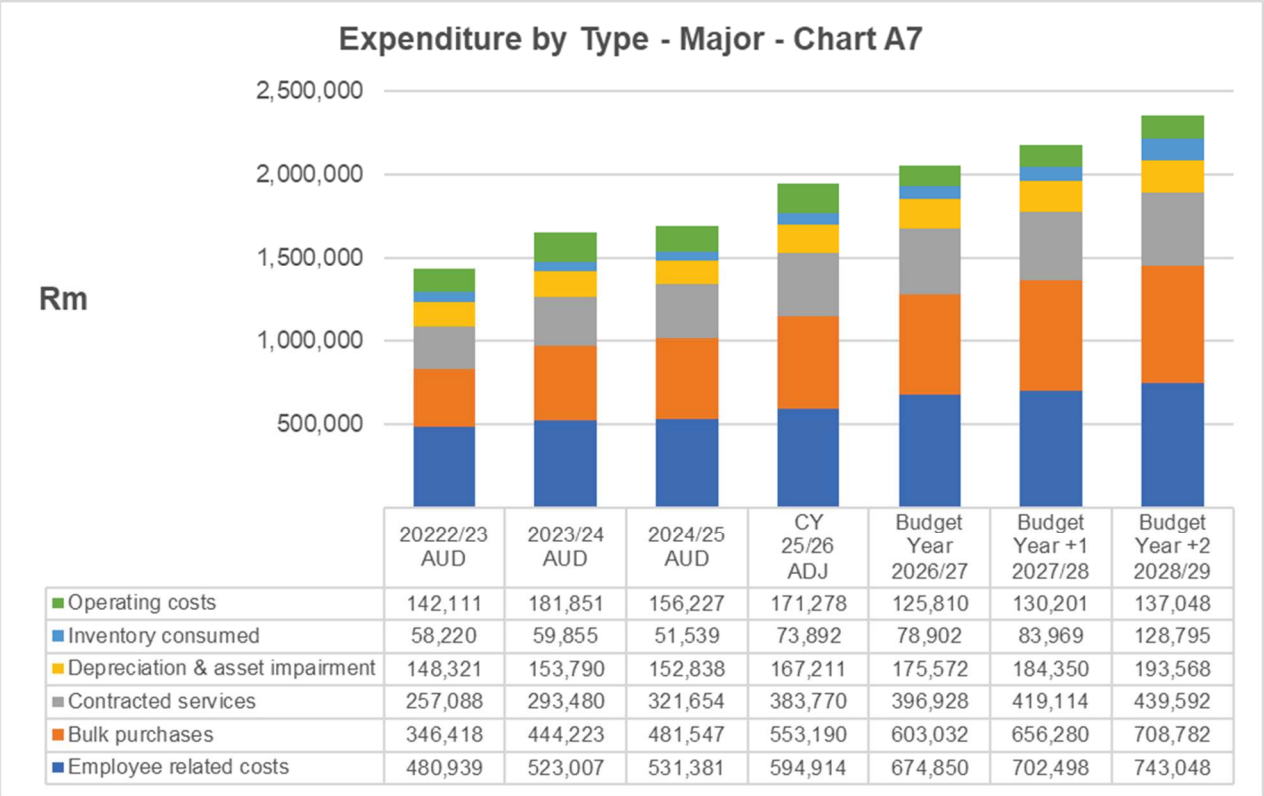
Table 20 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

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

Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue									
Exchange Revenue									
Service charges - Electricity	495,999	607,344	680,585	745,540	718,135	718,135	822,903	871,718	923,997
Service charges - Water	158,070	179,935	200,340	209,109	208,803	208,803	225,950	239,494	253,864
Service charges - Waste Water Management	100,655	113,954	127,050	129,533	126,779	126,779	134,321	142,381	150,923
Service charges - Waste Management	85,923	97,574	108,353	115,444	115,444	115,444	121,971	129,289	137,046
Sale of Goods and Rendering of Services	80,448	131,093	106,778	63,725	73,387	73,387	29,014	30,755	32,600
Agency services	7,140	6,599	6,846	7,500	7,500	7,500	7,819	8,288	8,785
Interest	33	215	507	0	0	0	–	–	–
Interest earned from Receivables	5,796	10,299	11,703	12,500	12,500	12,500	12,500	13,250	14,045
Interest earned from Current and Non Current Assets	51,751	68,418	73,160	55,000	68,000	68,000	68,000	68,000	68,000
Dividends	-	–	–	–	–	–	–	–	–
Rent on Land	1,401	2,704	855	452	452	452	1,243	1,318	1,397
Rental from Fixed Assets	5,346	5,570	8,246	7,544	7,544	7,544	9,370	9,932	10,528
Licence and permits	1,143	923	1,116	780	780	780	1,481	1,570	1,664
Special rating levies	-	–	–	15,420	15,420	15,420	16,193	17,165	18,195
Construction Contract Revenue	-	–	–	–	–	–	1,847	–	–
Development Charges	-	–	–	–	–	–	3,599	3,815	4,044
Operational Revenue	10,988	11,090	16,233	5,554	5,620	5,620	8,812	9,341	9,901
Non-Exchange Revenue									
Property rates	297,101	339,224	367,109	383,977	383,977	383,977	405,548	429,881	455,674
Surcharges and Taxes	-	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	58,043	(22,970)	12,341	52,537	42,344	42,344	42,861	43,032	43,214
Licences or permits	1,834	2,008	1,858	2,000	2,000	2,000	2,186	2,317	2,456
Transfer and subsidies - Operational	172,163	191,359	199,017	205,957	207,587	207,587	215,312	228,047	232,891
Interest	1,294	2,186	2,027	2,300	2,300	2,300	2,300	2,438	2,584
Fuel Levy	-	–	–	–	–	–	–	–	–
Operational Revenue	-	–	–	–	–	–	–	–	–
Gains on disposal of Assets	904	–	13,632	–	–	–	–	–	–
Other Gains	14,279	16,679	16,121	3,000	3,000	3,000	300	300	300
Discontinued Operations	-	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	**1,550,312**	**1,764,206**	**1,953,878**	**2,017,871**	**2,001,572**	**2,001,572**	**2,133,528**	**2,252,329**	**2,372,107**
Expenditure									
Employee related costs	480,939	523,007	531,381	618,840	594,914	594,914	674,850	702,498	743,048
Remuneration of councillors	12,315	13,519	13,332	14,012	14,349	14,349	15,400	16,480	17,240
Bulk purchases - electricity	346,418	444,223	481,547	556,160	553,190	553,190	603,032	656,280	708,782
Inventory consumed	58,220	59,855	51,539	76,168	73,892	73,892	78,902	83,969	128,795
Debt impairment	52,100	(12,141)	12,698	70,770	25,001	25,001	38,593	38,593	38,593
Depreciation and amortisation	148,321	153,790	152,838	167,211	167,211	167,211	175,572	184,350	193,568
Interest	48,152	48,571	48,767	51,227	45,040	45,040	43,080	47,145	56,450
Contracted services	257,088	293,480	321,654	356,644	383,770	383,770	396,928	419,114	439,592
Transfers and subsidies	16,086	16,512	16,716	16,770	16,770	16,770	17,648	18,500	19,397
Irrecoverable debts written off	10,206	27,155	37,069	20,000	60,131	60,131	20,000	20,000	20,000
Operational costs	142,111	181,851	156,227	164,539	171,278	171,278	125,810	130,201	137,048
Losses on disposal of Assets	-	514	–	–	–	–	–	–	–
Other Losses	72	60	101	–	–	–	7,542	9,120	9,576
Total Expenditure	**1,572,027**	**1,750,397**	**1,823,868**	**2,112,340**	**2,105,545**	**2,105,545**	**2,197,357**	**2,326,250**	**2,512,089**
Surplus/(Deficit)	**(21,715)**	**13,809**	**130,010**	**(94,469)**	**(103,973)**	**(103,973)**	**(63,829)**	**(73,921)**	**(139,982)**
Transfers and subsidies - capital (monetary allocations)	125,273	92,977	72,989	101,549	112,768	112,768	91,584	72,445	86,168
Transfers and subsidies - capital (in-kind)	6,130	21,299	4,003	–	44	44	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**109,688**	128,085	207,001	**7,080**	**8,839**	**8,839**	**27,755**	**(1,476)**	**(53,814)**
Income Tax	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax	**109,688**	128,085	207,001	7,080	8,839	8,839	27,755	(1,476)	(53,814)
Share of Surplus/Deficit attributable to Joint Venture	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	**109,688**	128,085	207,001	7,080	8,839	8,839	27,755	(1,476)	(53,814)
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	**109,688**	**128,085**	**207,001**	**7,080**	**8,839**	**8,839**	**27,755**	**(1,476)**	**(53,814)**

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

1. Total operating revenue is R2.001 billion in 2025/26 and indicates an increase to R2.133 billion in 2026/27.
2. Revenue to be generated from property rates is R383.9 million in the 2025/26 financial year and increases to R405.5 million by 2026/27 that represents 19 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 R1.169 billion for the 2025/26 financial year and indicates an increase to R1.305 billion by 2026/27. For the 2026/27 financial year services charges amount to 61.1 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.



	20222/23 AUD	2023/24 AUD	2024/25 AUD	CY 25/26 ADJ	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Operating costs	142,111	181,851	156,227	171,278	125,810	130,201	137,048
Inventory consumed	58,220	59,855	51,539	73,892	78,902	83,969	128,795
Depreciation & asset impairment	148,321	153,790	152,838	167,211	175,572	184,350	193,568
Contracted services	257,088	293,480	321,654	383,770	396,928	419,114	439,592
Bulk purchases	346,418	444,223	481,547	553,190	603,032	656,280	708,782
Employee related costs	480,939	523,007	531,381	594,914	674,850	702,498	743,048

Figure 3 Expenditure by major type

6. Bulk purchases have significantly increased over the 2022/23 to 2028/29 period escalating from R346.4 million to R708.8 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

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

Vote Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure - Vote									
Multi-year expenditure *to be appropriated*									
Vote 1 - Municipal Council	–	–	–	–	–	–	–	–	–
Vote 2 - Office of the Municipal Manager	–	–	–	–	–	–	–	–	–
Vote 3 - Corporate Services	–	588	1,354	3,315	3,315	3,315	3,770	3,270	3,270
Vote 4 - Financial Services	–	10	2,015	8,420	8,263	8,263	5,640	8,640	4,790
Vote 5 - Infrastructure Services	4,059	170,843	143,031	215,840	221,888	221,888	204,445	255,695	269,418
Vote 6 - Community Services	–	–	596	2,925	1,325	1,325	3,592	5,320	5,320
Vote 7 - Municipal Public Safety	–	161	1,210	3,792	4,092	4,092	4,581	7,310	7,310
Vote 8 - Planning and Development	–	6,170	23	29	1,049	1,049	1,200	2,200	2,200
Vote 9 - Costing Services	–	–	–	–	–	–	–	–	–
Vote 10 - Main Ledger Services	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	**4,059**	**177,772**	**148,229**	**234,321**	**239,932**	**239,932**	**223,229**	**282,435**	**292,308**
Single-year expenditure *to be appropriated*									
Vote 1 - Municipal Council	–	–	–	–	–	–	–	–	–
Vote 2 - Office of the Municipal Manager	–	7	2	15	21	21	3,760	10	10
Vote 3 - Corporate Services	1,812	6,362	1,973	–	–	–	–	–	–
Vote 4 - Financial Services	57	–	18,384	16,060	15,711	15,711	11,500	11,500	15,350
Vote 5 - Infrastructure Services	163,637	115	17,537	7,950	12,267	12,267	500	500	500
Vote 6 - Community Services	5,007	7,112	5,129	–	1,777	1,777	–	–	–
Vote 7 - Municipal Public Safety	2,365	2,150	1,358	–	128	128	3,750	–	–
Vote 8 - Planning and Development	12,384	–	143	–	–	–	–	–	–
Vote 9 - Costing Services	–	–	–	–	–	–	–	–	–
Vote 10 - Main Ledger Services	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total	**185,262**	**15,746**	**44,526**	**24,025**	**29,904**	**29,904**	**19,510**	**12,010**	**15,860**
Total Capital Expenditure - Vote	**189,321**	**193,518**	**192,754**	**258,346**	**269,836**	**269,836**	**242,739**	**294,445**	**308,168**
Capital Expenditure - Functional									
Governance and administration	**2,228**	**6,967**	**3,403**	**3,500**	**3,573**	**3,573**	**7,670**	**3,420**	**3,420**
Executive and council	5	7	48	70	76	76	3,800	50	50
Finance and administration	2,223	6,960	3,355	3,430	3,497	3,497	3,870	3,370	3,370
Internal audit	–	–	–	–	–	–	–	–	–
Community and public safety	**40,838**	**43,100**	**42,468**	**72,520**	**83,107**	**83,107**	**42,120**	**65,112**	**74,230**
Community and social services	3,890	1,371	1,192	6,625	6,077	6,077	7,592	9,420	7,320
Sport and recreation	3,318	5,741	17,476	33,901	33,768	33,768	11,586	7,442	6,250
Public safety	5,007	2,310	6,181	7,452	8,521	8,521	15,831	14,710	20,660
Housing	28,623	33,678	17,619	24,542	34,741	34,741	7,110	33,540	40,000
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	**20,518**	**17,926**	**4,948**	**18,954**	**21,785**	**21,785**	**32,414**	**21,550**	**16,921**
Planning and development	3,719	6,170	1,151	1,554	3,985	3,985	8,150	11,450	7,600
Road transport	16,799	11,755	3,797	17,400	17,800	17,800	24,264	10,100	9,321
Environmental protection	–	–	–	–	–	–	–	–	–
Trading services	**125,737**	**125,525**	**141,935**	**163,372**	**161,371**	**161,371**	**160,536**	**204,363**	**213,597**
Energy sources	55,692	49,583	45,169	60,218	48,613	48,613	63,894	48,083	49,634
Water management	31,608	29,092	34,078	63,653	73,470	73,470	74,742	81,900	84,300
Waste water management	32,801	46,735	58,077	34,560	34,348	34,348	19,700	65,480	72,663
Waste management	5,637	115	4,612	4,940	4,940	4,940	2,200	8,900	7,000
Other	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	**189,321**	**193,518**	**192,754**	**258,346**	**269,836**	**269,836**	**242,739**	**294,445**	**308,168**
Funded by:									
National Government	81,741	59,150	54,164	76,207	76,207	76,207	82,749	38,905	46,168
Provincial Government	5,036	33,827	18,719	25,342	36,541	36,541	8,835	33,540	40,000
District Municipality	–		–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm	26,098	21,282	4,108	–	–	–	–	–	–
Transfers recognised - capital	**112,876**	**114,260**	**76,992**	**101,549**	**112,748**	**112,748**	**91,584**	**72,445**	**86,168**
Borrowing	34,249	66,513	77,047	106,337	104,918	104,918	101,155	172,000	172,000
Internally generated funds	42,197	12,745	38,716	50,460	52,170	52,170	50,000	50,000	50,000
Total Capital Funding	**189,321**	**193,518**	**192,754**	**258,346**	**269,836**	**269,836**	**242,739**	**294,445**	**308,168**

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 R242.7 million in 2026/27.
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 2026/27, capital transfers total R91.6 million. Borrowing has been provided at R101.1 million (inclusive of rollover borrowing), finance leases (nil) and internally generated funding totaling R50 million. These funding sources are further discussed in detail in paragraph 2.6 (Overview of Budget Funding).
5. Rolled over borrowing amounts to R1.1m.

Table 22 MBRR Table A6 - Budgeted Financial Position

Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
ASSETS									
Current assets									
Cash and cash equivalents	646,535	676,658	854,064	723,115	843,596	843,596	875,852	871,901	779,737
Short term Investments	–	–	–	–	–	–	–	–	–
Trade and other receivables from exchange transaction	86,305	116,416	136,299	110,653	90,021	90,021	85,085	80,763	77,914
Receivables from non-exchange transactions	37,804	36,449	32,716	35,577	43,097	43,097	49,162	55,608	62,459
Current portion of non-current receivables	–	–	–	–	–	–	–	–	–
Inventory	11,594	15,762	12,097	15,588	18,182	18,182	17,306	16,458	15,618
VAT	10,328	9,557	4,856	1,800	17,911	17,911	17,440	17,440	17,440
Other current assets	41,162	104,945	141,503	55,610	56,028	56,028	57,088	58,158	59,228
Total current assets	**833,727**	**959,788**	**1,181,533**	**942,343**	**1,068,835**	**1,068,835**	**1,101,933**	**1,100,329**	**1,012,398**
Non current assets									
Investments	68,211	31,415	7,315	8,400	8,456	8,456	–	–	–
Investment property	151,589	164,436	167,369	168,225	167,658	167,658	167,958	168,258	168,558
Property, plant and equipment	3,674,341	3,714,046	3,758,566	3,871,372	3,861,249	3,861,249	3,928,792	4,039,282	4,154,297
Biological assets	–	–	–	–	–	–	–	–	–
Living and non-living resources	542	415	681	980	913	913	842	767	689
Heritage assets	109,625	109,625	109,625	109,625	109,625	109,625	109,625	109,625	109,625
Intangible assets	8,687	8,050	7,585	7,488	7,295	7,295	6,990	6,670	6,334
Trade and other receivables from exchange transaction	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactior	–	–	–	–	–	–	–	–	–
Other non-current assets	–	–	–	–	–	–	–	–	–
Total non current assets	**4,012,995**	**4,027,986**	**4,051,141**	**4,166,089**	**4,155,195**	**4,155,195**	**4,214,208**	**4,324,602**	**4,439,503**
TOTAL ASSETS	**4,846,722**	**4,987,774**	**5,232,674**	**5,108,433**	**5,224,031**	**5,224,031**	**5,316,141**	**5,424,931**	**5,451,900**
LIABILITIES									
Current liabilities									
Bank overdraft	–	–	–	–	–	–	–	–	–
Financial liabilities	57,949	50,444	150,929	61,383	61,471	61,471	78,879	93,722	80,407
Consumer deposits	65,804	69,338	63,274	69,665	68,474	68,474	66,524	64,574	62,624
Trade and other payables from exchange transactions	127,465	135,133	158,574	133,297	157,669	157,669	162,517	163,956	165,593
Trade and other payables from non-exchange transacti	6,206	5,342	3,012	–	–	–	–	–	–
Provision	40,983	42,076	37,797	45,206	35,147	35,147	47,840	64,824	59,499
VAT	–	–	–	6,076	1,581	1,581	(15)	(15)	(15)
Other current liabilities	8,465	10,266	9,559	11,002	10,105	10,105	12,466	11,000	11,000
Total current liabilities	**306,872**	**312,598**	**423,145**	**326,629**	**334,448**	**334,448**	**368,211**	**398,062**	**379,108**
Non current liabilities									
Financial liabilities	421,957	421,513	335,584	360,476	360,549	360,549	394,780	473,059	564,652
Provision	150,346	151,521	155,593	162,269	168,802	168,802	146,485	130,655	121,730
Long term portion of trade payables	–	–	–	–	–	–	–	–	–
Other non-current liabilities	134,757	140,834	150,043	170,424	162,356	162,356	173,657	180,603	186,241
Total non current liabilities	**707,060**	**713,869**	**641,220**	**693,169**	**691,707**	**691,707**	**714,922**	**784,317**	**872,623**
TOTAL LIABILITIES	**1,013,932**	**1,026,467**	**1,064,365**	**1,019,798**	**1,026,155**	**1,026,155**	**1,083,133**	**1,182,378**	**1,251,732**
NET ASSETS	**3,832,790**	**3,961,307**	**4,168,309**	**4,088,634**	**4,197,876**	**4,197,876**	**4,233,007**	**4,242,553**	**4,200,169**
COMMUNITY WEALTH/EQUITY									
Accumulated surplus/(deficit)	3,829,562	3,958,079	4,165,081	4,085,404	4,194,647	4,194,647	4,229,777	4,239,322	4,196,937
Reserves and funds	3,228	3,228	3,228	3,231	3,229	3,229	3,230	3,231	3,232
Other	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	**3,832,790**	**3,961,307**	**4,168,309**	**4,088,634**	**4,197,876**	**4,197,876**	**4,233,007**	**4,242,553**	**4,200,169**

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 from Table SA3, 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	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	292,203	331,408	365,875	395,671	380,865	380,865	417,681	442,741	469,306
Service charges	812,299	933,715	1,063,983	1,191,297	1,168,162	1,168,162	1,294,976	1,372,104	1,454,406
Other revenue	114,226	148,838	147,686	95,718	121,480	121,480	76,959	79,360	83,550
Transfers and Subsidies - Operational	172,032	186,843	197,257	205,957	207,587	207,587	215,312	228,047	232,891
Transfers and Subsidies - Capital	105,269	96,616	70,817	101,549	112,812	112,812	91,584	72,445	86,168
Interest	58,874	81,119	86,667	55,000	68,000	68,000	68,000	68,000	68,000
Dividends	–	–	–	–	–	–	–	–	–
Payments									
Suppliers and employees	(1,277,763)	(1,501,927)	(1,519,736)	(1,753,448)	(1,706,326)	(1,706,326)	(1,873,824)	(1,997,729)	(2,178,797)
Interest	(48,152)	(48,571)	(49,393)	(51,227)	(45,040)	(45,040)	(43,080)	(47,145)	(56,450)
Transfers and Subsidies	(14,865)	(16,590)	(16,803)	(16,770)	(16,770)	(16,770)	(17,648)	(18,500)	(19,397)
NET CASH FROM/(USED) OPERATING ACTIV	**214,123**	**211,450**	**346,352**	**223,747**	**290,768**	**290,768**	**229,960**	**199,323**	**139,676**
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	3,676	302	16,293	–	–	–	–	–	–
Decrease (increase) in non-current receivable	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investmen	(4,980)	(4,980)	(4,980)	30,167	30,112	30,112	8,456	–	–
Insurance Refund - Capital	–	–	–	–	–	–	–	–	–
Interest on Short Term Investment (Greater	–	–	–	–	–	–	–	–	–
Payments									
Capital assets	(183,191)	(172,235)	(188,752)	(258,346)	(269,836)	(269,836)	(242,739)	(294,445)	(308,168)
Retention (Capital)	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIV	**(184,495)**	**(176,913)**	**(177,438)**	**(228,178)**	**(239,724)**	**(239,724)**	**(234,284)**	**(294,445)**	**(308,168)**
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	50,000	50,000	65,000	90,000	90,000	90,000	100,000	172,000	172,000
Increase (decrease) in consumer deposits	1,122	3,535	(6,064)	5,200	2,819	2,819	(1,950)	(1,950)	(1,950)
Payments									
Repayment of borrowing	(50,494)	(57,949)	(50,444)	(154,654)	(154,332)	(154,332)	(61,471)	(78,879)	(93,722)
NET CASH FROM/(USED) FINANCING ACTIV	**628**	**(4,414)**	**8,492**	**(59,454)**	**(61,512)**	**(61,512)**	**36,579**	**91,171**	**76,328**
NET INCREASE/ (DECREASE) IN CASH HELI	**30,255**	**30,123**	**177,406**	**(63,885)**	**(10,468)**	**(10,468)**	**32,256**	**(3,951)**	**(92,164)**
Cash/cash equivalents at the year begin:	**616,280**	**646,535**	**676,658**	787,000	854,064	854,064	**843,596**	**875,852**	**871,901**
Cash/cash equivalents at the year	**646,535**	**676,658**	**854,064**	**723,115**	**843,596**	**843,596**	**875,852**	**871,901**	**779,737**

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 an increase over the 2026/27 MTREF.
4. The 2026/27 MTREF has been informed by the planning principle of ensuring adequate cash over the medium-term.
5. Cash and cash equivalents totals R875.9 million as at the end of the 2026/27 financial year and is estimated to decrease to R779.7 million by 2028/29.

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

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Cash and investments available										
Cash/cash equivalents at the year end	646,535	676,658	854,064	723,115	843,596	843,596	(264,789)	875,852	871,901	779,737
Other current investments > 90 days	–	–	–	–	–	–	–	–	–	–
Non current Investments	68,211	31,415	7,315	8,400	8,456	8,456	8,971	–	–	–
Cash and investments available:	**714,746**	**708,073**	**861,379**	**731,515**	**852,052**	**852,052**	**(255,818)**	**875,852**	**871,901**	**779,737**
Application of cash and investments										
Trade payables from Non-exchange transactions: Unspen	6,206	5,342	3,012	–	–	–	48,323	–	–	–
Unspent borrowing	–	–	–	–	–	–		–	–	–
Statutory requirements	–	14,020	–	4,276	4,276	4,276	–	–	–	–
Other working capital requirements	–	–	–	–	–	–	–	–	–	–
Other provisions	13,315	(52,554)	–	56,208	46,677	46,677	–	–	–	–
Long term investments committed	68,211	31,415	7,315	8,400	8,456	8,456	8,971	–	–	–
Reserves to be backed by cash/investments	3,228	3,228	3,228	3,231	3,229	3,229	3,228	3,230	3,231	3,232
Total Application of cash and investments:	**90,960**	**1,450**	**13,555**	**72,115**	**62,637**	**62,637**	**60,523**	**3,230**	**3,231**	**3,232**
Surplus(shortfall) - Excluding Non-Current Creditors T	**623,786**	**706,622**	**847,823**	**659,400**	**789,415**	**789,415**	**(316,341)**	**872,621**	**868,670**	**776,505**
Creditors transferred to Debt Relief - Non-Current port	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Surplus(shortfall) - Including Non-Current Creditors T	**623,786**	**706,622**	**847,823**	**659,400**	**789,415**	**789,415**	**(316,341)**	**872,621**	**868,670**	**776,505**

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 be either 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 2026/27 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

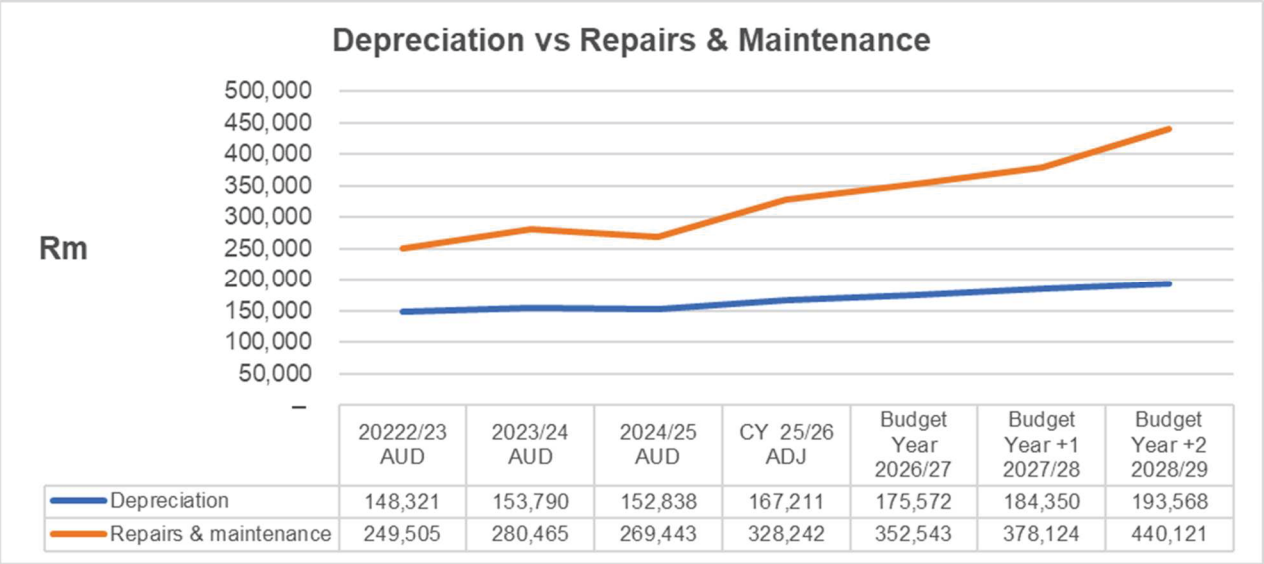
Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year	Budget Year
CAPITAL EXPENDITURE									
Total New Assets	132,803	142,268	119,207	148,010	151,640	151,640	100,119	148,823	163,255
Roads Infrastructure	16,799	11,795	2,810	8,500	8,895	8,895	500	1,250	1,250
Storm water Infrastructure	1,113	5,968	11,607	6,200	5,988	5,988	–	2,500	–
Electrical Infrastructure	53,049	45,316	25,558	33,018	22,718	22,718	40,139	22,583	26,134
Water Supply Infrastructure	9,484	16,099	18,594	17,806	18,737	18,737	12,700	19,500	24,500
Sanitation Infrastructure	3,956	8,141	6,492	7,750	8,697	8,697	2,200	17,300	17,300
Solid Waste Infrastructure	1,226	50	1,004	4,940	4,940	4,940	–	6,400	7,000
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	377	–	–	–	–	–	–
Infrastructure	***85,627***	***87,369***	***66,442***	***78,215***	***69,975***	***69,975***	***55,539***	***69,533***	***76,184***
Community Facilities	2,674	797	2,244	1,950	4,574	4,574	10,945	19,040	22,071
Sport and Recreation Facilities	5,068	3,451	5,876	10,072	8,848	8,848	571	–	–
Community Assets	***7,742***	***4,248***	***8,120***	***12,022***	***13,422***	***13,422***	***11,516***	***19,040***	***22,071***
Heritage Assets	–	–	–	–	–	–	–	–	–
Revenue Generating	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Operational Buildings	2,211	6,567	907	3,750	2,643	2,643	2,405	1,500	–
Housing	26,523	33,678	17,619	24,542	34,952	34,952	7,110	33,540	40,000
Other Assets	***28,734***	***40,245***	***18,526***	***28,292***	***37,595***	***37,595***	***9,515***	***35,040***	***40,000***
Biological or Cultivated Assets	–	–	335	–	–	–	–	–	–
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	–	71	–	–	–	–	–	–	–
Intangible Assets	–	***71***	–	–	–	–	–	–	–
Computer Equipment	2,212	4,550	3,120	3,201	3,201	3,201	3,700	3,200	3,200
Furniture and Office Equipment	715	408	759	1,345	1,889	1,889	2,505	1,690	1,480
Machinery and Equipment	729	3,588	596	325	473	473	345	320	320
Transport Assets	7,043	1,787	21,309	24,310	24,786	24,786	17,000	20,000	20,000
Land	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–
Mature	–	-	-	300	300	300	-	-	-
Immature	–	-	-	-	-	-	-	-	-
Living Resources	-	-	-	300	300	300	-	-	-
Total Renewal of Existing Assets	17,393	15,235	18,947	46,797	55,153	55,153	86,956	67,300	62,700
Roads Infrastructure	–	–	–	–	–	–	23,764	2,100	–
Storm water Infrastructure	–	–	–	–	–	–	–	–	–
Electrical Infrastructure	1,042	1,500	2,492	1,500	1,500	1,500	2,000	2,000	2,500
Water Supply Infrastructure	15,725	12,448	13,990	44,597	53,403	53,403	59,992	61,500	59,500
Sanitation Infrastructure	626	1,287	2,465	700	250	250	700	700	700
Solid Waste Infrastructure	–	–	–	–	–	–	–	–	–
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Infrastructure	***17,393***	***15,235***	***18,947***	***46,797***	***55,153***	***55,153***	***86,456***	***66,300***	***62,700***
Community Facilities	–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities	–	–	–	–	–	–	–	–	–
Community Assets	–	–	–	–	–	–	–	–	–
Heritage Assets	–	–	–	–	–	–	–	–	–
Revenue Generating	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Operational Buildings	–	–	–	–	–	–	500	1,000	–
Housing	–	–	–	–	–	–	–	–	–
Other Assets	–	–	–	–	–	–	***500***	***1,000***	–
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	–	–	–	–	–	–	–	–	–
Intangible Assets	–	–	–	–	–	–	–	–	–
Computer Equipment	–	–	–	–	–	–	–	–	–
Furniture and Office Equipment	–	–	–	–	–	–	–	–	–
Machinery and Equipment	–	–	–	–	–	–	–	–	–
Transport Assets	–	–	–	–	–	–	–	–	–
Land	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–
Mature	–	-	-	-	-	-	-	-	-
Immature	–	-	-	-	-	-	-	-	-
Living Resources	-	-	-	-	-	-	-	-	-

Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year	Budget Year
Total Upgrading of Existing Assets	**39,125**	**36,015**	**54,600**	**63,539**	**63,042**	**63,042**	**55,665**	**78,322**	**82,213**
Roads Infrastructure	–	–	–	–	–	–	–	–	–
Storm water Infrastructure	–	–	–	1,000	1,000	1,000	2,000	5,750	7,000
Electrical Infrastructure	1,600	2,767	15,464	16,300	16,300	16,300	20,100	22,000	20,000
Water Supply Infrastructure	6,928	541	500	500	500	500	800	900	300
Sanitation Infrastructure	28,219	30,351	27,571	18,910	18,413	18,413	14,800	39,230	47,663
Solid Waste Infrastructure	1,859	65	–	–	–	–	2,200	2,500	–
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Infrastructure	***38,606***	***33,725***	***43,535***	***36,710***	***36,213***	***36,213***	***39,900***	***70,380***	***74,963***
Community Facilities	319	–	–	4,000	4,000	4,000	3,750	–	–
Sport and Recreation Facilities	200	2,290	11,065	22,829	22,829	22,829	11,015	7,442	6,250
Community Assets	***519***	***2,290***	***11,065***	***26,829***	***26,829***	***26,829***	***14,765***	***7,442***	***6,250***
Heritage Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Investment properties	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings	–	–	–	–	–	–	1,000	500	1,000
Housing	–	–	–	–	–	–	–	–	–
Other Assets	**–**	**–**	**–**	**–**	**–**	**–**	***1,000***	***500***	***1,000***
Biological or Cultivated Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	–	–	–	–	–	–	–	–	–
Intangible Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Furniture and Office Equipment	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Machinery and Equipment	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Transport Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Land	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Mature	–	-	-	-	-	-	-	-	-
Immature	–	-	-	-	-	-	-	-	-
Living Resources	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	**189,321**	**193,518**	**192,754**	**258,346**	**269,836**	**269,836**	**242,739**	**294,445**	**308,168**
Roads Infrastructure	16,799	11,795	2,810	8,500	8,895	8,895	24,264	3,350	1,250
Storm water Infrastructure	1,113	5,968	11,607	7,200	6,988	6,988	2,000	8,250	7,000
Electrical Infrastructure	55,692	49,583	43,514	50,818	40,518	40,518	62,239	46,583	48,634
Water Supply Infrastructure	32,137	29,088	33,084	62,903	72,640	72,640	73,492	81,900	84,300
Sanitation Infrastructure	32,801	39,780	36,528	27,360	27,360	27,360	17,700	57,230	65,663
Solid Waste Infrastructure	3,085	115	1,004	4,940	4,940	4,940	2,200	8,900	7,000
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	377	–	–	–	–	–	–
Infrastructure	***141,626***	***136,329***	***128,924***	***161,722***	***161,341***	***161,341***	***181,895***	***206,213***	***213,847***
Community Facilities	2,994	797	2,244	5,950	8,574	8,574	14,695	19,040	22,071
Sport and Recreation Facilities	5,268	5,741	16,941	32,901	31,677	31,677	11,586	7,442	6,250
Community Assets	***8,261***	***6,538***	***19,185***	***38,851***	***40,251***	***40,251***	***26,280***	***26,482***	***28,321***
Heritage Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Investment properties	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings	2,211	6,567	907	3,750	2,643	2,643	3,905	3,000	1,000
Housing	26,523	33,678	17,619	24,542	34,952	34,952	7,110	33,540	40,000
Other Assets	***28,734***	***40,245***	***18,526***	***28,292***	***37,595***	***37,595***	***11,015***	***36,540***	***41,000***
Biological or Cultivated Assets	**–**	**–**	**335**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	–	71	–	–	–	–	–	–	–
Intangible Assets	**–**	***71***	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment	**2,212**	**4,550**	**3,120**	**3,201**	**3,201**	**3,201**	**3,700**	**3,200**	**3,200**
Furniture and Office Equipment	**715**	**408**	**759**	**1,345**	**1,889**	**1,889**	**2,505**	**1,690**	**1,480**
Machinery and Equipment	**729**	**3,588**	**596**	**325**	**473**	**473**	**345**	**320**	**320**
Transport Assets	**7,043**	**1,787**	**21,309**	**24,310**	**24,786**	**24,786**	**17,000**	**20,000**	**20,000**
Land	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Mature	–	-	-	300	300	300	-	-	-
Immature	–	-	-	-	-	-	-	-	-
Living Resources	-	-	-	300	300	300	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	**189,321**	**193,518**	**192,754**	**258,346**	**269,836**	**269,836**	**242,739**	**294,445**	**308,168**

Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year	Budget Year
ASSET REGISTER SUMMARY - PPE (WDV)	3,944,784	3,996,571	4,043,826	4,157,689	4,146,740	4,146,740	4,214,208	4,324,602	4,439,503
Roads Infrastructure	1,030,337	1,025,787	1,001,574	916,446	916,446	916,446	888,530	837,091	780,812
Storm water Infrastructure	247,788	246,502	251,586	257,028	257,028	257,028	249,683	248,122	244,820
Electrical Infrastructure	533,170	555,186	570,984	540,688	540,688	540,688	573,320	588,817	604,810
Water Supply Infrastructure	512,678	520,541	532,132	611,871	611,871	611,871	658,008	711,186	765,328
Sanitation Infrastructure	468,023	487,367	504,246	507,626	507,626	507,626	501,621	533,960	573,487
Solid Waste Infrastructure	39,649	37,096	34,852	37,547	37,547	37,547	36,240	41,457	44,590
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Infrastructure	***2,831,644***	***2,872,478***	***2,895,375***	***2,871,206***	***2,871,206***	***2,871,206***	***2,907,402***	***2,960,632***	***3,013,847***
Community Assets	233,953	229,978	234,346	275,192	275,192	275,192	285,514	295,240	305,966
Heritage Assets	109,625	109,625	109,625	109,625	109,625	109,625	109,625	109,625	109,625
Revenue Generating	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Investment properties	151,589	164,436	167,369	168,225	167,658	167,658	167,958	168,258	168,558
Operational Buildings	–	–	–	–	–	–		–	–
Housing	–	–	–	–	–	–		–	–
Other Assets	81,149	81,243	78,407	139,372	128,229	128,229	135,529	168,168	205,072
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Servitudes	–	–	–	–	–	–		–	–
Licences and Rights	–	–	–	–	–	–		–	–
Intangible Assets	8,687	8,050	7,585	7,488	7,295	7,295	6,990	6,670	6,334
Computer Equipment	10,578	11,355	13,590	17,806	17,806	17,806	21,506	24,706	27,906
Furniture and Office Equipment	1,682	3,353	2,538	2,627	2,647	2,647	2,477	1,358	(112)
Machinery and Equipment	10,500	10,142	9,524	7,699	7,699	7,699	6,342	4,876	3,320
Transport Assets	99,145	95,012	109,936	146,984	147,984	147,984	159,538	173,818	187,813
Land	405,689	410,484	414,850	410,484	410,484	410,484	410,484	410,484	410,484
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–
Living Resources	542	415	681	980	913	913	842	767	689
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	**3,944,784**	**3,996,571**	**4,043,826**	**4,157,689**	**4,146,740**	**4,146,740**	**4,214,208**	**4,324,602**	**4,439,503**
EXPENDITURE OTHER ITEMS									
Depreciation	148,321	153,790	152,838	167,211	167,211	167,211	175,572	184,350	193,568
Repairs and Maintenance by Asset Class	**249,505**	**280,465**	**269,443**	**318,818**	**328,242**	**328,242**	**352,543**	**378,124**	**440,121**
Roads Infrastructure	54,418	74,585	78,823	85,143	82,665	82,665	93,111	109,049	116,410
Storm water Infrastructure	6,157	5,588	9,572	13,746	11,423	11,423	13,615	14,431	15,297
Electrical Infrastructure	35,380	38,864	36,881	49,278	44,748	44,748	51,844	55,986	58,764
Water Supply Infrastructure	20,432	19,038	17,591	20,984	22,295	22,295	24,096	25,500	67,487
Sanitation Infrastructure	12,634	12,280	10,134	12,419	11,133	11,133	11,936	12,652	13,411
Solid Waste Infrastructure	8,650	9,310	6,763	11,483	11,134	11,134	11,842	12,580	13,366
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Infrastructure	***137,671***	***159,666***	***159,763***	***193,053***	***183,399***	***183,399***	***206,443***	***230,200***	***284,736***
Community Facilities	40,568	43,765	45,665	48,316	47,486	47,486	52,724	55,820	59,109
Sport and Recreation Facilities	12,919	12,021	13,936	15,437	14,551	14,551	16,005	17,057	18,065
Community Assets	***53,486***	***55,786***	***59,601***	***63,754***	***62,037***	***62,037***	***68,729***	***72,877***	***77,174***
Heritage Assets	–	–	–	–	–	–	–	–	–
Revenue Generating	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Operational Buildings	16,833	12,818	6,204	18,955	18,739	18,739	23,244	17,915	17,997
Housing	–	–	–	–	–	–	–	–	–
Other Assets	***16,833***	***12,818***	***6,204***	***18,955***	***18,739***	***18,739***	***23,244***	***17,915***	***17,997***
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	6,829	7,777	7,842	10,661	11,811	11,811	11,057	11,648	12,275
Intangible Assets	***6,829***	***7,777***	***7,842***	***10,661***	***11,811***	***11,811***	***11,057***	***11,648***	***12,275***
Computer Equipment	**2,157**	**1,898**	**1,292**	**2,546**	**2,546**	**2,546**	**2,546**	**2,546**	**2,546**
Furniture and Office Equipment	**8,206**	**12,316**	**996**	**1,704**	**1,655**	**1,655**	**1,737**	**1,781**	**1,858**
Machinery and Equipment	**4,163**	**6,749**	**1,723**	**5,807**	**5,797**	**5,797**	**6,009**	**6,415**	**6,708**
Transport Assets	**20,160**	**23,455**	**32,021**	**22,339**	**42,259**	**42,259**	**32,777**	**34,744**	**36,828**
Libraries	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–
Mature	–	-	-	-	-	-	-	-	-
Immature	–	-	-	-	-	-	-	-	-
Living Resources	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS	**397,826**	**434,255**	**422,281**	**486,029**	**495,453**	**495,453**	**528,114**	**562,475**	**633,689**
Renewal and upgrading of Existing Assets as % of total capex	*29.9%*	*26.5%*	*38.2%*	*42.7%*	*43.8%*	*43.8%*	*58.8%*	*49.5%*	*47.0%*
Renewal and upgrading of Existing Assets as % of deprecn	*38.1%*	*33.3%*	*48.1%*	*66.0%*	*70.7%*	*70.7%*	*81.2%*	*79.0%*	*74.9%*
R&M as a % of PPE & Investment Property	*6.3%*	*7.0%*	*6.7%*	*7.6%*	*7.9%*	*7.9%*	*8.3%*	*8.7%*	*9.9%*
Renewal and upgrading and R&M as a % of PPE and Investment Prop	*7.8%*	*8.4%*	*8.5%*	*10.4%*	*10.8%*	*10.8%*	*11.8%*	*12.2%*	*13.2%*

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.



	20222/23 AUD	2023/24 AUD	2024/25 AUD	CY 25/26 ADJ	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Depreciation	148,321	153,790	152,838	167,211	175,572	184,350	193,568
Repairs & maintenance	249,505	280,465	269,443	328,242	352,543	378,124	440,121

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

Table 26 MBRR Table A10 - Basic Service Delivery Measurement

Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Household service targets									
Water:									
Piped water inside dwelling	31,829	32,887	33,753	32,888	32,888	32,888	35,114	35,465	35,820
Piped water inside yard (but not in dwelling)	–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	3,536	3,242	3,076	3,076	3,076	3,076	3,229	4,036	4,237
Other water supply (at least min.service level)	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total	35,365	36,129	36,829	35,964	35,964	35,964	38,343	39,501	40,057
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	**35,365**	**36,129**	**36,829**	**35,964**	**35,964**	**35,964**	**38,343**	**39,501**	**40,057**
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	32,323	33,539	34,685	33,562	33,562	33,562	36,289	36,652	37,019
Flush toilet (with septic tank)	–	–	–	–	–	–	–	–	–
Chemical toilet	–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)	–	–	–	–	–	–	–	–	–
Other toilet provisions (> min.service level)	3,536	3,242	3,076	3,076	3,076	3,076	3,229	4,036	4,237
Minimum Service Level and Above sub-total	35,859	36,781	37,761	36,638	36,638	36,638	39,518	40,688	41,256
Bucket toilet	–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)	–	–	–	–	–	–	–	–	–
No toilet provisions	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	**35,859**	**36,781**	**37,761**	**36,638**	**36,638**	**36,638**	**39,518**	**40,688**	**41,256**
Energy:									
Electricity (at least min.service level)	5,502	5,174	5,230	5,116	5,116	5,116	5,002	4,888	4,774
Electricity - prepaid (min.service level)	21,854	22,381	23,683	24,283	24,283	24,283	24,533	24,783	25,033
Minimum Service Level and Above sub-total	27,356	27,555	28,913	29,399	29,399	29,399	29,535	29,671	29,807
Electricity (< min.service level)	–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–
Other energy sources	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	**27,356**	**27,555**	**28,913**	**29,399**	**29,399**	**29,399**	**29,535**	**29,671**	**29,807**
Refuse:									
Removed at least once a week	35,601	36,662	37,594	37,532	37,532	37,532	37,780	38,913	40,080
Minimum Service Level and Above sub-total	35,601	36,662	37,594	37,532	37,532	37,532	37,780	38,913	40,080
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	**35,601**	**36,662**	**37,594**	**37,532**	**37,532**	**37,532**	**37,780**	**38,913**	**40,080**
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	7,278	7,400	4,800	5,800	7,800	7,800	7,800	7,800	7,800
Sanitation (free minimum level service)	7,400	7,400	4,800	5,800	7,800	7,800	7,800	7,800	7,800
Electricity/other energy (50kwh per household per month)	7,400	7,400	4,800	5,800	7,800	7,800	7,800	7,800	7,800
Refuse (removed at least once a week)	7,400	7,400	4,800	5,800	7,800	7,800	7,800	7,800	7,800
Informal Settlements	–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Formal Settlements (R'000)									
Water (6 kilolitres per **indigent** household per month)	3,214	5,224	3,432	3,638	6,412	6,412	7,535	7,987	8,466
Sanitation (free sanitation service to **indigent households**)	6,729	9,814	7,330	7,770	11,277	11,277	13,255	14,050	14,893
Electricity/other energy (50kwh per **indigent** household per month)	7,509	7,509	8,077	8,562	13,107	13,107	16,196	17,492	18,891
Refuse (removed once a week **for indigent households**)	6,729	9,814	7,330	7,770	22,427	22,427	26,364	27,946	29,623
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	–	–	–	–	–	–	–	–	–
Total cost of FBS provided	**24,182**	**32,361**	**26,170**	**27,740**	**53,222**	**53,222**	**63,350**	**67,475**	**71,873**
Highest level of free service provided per household									
Property rates (R value threshold)	–	–	300,000	350,000	350,000	350,000	350,000	350,000	350,000
Water (kilolitres per household per month)	6	10	10	10	10	10	10	10	10
Sanitation (kilolitres per household per month)	4	7	7	7	7	7	7	7	7
Sanitation (Rand per household per month)	138	148	155	170	170	170	178	189	200
Electricity (kwh per household per month)	50	50	70	70	70	70	70	70	70
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**	–	–	–	–	–	–	–	–	–
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	–	–	–	–	–	–	–	–	–

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 7 800 households to be registered as indigent in 2026/27 and therefore entitled to receiving Free Basic Services.
4. It is anticipated that the cost of these Free Basic Services will amount to R135.4m in 2026/27. 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 2024) 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 27 August 2025. Key dates applicable to the process are as follows:

- **July 2025** – Budget Office submits current 3-year Capital Budget to the Strategic Office.
- **September 2025** - Ward committees met to review and reprioritise their ward priorities for 2026/27
- **November 2025** - Top management meeting to discuss budget proposals and affordability
- **25 Nov- 02 Dec 2024** - Public ward feedback meetings- ward committees obtained public input on their reviewed ward priorities for 2026/27.
- **November 2025** – Various Budget Steering Committee and Management meetings relating to draft Capex and Opex budgets;
- **December 2025**–Tariff workshop;
- **November 2025**/**February 2026**– Review of all budget related policies;
- **December 2025 –** Mid-year review by the BSC of the 2025/26 progress and review of 2026/2027 draft operational expenditure including financial forecasting and scenario considerations;
- **January**/**February 2026** – Tariffs, consider budget related policies changes and overview of draft 2026/27 Capex & Opex;
- **January 2026**- Council considered the 2025/26 Mid-year Review;
- **January 2026** – Finalisation of adjustments budget;
- **February**/**March 2026** – Final tariffs review;
- **February**/**March 2026** – BSC review/finalises draft Capex/Opex;
- **30 March 2026** – Budget office finalises budget report;

- **31 March 2026** - Tabling in Council of the draft 2026/27 IDP, SDBIP and 2026/27 MTREF for public consultation;
- **01 April 2026 – 30 April 2026** – Draft Budget available to the public and any other stakeholders for perusal and the submission of comments and representations;
- **30 April 2026** - Closing date for written comments;
- **05 May 2026** – BSC considered all comments received and amendments to the Draft Budget;
- **5-22 May 2026** – Finalisation of the 2026/27 IDP and 2026/27 MTREF, taking into consideration comments received from the public, comments from NT & PT and updated information from the most recent DoRA and financial framework;
- **5-20 May 2026** – Budget Office compiles final report and schedules and final review of budget report and schedules ;
- **20 May 2026** – Final budget distribution; and
- **27 May 2026** - Tabling of the 2026/27 MTREF in Council for consideration and approval.

2.1.2 IDP and Service Delivery and Budget Implementation Plan

The draft IDP (2026/27) will be tabled on 31 March 2026 and the Final Budget to be considered by Council on 27 May 2026 for adoption. The IDP process resumed after approval of the IDP/Budget Time Schedule for the 2027/28 MTREF in August 2026.

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 2026/27 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 2026/27 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 2023/24 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 Circulars 129 and 130 was taken into consideration in the planning and prioritisation process.

2.1.4 Community Consultation on the Draft Budget

The Draft 2026/27 MTREF will be tabled in Council on 31 March 2026 and made available to the community as follows:

Copies of the document could be viewed:

- At all municipal administration offices
- 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 was placed on the notice boards at municipal offices and libraries. All documents in the appropriate format (electronic) were 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, CFO, Directors and officials from the Strategic Planning Office, engaged the community at the Draft IDP Review and Draft Budget 2026/27 Public Consultation process during April 2026, to present the draft budget for engagement with the public. These engagements were 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 2026/27 and the Draft Budget for 2026/27 until 30 April 2026.

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.

Table 27 IDP Strategic Objectives

2026/27 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.an 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 addition to the IDP, the Municipality undertakes an extensive planning and developmental strategy, which primarily focuses on a longer-term horizon of 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 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.
- 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 2026/27 MTREF is informed by the IDP 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

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

R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
The provision of democratic,	Good Governance	1	462,263	564,280	568,499	558,698	531,677	531,677	571,597	599,850	624,235
The provision and maintenance of	Basic Service Delivery	2	1,002,939	1,121,669	1,264,341	1,344,840	1,355,407	1,355,407	1,500,033	1,551,252	1,653,431
The encouragement of structured	Good Governance	3									
The creation and maintenance of a	Safe and Healthy Environment	4	100,266	20,796	71,071	123,123	112,243	112,243	102,358	105,541	105,815
The promotion of tourism, economic	Economic Development and Social	5	116,248	171,737	126,959	92,760	115,057	115,057	51,124	68,130	74,795
Total Revenue (excluding capital transfers and contributions)			**1,681,715**	**1,878,482**	**2,030,870**	**2,119,420**	**2,114,384**	**2,114,384**	**2,225,112**	**2,324,774**	**2,458,275**

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

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

R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
The provision of democratic,	Good Governance	1	279,682	290,570	298,443	238,998	240,458	240,458	402,943	411,006	431,841
The provision and maintenance of	Basic Service Delivery	2	810,879	958,821	995,836	1,259,762	1,266,990	1,266,990	1,193,181	1,286,070	1,416,825
The encouragement of structured	Good Governance	3	393	256	359	758	1,324	1,324	1,080	758	758
The creation and maintenance of a	Safe and Healthy Environment	4	237,750	186,507	230,021	317,594	300,244	300,244	320,937	331,978	349,335
The promotion of tourism, economic	Economic Development and Social	5	243,322	314,243	299,210	295,229	296,529	296,529	279,215	296,437	313,329
Total Expenditure			**1,572,027**	**1,750,397**	**1,823,868**	**2,112,340**	**2,105,545**	**2,105,545**	**2,197,357**	**2,326,250**	**2,512,089**

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

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

R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
The provision of democratic,	Good Governance	1	2,228	6,967	3,403	3,500	3,573	3,573	7,670	3,420	3,420
The provision and maintenance of	Basic Service Delivery	2	125,737	125,525	141,935	158,072	156,636	156,636	156,786	204,363	213,597
The encouragement of structured	Good Governance	3				5,300	4,735	4,735	3,750		
The creation and maintenance of a	Safe and Healthy Environment	4	12,215	9,422	24,848	47,978	48,366	48,366	35,009	31,572	34,230
The promotion of tourism, economic	Economic Development and Social	5	49,141	51,604	22,568	43,496	56,527	56,527	39,524	55,090	56,921
Total Capital Expenditure			**189,321**	**193,518**	**192,754**	**258,346**	**269,836**	**269,836**	**242,739**	**294,445**	**308,168**

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 target, monitor, assess and review organisational performance, which in turn is directly linked to individual employee's performance.

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:

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	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Council and Municipal Manager										
Office of the Municipal Manager										
Municipal Manager										
Submit four progress reports on the revision of the top 10 risks as a corrective action to the Top Management Team (1 previous financial year & 3 current financial year)	Number of progress reports submitted	3	4	4	4	4	4	4	4	4
ped to address all the issues raised in the management letter of the Auditor General	Number of progress reports monitored and submitted to Executive Mayor	3	4	4	4	4	4	4	4	4
Sign section 56 performance agreements with all directors by the end of July 2026	Number of agreements signed	6	5	5	3	3	3	6	6	6
Bi-annual formal performance appraisals of the section 56 appointees for the previous financial period April to June 2026 to be completed by Sept 2026 and the current period October to December 2026 to be completed by February 2027	Number of appraisals	11	9	8	6	6	6	6	12	12
Draft the annual report and submit to the Auditor-General by end August 2026	Draft Annual Report submitted	1	1	1	1	1	1	1	1	1
Percentage of a municipality's capital budget actually spent on capital projects identified for the financial year 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)X100} (MPPMR Reg 10 (c))	% of the capital budget spent	89.21%	89.91%	86.35%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Ward committee meetings held to facilitate consistent and regular communication with residents	No of ward committee meetings per ward per annum	112	70	83	70	70	70	70	70	70
Prepare the final IDP for submission to Council by the end of May	Final IDP submitted	1	1	1	1	1	1	1	1	1
Submit the Final MTREF Budget by the end of May	Final Budget submitted	1	1	1	1	1	1	1	1	1
Corporate Services										
Director: Corporate Services										
Human Resources										
92% of the approved and funded organogram filled {(actual number of posts filled dived by the funded posts budgeted) x100}	% filled	91.0%	90.50%	82.19%	92.0%	92.0%	92.0%	92.0%	92.0%	92.0%
The percentage of a municipality's budget (training budget) actually spent on implementing its workplace skills plan (MPPMR Reg 10 (f))	% of the training budget spent on implementation of the WSP	99.99%	99.99%	99.92%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan (MPPMR Reg 10 (e))	The number of people from EE target groups employed	69	67	62	75	75	75	75	75	75
Community Services										
Director: Community Services										
Operational Conditional Grant										
100% 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%	92.29%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Refuse removal										
Provision of refuse removal, refuse dumps and solid waste disposal to all informal households at least once a week (MPPMR Reg 10 (a))	Number of formal households for which refuse is removed at least once a week	35,601	36,662	37,594	37,532	37,532	37,532	37,780	38,913	40,080
Provision of refuse removal, refuse dumps and solid waste disposal to all informal households at least once a week (MPPMR Reg 10 (a))	Number of weekly removal of refuse in informal households (once per week = 52 weeks per annum)	52	52	52	52	52	52	52	52	52

Description	Unit of measurement	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Infrastructure Services										
Chief Engineer: Infrastructure Services										
Roads maintenance										
m² of roads patched and resealed according to approved Pavement Management System within available budget	m² of roads patched and resealed	77,662	128,419	114,813	120,000	120,000	120,000	130,000	130,000	130,000
Water treatment										
Quality of effluent comply 75% with license and/or general limit in terms of the Water Act (Act 36 of 1998)	% compliance	75.5%	77.8%	78.3%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%
Quality of potable water comply 95% with SANS 241	% compliance with SANS 241	97.0%	97.0%	98.3%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Limit unaccounted water to less than 26% {(Number of kiloliter water purified - Number of kiloliter water sold)/Number of kiloliter purified x 100)}	% of water unaccounted for	24.5%	30.6%	31.2%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%
Report on the implementation of the Water Service Development plan annually by the end of October	Report submitted	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
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	6.4%	7.8%	7.1%	7.7%	7.7%	7.7%	765.0%	765.0%	765.0%
Provision of Electricity: Number of metered electrical connections in formal areas (Eskom Areas excluded) (Definition: Refers to residential households (RE) and pensioners (PR) as per Finance departments billed households) (MPPMR Reg 10 (a))	Number of formal households that meet agreed service standards	23,163	23,989	24,832	23,500	23,500	23,500	25,000	25,000	25,000
MIG										
100% of the Municipal Infrastructure Grant (MIG) spent by 30 June 2025 (Actual MIG expenditure/Allocation received)	% Expenditure of allocated funds	100.0%	86.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Water										
Provision of cleaned piped water to all formal households within 200 m from households (MPPMR Reg 10 (a))	No of formal households that meet agreed service standards for piped water	31,829	32,887	33,753	32,888	32,888	32,888	35,114	35,465	35,820
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)	658	718	396	262	262	262	262	262	262
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	99	81	81	80	80	80	80	80	80
Sanitation provision										
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	32,323	33,539	34,685	33,562	33,562	33,562	36,289	36,652	37,019
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)	1,107	1,112	726	785	785	785	785	785	785
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	171	133	133	105	105	105	105	105	105

Description	Unit of measurement	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Director: Municipal Public Safety										
Municipal Public Safety										
Sub-function 1 - (name)										
Annually arrange public awareness sessions on Protection Services by 30 June	Number of sessions held	132	164	158	150	150	150	150	150	150
Collect R20 000 000 Public Safety Income by 30 June (Actual revenue, excluding the fine impairment amount)	R-value of public safety collected income (excluding fines impairment amount)	17,641,623	20,313,411	19,496,735	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Disaster anf Fire Management										
Annually review and submit draft Disaster Management Plan to Council by the end of March	Reviewed plan submitted	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Finacial services										
Chief Financial Officer										
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	5.7%	5.14%	6.29%	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%
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	28.63%	32.45%	35.98%	1600.0%	1600.0%	1600.0%	1600.0%	1600.0%	1600.0%
Financial viability measured in terms of the outstanding service debtors (Total outstanding service debtors/ revenue received for services) (MPPR Reg 10 (g))	% achieved	13.61%	15.17%	14.84%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%
Submit a reviewed long term financial plan to the CFO by the end of October 2026	Reviewed long term financial plan submitted	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Financial statements submitted to the Auditor General by end August 2026	Financial statements submitted	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Provision of free basic electricity, refuse removal, sanitation and water in terms of the equitable share requirements (MPPMR Reg 10 (b))	Number of indgent households	1,491	4,715	5,646	5,800	5,800	5,800	7,800	7,800	780000.0%
Achieve a debt recovery rate not less than 98% (Receipts/total billed for 12 months period x 100)	% Recovered	98.96%	96.13%	98.11%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Report monthly to the MM on the status of 30/60/90 days debtor payments	Number of reports submitted	no target	12	12	12	12	12	12	12	1200.0%
Planning and Development										
Director: Plamning and Development										
Local Economic Development										
Support 180 SMME's in terms of the SMME Development Programme by 30 June	Number of SMME's supported	185	185	176	180	180	180	180	180	180
EPWP										
The number of job opportunities created through the EPWP programme and as per set targets (business plan as per grant agreement - FTE's, translates to 900 work opportunities)	Number of temporary jobs created	1,059	902	822	900	900	900	560	560	560
And so on for the rest of the Votes										

The following table sets out the municipality's main performance objectives and benchmarks for the 2026/27 MTREF.

Table 32 MBRR Table SA8 - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Borrowing Management										
Credit Rating										
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	6.3%	6.1%	5.4%	9.7%	9.5%	9.5%	4.8%	5.4%	6.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	6.4%	6.0%	5.1%	10.2%	10.0%	10.0%	4.9%	5.6%	6.3%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	118.5%	392.3%	167.9%	178.4%	172.5%	172.5%	200.0%	344.0%	344.0%
Safety of Capital										
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity										
Current Ratio	Current assets/current liabilities	2.7	3.1	2.8	2.9	3.2	3.2	3.0	2.8	2.7
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2.7	3.1	2.8	2.9	3.2	3.2	3.0	2.8	2.7
Liquidity Ratio	Monetary Assets/Current Liabilities	2.4	2.5	2.3	2.6	2.8	2.8	2.6	2.4	2.3
Revenue Management										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	119.9%	112.0%	116.9%	125.6%	124.7%	-0.1%	128.4%	128.4%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		119.9%	112.0%	116.9%	125.6%	124.7%	124.7%	128.4%	128.4%	128.4%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	13.6%	12.8%	11.1%	11.0%	12.3%	12.3%	11.8%	11.4%	11.1%
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))	98.2%	99.0%	99.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		19.7%	20.0%	18.6%	18.4%	18.7%	18.7%	18.6%	18.8%	21.2%
Other Indicators										
Electricity Distribution Losses (2)	Total Volume Losses (kW) technical	18,502,897	11,109,039	11,855,448	14,834,382	14,834,382	14,834,382	14,734,382	14,634,382	14,634,382
	Total Volume Losses (kW) non technical		3,163,602	6,164,599						
	Total Cost of Losses (Rand '000)	19,835,602	16,846,054	24,800,795	20,484,237	20,484,237	20,484,237	23,315,792	24,547,004	24,547,004
	% Volume (units purchased and generated less units sold)/units purchased and generated	6.43%	7.60%	6.49%	6.49%	6.49%	6.49%	5.88%	5.87%	5.87%
Water Volumes :System input	Bulk Purchase Water treatment works Natural sources									
Water Distribution Losses (2)	Total Volume Losses (kℓ)	1,768	1,840,996	1,662,086	1,761,812	1,761,812	1,761,812	1,691,812	1,641,812	1,641,812
	Total Cost of Losses (Rand '000)	3062156	4,637,635	3,245,885	4,404,529	4,404,529	4,404,529	4,229,529	4,104,529	4,104,529
	% Volume (units purchased and generated less units sold)/units purchased and generated	24.04%	24.47%	24.00%	25.04%	25.04%	25.04%	24.75%	24.30%	24.30%
Employee costs	Employee costs/(Total Revenue - capital revenue)	31.0%	29.6%	27.2%	30.7%	29.7%	29.7%	31.6%	31.2%	31.3%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	31.8%	30.4%	27.9%	31.4%	30.4%	30.4%	32.4%	31.9%	32.1%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	16.1%	15.9%	13.8%	15.8%	16.4%	16.4%	16.5%	16.8%	18.6%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	12.7%	11.5%	10.3%	10.8%	10.6%	10.6%	10.2%	10.3%	10.5%
IDP regulation financial viability indicators										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	11.1	12.9	9.3	9.1	9.0	18.0	14.5	13.9	–
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	6.4%	5.4%	4.0%	4.2%	6.3%	6.3%	6.3%	6.3%	6.3%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	5.1	4.8	5.8	4.4	5.3	5.3	4.9	4.7	3.9

2.3.1 Performance indicators and benchmarks

The outcome of the compiled budget is reflected I the above table.

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

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

For the 2026/27 financial year, 7 800 indigents have been provided for in the budget. In terms of the municipality's indigent policy, registered households are entitled to 10kℓ free water, 70 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 wastewater.

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).

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 standpipes) are not taken into account in the table noted above due to the measuring criteria.

2.3.3 Providing clean water and managing wastewater

The Department of Water and Sanitation conducts performance rating of water and sewage treatment works, presenting a Blue Drop or Green Drop award (2014/15 most recent for water and 2022 most recent for sanitation) respectively to potable water treatment works and wastewater 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.



2.5 Overview of budget assumptions

General inflation outlook and its impact on the municipal activities

There are six key factors that have been taken into consideration in the compilation of the 2026/27 MTREF:

- 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;
- The increase in the cost of remuneration. Employee related costs comprise 30 per cent of total operating expenditure in the 2026/27 MTREF and therefore increases above inflation places a disproportionate upward pressure on the expenditure budget.

2.5.1 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.

2.5.2 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 (99.52%) of annual billings up to February 2026. Before mentioned is due to the change in the Indigent Policy in phasing out automatic allocation of benefits to households in properties with a value below R220 000, as well as the ongoing slow economic recovery.

2.5.3 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.

2.5.4 Salary increases

The South African Local Government Bargaining Council (SALGBC) Salary and Wage Collective Agreement for municipalities for the period 01 July 2024 to 30 June 2029 was signed in 2024 and must be implemented by all municipalities on a national level.

The proposed increase in the salary budget is 4.75%, and notch increases, which average 2.4%, have also been budgeted, in view of the signing of the multi-year agreement.

2.5.5 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.

2.5.6 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 2026/27 MTREF.

2.6 Overview of budget funding

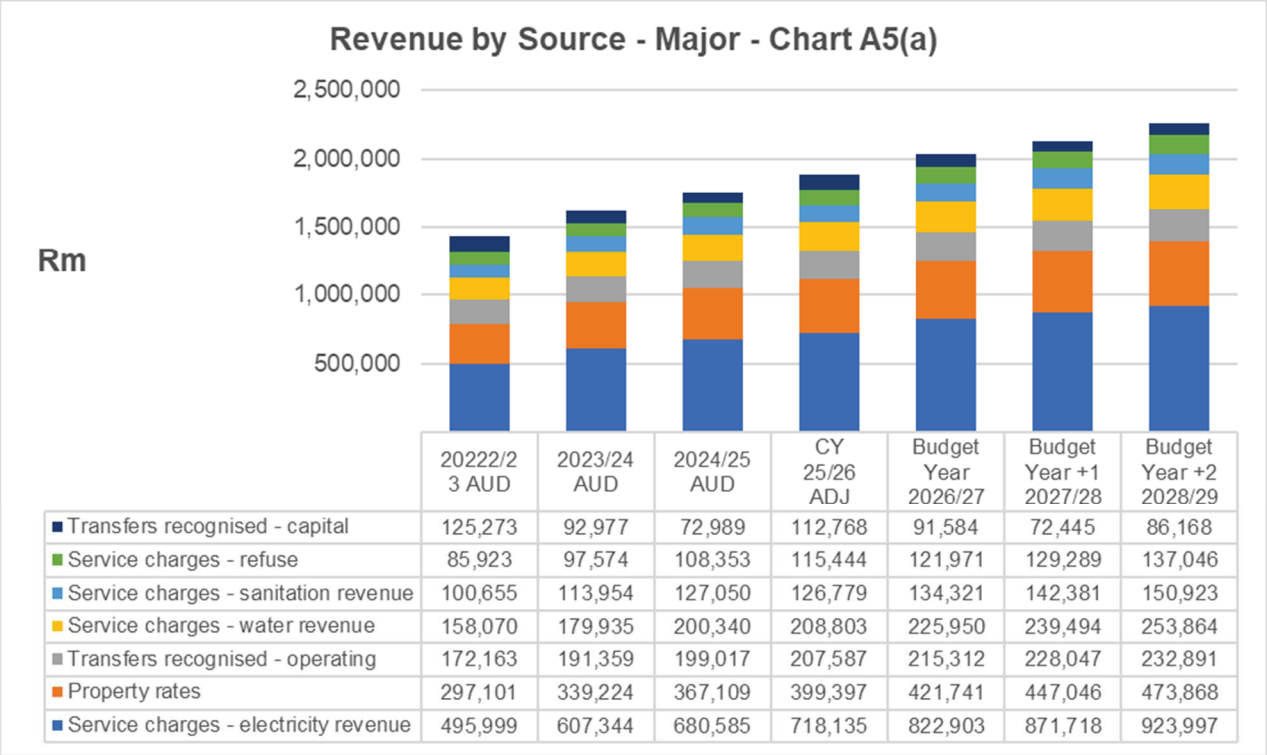
2.6.1 Medium-term outlook: operating revenue

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	2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue			
Exchange Revenue			
Service charges - Electricity	822,903	871,718	923,997
Service charges - Water	225,950	239,494	253,864
Service charges - Waste Water Management	134,321	142,381	150,923
Service charges - Waste Management	121,971	129,289	137,046
Sale of Goods and Rendering of Services	29,014	30,755	32,600
Agency services	7,819	8,288	8,785
Interest	–	–	–
Interest earned from Receivables	12,500	13,250	14,045
Interest earned from Current and Non Current Assets	68,000	68,000	68,000
Dividends	–	–	–
Rent on Land	1,243	1,318	1,397
Rental from Fixed Assets	9,370	9,932	10,528
Licence and permits	1,481	1,570	1,664
Special rating levies	16,193	17,165	18,195
Construction Contract Revenue	1,847	–	–
Development Charges	3,599	3,815	4,044
Operational Revenue	8,812	9,341	9,901
Non-Exchange Revenue			
Property rates	405,548	429,881	455,674
Surcharges and Taxes	–	–	–
Fines, penalties and forfeits	42,861	43,032	43,214
Licences or permits	2,186	2,317	2,456
Transfer and subsidies - Operational	215,312	228,047	232,891
Interest	2,300	2,438	2,584
Fuel Levy	–	–	–
Operational Revenue	–	–	–
Gains on disposal of Assets	–	–	–
Other Gains	300	300	300
Discontinued Operations	–	–	–
Total Revenue (excluding capital transfers and contributions)	**2,133,528**	**2,252,329**	**2,372,107**

The following graph is a breakdown of the operational revenue per main category for the 2026/27 financial year.



	20222/23 AUD	2023/24 AUD	2024/25 AUD	CY 25/26 ADJ	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Transfers recognised - capital	125,273	92,977	72,989	112,768	91,584	72,445	86,168
Service charges - refuse	85,923	97,574	108,353	115,444	121,971	129,289	137,046
Service charges - sanitation revenue	100,655	113,954	127,050	126,779	134,321	142,381	150,923
Service charges - water revenue	158,070	179,935	200,340	208,803	225,950	239,494	253,864
Transfers recognised - operating	172,163	191,359	199,017	207,587	215,312	228,047	232,891
Property rates	297,101	339,224	367,109	399,397	421,741	447,046	473,868
Service charges - electricity revenue	495,999	607,344	680,585	718,135	822,903	871,718	923,997

Figure 5 Breakdown of operating revenue over the 2026/27 MTREF

The following grants have been published in the DORA:

NATIONAL & PROVINCIAL ALLOCATIONS

		2026/2027 MTREF		
NATIONAL	**2025/2026**	**2026/2027**	**2027/2028**	**2028/2029**
EQUITABLE SHARE	179,268,000	188,321,000	197,595,000	201,973,000
FMG	1,800,000	1,900,000	2,100,000	2,200,000
EPWP	2,588,000	2,062,000		
MIG	34,082,000	26,568,000	29,122,000	29,934,000
INEP	13,908,000	30,139,000	9,983,000	13,434,000
WATER INFRASTRUCTURE GRANT	28,427,000	26,242,000	0	3,000,000
	260,073,000	**275,232,000**	**238,800,000**	**250,541,000**
PROVINCIAL				
RESOURCE FUNDING FOR ESTASBLISH & SUPPORT OF K9 UNIT	4,350,000	4,473,000	4,666,000	4,876,000
LE REACTION UNIT	4,317,000	4,516,000	4,719,000	4,931,000
HUMAN SETTLEMENTS DEVELOPMENT GRANT	62,606,000	5,957,000	4,540,000	20,000,000
PROV CONTRIBUTION TO ACCELERATED HOUSING DELIVERY	8,336,000			
INFORMAL SETTLEMENTS UPGRADING PARTNERSHIP GRANT	15,906,000	3,000,000	29,000,000	20,000,000
CONSTRUCTION OF TRANSPORT INFRASTRUCTURE	130,000	140,000	8,908,000	8,908,000
COMMUNITY LIBRARY SERVICES GRANT	8,824,000	9,288,000	9,381,000	9,475,000
COMMUNITY DEVELOPMENT WORKERS	76,000	78,000	78,000	78,000
WESTERN CAPE FINANCIAL MANAGEMENT CAPABILITY GRANT	672,000			
TITLE DEEDS RESTORATION GRANT	97,000	250,000	250,000	250,000
WC NON MOTORISED INFRASTRUCTURE GRANT				
MUN FIRE SERVICES CAPACITY SUPPORT GRANT	500,000	1,025,000		
THUSONG SERVICE CENTRES GRANT	150,000	150,000	150,000	
REGIONAL SOCIO ECONOMIC PROJECTS (RSEP)	800,000	700,000		
BABOON MANAGEMENT	1,000,000			
MUNICIPAL SERVICE DELIVERY & CAPACITY BUILDING GRANT	600,000			
	108,364,000	**29,577,000**	**61,692,000**	**68,518,000**
	368,437,000	**304,809,000**	**300,492,000**	**319,059,000**

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.).

Table 34 Proposed tariff increases for 2026/27

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework			
Rand/cent		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27 % incr.	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		284.70	266.63	287.98	315.91	315.91	315.91	5.0%	331.68	312.91	331.68
Electricity: Basic levy		438.66	504.46	466.10	413.97	413.97	413.97	(17.3%)	342.56	342.56	342.56
Electricity: Capacity Charge (New)		–	–	149.90	328.80	328.80	328.80	63.0%	535.80	567.95	602.02
Electricity: Consumption		2,294.26	2,638.39	2,865.02	2,754.53	2,754.53	2,754.53	(0.1%)	2,751.25	2,916.33	3,091.30
Water: Basic levy		155.62	165.74	175.68	186.58	186.58	186.58	5.0%	195.91	207.66	220.12
Water: Consumption		449.88	559.86	593.52	630.25	630.25	630.25	5.0%	661.74	701.44	743.53
Sanitation		464.01	497.89	543.19	574.82	574.82	574.82	5.0%	603.49	639.70	678.08
Refuse removal		213.48	228.00	253.08	268.26	268.26	268.26	5.0%	281.67	298.57	316.48
Other		53.54	53.54	53.54	53.54	53.54	53.54	(77.0%)	12.34	12.34	12.34
sub-total		53.54	53.54	5,388.01	5,526.66	5,526.66	5,526.66	3.4%	5,716.44	5,999.46	6,338.11
VAT on Services		610.42	697.18	765.00	781.61	781.61	781.61		807.71	852.98	900.97
Total large household bill:		663.96	750.72	6,153.01	6,308.27	6,308.27	6,308.27	3.4%	6,524.15	6,852.44	7,239.08
% increase/-decrease			13.1%	719.6%	2.5%	–	–		3.4%	5.0%	5.6%

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.

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	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Investments									
Bank Repurchase Agreements									
Total Bank Repurchase Agreements	-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificate									
Total Bankers Acceptance Certificate	-	-	-	-	-	-	-	-	-
Deposit Taking Institutions									
ABSA	210,280	410,281	310,271	210,000	310,271	310,271	310,271	310,271	310,271
STANDARD BANK	100,000	–	100,000	150,000	100,000	100,000	100,000	100,000	100,000
NEDBANK	100,000	–	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Total Deposit Taking Institutions	410,280	410,281	510,271	460,000	510,271	510,271	510,271	510,271	510,271
Derivative Financial Assets									
Total Derivative Financial Assets	-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (Sinking)									
Liberty	62,889	70,889	80,902	–	–	–	–	–	–
Momentum	5,322	6,156	7,315	8,400	8,456	8,456	–	–	–
Total Guaranteed Endowment Policies (Sinking)	68,210,808	77,045,145	88,216,680	8,400,297	8,455,631	8,455,631	-	-	-
Total Investments	478,491,296	487,325,662	598,487,944	468,400,297	518,726,895	518,726,895	510,271,264	510,271,264	510,271,264

Table 36 MBRR SA16 – Investment particulars by maturity

WC032 Overstrand - Supporting Table 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	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	01/09/2025	28,798,885	1,688,806	-31,487,691	1,000,000	
LIBERTY 21196964	14 Years	Policy	Yes	Variable	Fair Value Adjustment	30/06/2025	52,102,784	3,010,383	-57,193,167	2,080,000	
MOMENTUM 3853776	15 Years	Policy	Yes	Variable	Fair Value Adjustment	01/07/2026	7,315,011	780,620		360,000	8,455,631.00
Deposits - Bank		Bank investments	Yes	Fixed		30/06/2024	510,271,264	68,000,000	-1,268,000,000	1,200,000,000	510,271,264.00
Municipality sub-total							598,487,944		-1,356,680,858	1,203,440,000	518,726,895.00
TOTAL INVESTMENTS AND INTEREST							598,487,944		-1,356,680,858	1,203,440,000	518,726,895.00

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 2026/27 medium-term capital programme:

Table 37 Sources of capital revenue over the MTREF

Vote Description R thousand	2022/23 Audited Outcome	2023/24 Audited Outcome	2024/25 Audited Outcome	Current Year 2025/26 Original Budget	 Adjusted Budget	 Full Year Forecast	2026/27 Medium Term Revenue & Expenditure Framework Budget Year 2026/27	 Budget Year +1 2027/28	 Budget Year +2 2028/29
Funded by:									
National Government	81,741	59,150	54,164	76,207	76,207	76,207	82,749	38,905	46,168
Provincial Government	5,036	33,827	18,719	25,342	36,541	36,541	8,835	33,540	40,000
District Municipality	–		–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm	26,098	21,282	4,108	–	–	–	–	–	–
Transfers recognised - capital	112,876	114,260	76,992	101,549	112,748	112,748	91,584	72,445	86,168
Borrowing	34,249	66,513	77,047	106,337	104,918	104,918	101,155	172,000	172,000
Internally generated funds	42,197	12,745	38,716	50,460	52,170	52,170	50,000	50,000	50,000
Total Capital Funding	189,321	193,518	192,754	258,346	269,836	269,836	242,739	294,445	308,168

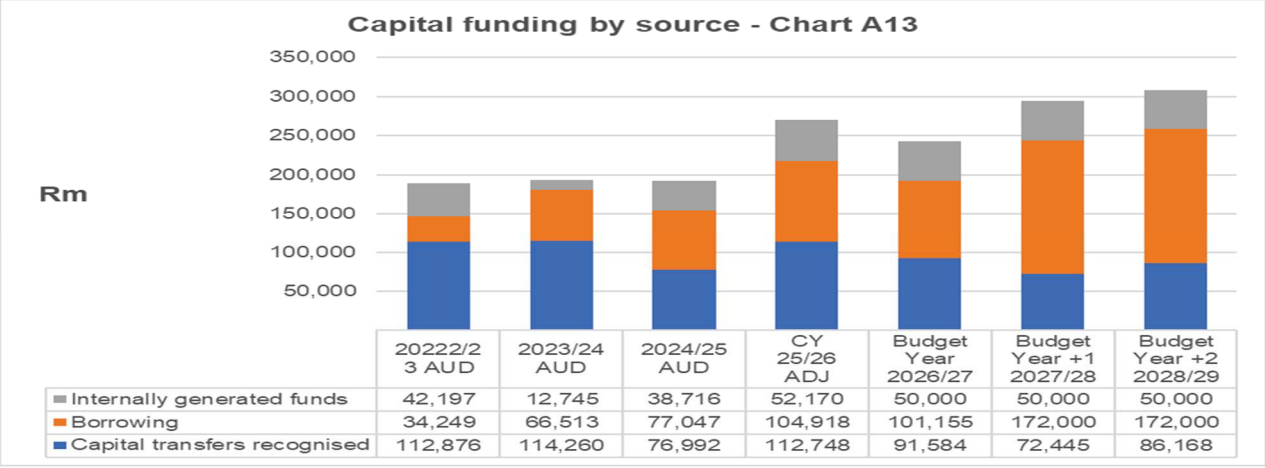


Figure 6 Sources of capital revenue for the 2026/27 financial year

Capital grants and receipts equates to 37.7 per cent of the total funding source which represents R91.6 million for the 2026/27 financial year.

Table 38 MBRR Table SA18 - Capital transfers and grant receipts

Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
RECEIPTS:									
Capital Transfers and Grants									
National Government:	78,254	62,835	50,491	76,207	76,207	76,207	82,749	38,905	46,168
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	27,331	24,380	19,334	13,908	13,908	13,908	30,139	9,983	13,434
Municipal Infrastructure Grant [Schedule 5B]	23,484	23,203	24,932	33,872	33,872	33,872	26,368	28,922	29,734
Local Government Financial Management Grant [Schedule 5B]	–	–	300	–	–	–	–	–	–
Water Services Infrastructure Grant [Schedule 5B]	27,439	4,500	5,925	28,427	28,427	28,427	26,242	–	3,000
Municipal Disaster Relief Grant	–	10,753	–	–	–	–	–	–	–
Provincial Government:	27,266	33,650	20,636	25,342	36,541	36,541	8,835	33,540	40,000
Human Settlements Dev & Informal Settlement Upgrading Partnership Grant	26,666	33,650	19,536	24,542	34,741	34,741	7,110	33,540	40,000
Regional Socio Economic Projects	–	–	–	800	800	800	700	–	–
Baboon Management	–	–	–	–	1,000	1,000	–	–	–
Municipal Fire Service Capacity Support Grant	–	–	–	–	–	–	1,025	–	–
Human Settlements Dev & Informal Settlement Upgrading Partnership Grant							–	–	–
Non-motorised Transport Infrastructure Grant	–	–	1,100	–	–	–	–	–	–
Sports and Recreation	–	–	–	–	–	–	–	–	–
Waste Water Infrastructure	600	–	–	–	–	–	–	–	–
Water Supply Infrastructure	–	–	–	–	–	–	–	–	–
District Municipality:	–	–	–	–	–	–	–	–	–
All Grants	–	–	–	–	–	–	–	–	–
Other Grant Providers:	–	–	–	–	20	20	–	–	–
Departmental Agencies and Accounts	–	–	–	–	–	–	–	–	–
Foreign Government and International Organisations	–	–	–	–	20	20	–	–	–
Total Capital Transfers and Grants	105,520	96,485	71,127	101,549	112,768	112,768	91,584	72,445	86,168
TOTAL RECEIPTS OF TRANSFERS & GRANTS	337,078	392,037	349,420	350,296	371,881	371,881	308,743	300,492	319,059

Borrowing still remains a significant funding source (one-third) for the own capital programme over the medium-term with an estimated R445.1 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	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Borrowings									
Annuity and Bullet Loans									
Banks	181,361	199,290	241,803	275,477	275,550	275,550	341,959	455,749	558,576
Development Bank of South Africa	198,545	172,667	144,710	84,999	84,999	84,999	52,821	17,309	6,076
Total Annuity and Bullet Loans	379,906	371,957	386,513	360,476	360,549	360,549	394,780	473,059	564,652
Total Borrowings	379,906	371,957	386,513	360,476	360,549	360,549	394,780	473,059	564,652

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.

It should be noted that the level of borrowings increases over the MTREF, from R101.1m in 2026/27 to R172m in 2027/28 and R172m in 2028/29.

The following graph illustrates the growth in outstanding borrowing for the 2020/21 to 2028/29 period.

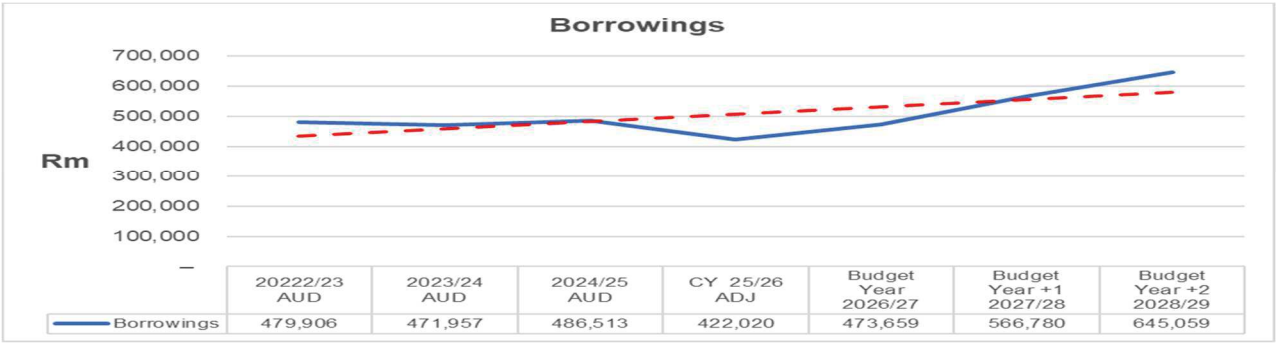


Figure 7 Growth in outstanding borrowing (long-term liabilities)

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	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	292,203	331,408	365,875	395,671	380,865	380,865	417,681	442,741	469,306
Service charges	812,299	933,715	1,063,983	1,191,297	1,168,162	1,168,162	1,294,976	1,372,104	1,454,406
Other revenue	114,226	148,838	147,686	95,718	121,480	121,480	76,959	79,360	83,550
Transfers and Subsidies - Operational	172,032	186,843	197,257	205,957	207,587	207,587	215,312	228,047	232,891
Transfers and Subsidies - Capital	105,269	96,616	70,817	101,549	112,812	112,812	91,584	72,445	86,168
Interest	58,874	81,119	86,667	55,000	68,000	68,000	68,000	68,000	68,000
Dividends	–	–	–	–	–	–	–	–	–
Payments									
Suppliers and employees	(1,277,763)	(1,501,927)	(1,519,736)	(1,753,448)	(1,706,326)	(1,706,326)	(1,873,824)	(1,997,729)	(2,178,797)
Interest	(48,152)	(48,571)	(49,393)	(51,227)	(45,040)	(45,040)	(43,080)	(47,145)	(56,450)
Transfers and Subsidies	(14,865)	(16,590)	(16,803)	(16,770)	(16,770)	(16,770)	(17,648)	(18,500)	(19,397)
NET CASH FROM/(USED) OPERATING ACTIV	**214,123**	**211,450**	**346,352**	**223,747**	**290,768**	**290,768**	**229,960**	**199,323**	**139,676**
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	3,676	302	16,293	–	–	–	–	–	–
Decrease (increase) in non-current receivable	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investmen	(4,980)	(4,980)	(4,980)	30,167	30,112	30,112	8,456	–	–
Insurance Refund - Capital	–	–	–	–	–	–	–	–	–
Interest on Short Term Investment (Greater	–	–	–	–	–	–	–	–	–
Payments									
Capital assets	(183,191)	(172,235)	(188,752)	(258,346)	(269,836)	(269,836)	(242,739)	(294,445)	(308,168)
Retention (Capital)	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIV	**(184,495)**	**(176,913)**	**(177,438)**	**(228,178)**	**(239,724)**	**(239,724)**	**(234,284)**	**(294,445)**	**(308,168)**
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	50,000	50,000	65,000	90,000	90,000	90,000	100,000	172,000	172,000
Increase (decrease) in consumer deposits	1,122	3,535	(6,064)	5,200	2,819	2,819	(1,950)	(1,950)	(1,950)
Payments									
Repayment of borrowing	(50,494)	(57,949)	(50,444)	(154,654)	(154,332)	(154,332)	(61,471)	(78,879)	(93,722)
NET CASH FROM/(USED) FINANCING ACTIV	**628**	**(4,414)**	**8,492**	**(59,454)**	**(61,512)**	**(61,512)**	**36,579**	**91,171**	**76,328**
NET INCREASE/ (DECREASE) IN CASH HELI	**30,255**	**30,123**	**177,406**	**(63,885)**	**(10,468)**	**(10,468)**	**32,256**	**(3,951)**	**(92,164)**
Cash/cash equivalents at the year begin:	**616,280**	**646,535**	**676,658**	787,000	854,064	854,064	**843,596**	**875,852**	**871,901**
Cash/cash equivalents at the year	**646,535**	**676,658**	**854,064**	**723,115**	**843,596**	**843,596**	**875,852**	**871,901**	**779,737**

The above table shows the cash and cash equivalents of the Municipality from the 2022/23 to 2028/29 financial years. For the 2026/27 MTREF the budget has been prepared to ensure acceptable levels of cash and cash equivalents over the medium-term with cash levels anticipated to slightly decline.

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. The working capital has to be optimally managed.

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

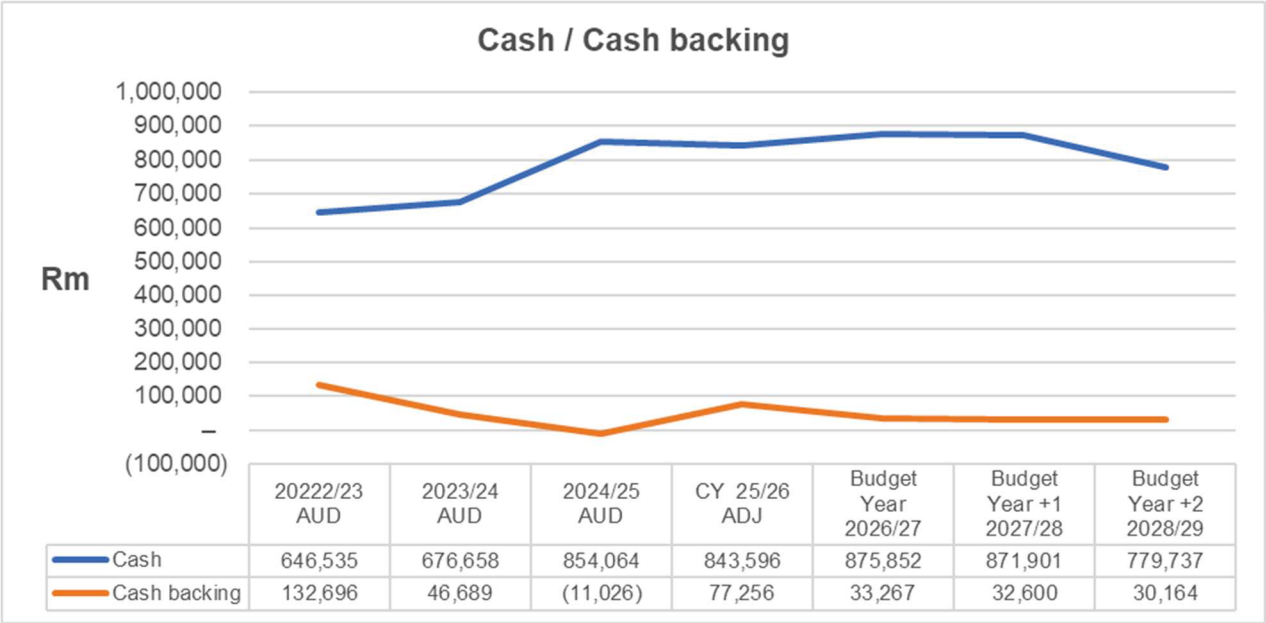
Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Cash and investments available										
Cash/cash equivalents at the year end	646,535	676,658	854,064	723,115	843,596	843,596	(264,789)	875,852	871,901	779,737
Other current investments > 90 days	–	–	–	–	–	–	–	–	–	–
Non current Investments	68,211	31,415	7,315	8,400	8,456	8,456	8,971	–	–	–
Cash and investments available:	**714,746**	**708,073**	**861,379**	**731,515**	**852,052**	**852,052**	**(255,818)**	**875,852**	**871,901**	**779,737**
Application of cash and investments										
Trade payables from Non-exchange transactions: Unsper	6,206	5,342	3,012	–	–	–	48,323	–	–	–
Unspent borrowing	–	–	–	–	–	–		–	–	–
Statutory requirements	–	14,020	–	4,276	4,276	4,276	–	–	–	–
Other working capital requirements	–	–	–	–	–	–	–	–	–	–
Other provisions	13,315	(52,554)	–	56,208	46,677	46,677	–	–	–	–
Long term investments committed	68,211	31,415	7,315	8,400	8,456	8,456	8,971	–	–	–
Reserves to be backed by cash/investments	3,228	3,228	3,228	3,231	3,229	3,229	3,228	3,230	3,231	3,232
Total Application of cash and investments:	**90,960**	**1,450**	**13,555**	**72,115**	**62,637**	**62,637**	**60,523**	**3,230**	**3,231**	**3,232**
Surplus(shortfall) - Excluding Non-Current Creditors T	**623,786**	**706,622**	**847,823**	**659,400**	**789,415**	**789,415**	**(316,341)**	**872,621**	**868,670**	**776,505**
Creditors transferred to Debt Relief - Non-Current port	–	–	–	–	–	–	–	–	–	–
Surplus(shortfall) - Including Non-Current Creditors T	**623,786**	**706,622**	**847,823**	**659,400**	**789,415**	**789,415**	**(316,341)**	**872,621**	**868,670**	**776,505**

From the above table it can be seen that the cash and investments total R852 million in the 2025/26 financial year and R875.9 million in 2026/27, 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 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.
- 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 2026/27 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.



	20222/23 AUD	2023/24 AUD	2024/25 AUD	CY 25/26 ADJ	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Cash	646,535	676,658	854,064	843,596	875,852	871,901	779,737
Cash backing	132,696	46,689	(11,026)	77,256	33,267	32,600	30,164

Figure 8 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	Ref	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Funding measures											
Cash/cash equivalents at the year end - R'000	18(1)b	1	646,535	676,658	854,064	723,115	843,596	843,596	875,852	871,901	779,737
Cash + investments at the yr end less applications - R'000	18(1)b	2	623,786	706,622	847,823	659,400	789,415	789,415	872,621	868,670	776,505
Cash year end/monthly employee/supplier payments	18(1)b	3	5.1	4.8	5.8	4.4	5.3	5.3	4.9	4.7	3.9
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	109,688	128,085	207,001	7,080	8,839	8,839	27,755	(1,476)	(53,814)
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	11.6%	4.9%	0.8%	(7.9%)	(6.0%)	4.1%	(0.0%)	(0.0%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	38.8%	45.3%	43.6%	42.7%	43.3%	43.3%	43.6%	43.7%	43.8%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	4.6%	(0.9%)	0.9%	4.5%	1.6%	1.6%	2.3%	2.1%	2.0%
Capital payments % of capital expenditure	18(1)c;19	8	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	65.4%	63.1%	56.1%	57.4%	57.3%	57.3%	66.2%	77.5%	77.5%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10							100.7%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	23.2%	10.6%	(13.5%)	(9.0%)	0.0%	0.8%	1.6%	2.9%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	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%	7.0%	6.7%	7.6%	7.9%	7.9%	8.7%	9.9%	0.0%
Asset renewal % of capital budget	20(1)(vi)	14	9.2%	7.9%	9.8%	18.1%	20.4%	20.4%	35.8%	22.9%	20.3%
Supporting indicators											
% incr *total service charges (incl prop rates)*	18(1)a		0.0%	17.6%	10.9%	6.8%	(1.9%)	0.0%	10.1%	6.0%	6.0%
% incr Property Tax	18(1)a		0.0%	14.2%	8.2%	4.6%	0.0%	0.0%	5.6%	6.0%	6.0%
% incr Service charges - Electricity	18(1)a		0.0%	22.4%	12.1%	9.5%	(3.7%)	0.0%	14.6%	5.9%	6.0%
% incr Service charges - Water	18(1)a		0.0%	13.8%	11.3%	4.4%	(0.1%)	0.0%	8.2%	6.0%	6.0%
% incr Service charges - Waste Water Management	18(1)a		0.0%	13.2%	11.5%	2.0%	(2.1%)	0.0%	5.9%	6.0%	6.0%
% incr Service charges - Waste Management	18(1)a		0.0%	13.6%	11.0%	6.5%	0.0%	0.0%	5.7%	6.0%	6.0%
% incr in Sale of Goods and Rendering of Services	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18(1)a		1,137,749	1,338,031	1,483,438	1,583,603	1,553,137	1,553,137	1,710,692	1,812,762	1,921,504
Service charges			1,137,749	1,338,031	1,483,438	1,583,603	1,553,137	1,553,137	1,710,692	1,812,762	1,921,504
Property rates			297,101	339,224	367,109	383,977	383,977	383,977	405,548	429,881	455,674
Service charges - electricity revenue			495,999	607,344	680,585	745,540	718,135	718,135	822,903	871,718	923,997
Service charges - water revenue			158,070	179,935	200,340	209,109	208,803	208,803	225,950	239,494	253,864
Service charges - sanitation revenue			100,655	113,954	127,050	129,533	126,779	126,779	134,321	142,381	150,923
Service charges - refuse removal			85,923	97,574	108,353	115,444	115,444	115,444	121,971	129,289	137,046
Service charges - other											
Interest			7,140	6,599	6,846	7,500	7,500	7,500	7,819	8,288	8,785
Capital expenditure excluding capital grant funding			76,446	79,258	115,763	156,797	157,087	157,087	151,155	222,000	222,000
Cash receipts from ratepayers	18(1)a		1,218,728	1,413,961	1,577,543	1,682,686	1,670,506	1,670,506	1,789,616	1,894,205	2,007,262
Ratepayer & Other revenue	18(1)a		3,142,895	3,118,152	3,621,901	3,939,935	3,858,378	3,858,378	4,107,300	4,338,767	4,584,667
Change in consumer debtors (current and non-current)			N/A	28,757	16,148	(22,784)	(13,112)	–	(24,982)	2,125	4,002
Operating and Capital Grant Revenue	18(1)a		297,436	284,337	272,006	307,506	320,355	320,355	306,896	300,492	319,059
Capital expenditure - total	20(1)(vi)		189,321	193,518	192,754	258,346	269,836	269,836	242,739	294,445	308,168
Capital expenditure - renewal	20(1)(vi)		17,393	15,235	18,947	46,797	55,153	55,153	86,956	67,300	62,700
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									192,483	199,895	204,373
Provincial operating grants									20,742	28,152	28,518
Provincial capital grants									8,835	33,540	40,000
District Municipality grants									–	–	–
Total gazetted/advised national, provincial and district grants									304,809	300,492	319,059
Average annual collection rate (arrears inclusive)											
DoRA operating											
Operational Revenue:General Revenue:Equitable Share									188,321	197,595	201,973
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]									2,062	–	–
Local Government Financial Management Grant [Schedule 5B]									1,900	2,100	2,200
Municipal Infrastructure Grant [Schedule 5B]									200	200	200
									192,483	**199,895**	**204,373**
DoRA Capital											
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]									30,139	9,983	13,434
Municipal Infrastructure Grant [Schedule 5B]									26,368	28,922	29,734
Water Services Infrastructure Grant [Schedule 5B]									26,242	–	3,000
Trend											
Change in consumer debtors (current and non-current)			N/A	28,757	16,148	(22,784)	(13,112)	–	(24,982)	2,125	4,002
Total Operating Revenue			1,550,312	1,764,206	1,953,878	2,017,871	2,001,572	2,001,572	2,133,528	2,252,329	2,372,107
Total Operating Expenditure			1,572,027	1,750,397	1,823,868	2,112,340	2,105,545	2,105,545	2,197,357	2,326,250	2,512,089
Operating Performance Surplus/(Deficit)			(21,715)	13,809	130,010	(94,469)	(103,973)	(103,973)	(63,829)	(73,921)	(139,982)
Cash and Cash Equivalents (30 June 2012)									–		
Revenue											
% Increase in Total Operating Revenue				13.8%	10.8%	3.3%	(0.8%)	0.0%	6.6%	5.6%	5.3%
% Increase in Property Rates Revenue				14.2%	8.2%	4.6%	0.0%	0.0%	39.6%	6.0%	6.0%
% Increase in Electricity Revenue				22.4%	12.1%	9.5%	(3.7%)	0.0%	14.6%	5.9%	6.0%
% Increase in Property Rates & Services Charges				17.6%	10.9%	6.8%	(1.9%)	0.0%	10.1%	6.0%	6.0%
Expenditure											
% Increase in Total Operating Expenditure			0.0%	11.3%	4.2%	15.8%	(0.3%)	0.0%	4.4%	5.9%	8.0%
% Increase in Employee Costs			0.0%	8.7%	1.6%	16.5%	(3.9%)	0.0%	13.4%	4.1%	5.8%
% Increase in Electricity Bulk Purchases			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Average Cost Per Budgeted Employee Position (Remuneration)			0	224466.4857	488851.105	480838.9169	253694.542	566045.3863	286682.3597	680056.1002	-82560923.79
Average Cost Per Councillor (Remuneration)			0	0	493762.447	1751442.625	0	531447.3333	0	610367.8022	1915607.978
R&M % of PPE			6.3%	7.0%	6.7%	7.6%	7.9%	7.9%	8.3%	8.7%	9.9%
Asset Renewal and R&M as a % of PPE			7.8%	8.4%	8.5%	10.4%	10.8%	10.8%	11.8%	12.2%	13.2%
Debt Impairment % of Total Billable Revenue			4.6%	(0.9%)	0.9%	4.5%	1.6%	1.6%	2.3%	2.1%	2.0%
Capital Revenue											
Internally Funded & Other (R'000)			42,197	12,745	38,716	50,460	52,170	52,170	50,000	50,000	50,000
Borrowing (R'000)			34,249	66,513	77,047	106,337	104,918	104,918	101,155	172,000	172,000
Grant Funding and Other (R'000)			112,876	114,260	76,992	101,549	112,748	112,748	91,584	72,445	86,168
Internally Generated funds % of Non Grant Funding			55.2%	16.1%	33.4%	32.2%	33.2%	33.2%	33.1%	22.5%	22.5%
Borrowing % of Non Grant Funding			44.8%	896.5%	198.9%	201.2%	216.1%	216.1%	183.2%	144.9%	172.3%
Grant Funding % of Total Funding			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital Expenditure											
Total Capital Programme (R'000)			189,321	193,518	192,754	258,346	269,836	269,836	242,739	294,445	308,168
Asset Renewal			56,518	51,250	73,547	110,336	118,195	118,195	142,620	145,622	144,913
Asset Renewal % of Total Capital Expenditure			29.9%	26.5%	38.2%	42.7%	43.8%	43.8%	58.8%	49.5%	47.0%
Cash											
Cash Receipts % of Rate Payer & Other			38.8%	45.3%	43.6%	42.7%	43.3%	43.3%	43.6%	43.7%	43.8%
Cash Coverage Ratio			0	0	0	0	0	0	0	0	0
Borrowing											
Credit Rating (2009/10)									0		
Capital Charges to Operating			6.3%	6.1%	5.4%	9.7%	9.5%	9.5%	4.8%	5.4%	6.0%
Borrowing Receipts % of Capital Expenditure			65.4%	63.1%	56.1%	57.4%	57.3%	57.3%	66.2%	77.5%	77.5%
Reserves											
Surplus/(Deficit)			623,786	706,622	847,823	659,400	789,415	789,415	872,621	868,670	776,505
Free Services											
Free Basic Services as a % of Equitable Share			17.0%	20.5%	15.5%	15.5%	29.7%	29.7%	34.1%	35.6%	0.0%
Free Services as a % of Operating Revenue (excl operational transfers)			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Operating Revenue			1,550,312	1,764,206	1,953,878	2,017,871	2,001,572	2,001,572	2,133,528	2,252,329	2,372,107
Total Operating Expenditure			1,572,027	1,750,397	1,823,868	2,112,340	2,105,545	2,105,545	2,197,357	2,326,250	2,512,089
Surplus/(Deficit) Budgeted Operating Statement			(21,715)	13,809	130,010	(94,469)	(103,973)	(103,973)	(63,829)	(73,921)	(139,982)
Surplus/(Deficit) Considering Reserves and Cash Backing			623,786	706,622	847,823	659,400	789,415	789,415	872,621	868,670	776,505
MTREF Funded (1) / Unfunded (0)		15	1	1	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded ✗		15	✓	✓	✓	✓	✓	✓	✓	✓	✓

2.7 Expenditure on grants and reconciliations of unspent funds

Table 43 MBRR SA19 - Expenditure on transfers and grant programmes

Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
EXPENDITURE:									
Operating expenditure of Transfers and Grants									
National Government:	**11,665**	**11,261**	**3,938**	**4,598**	**4,598**	**4,598**	**4,162**	**2,300**	**2,400**
Energy Efficiency and Demand-side [Schedule 5B]	2,799	4,401	–	–	–	–	–	–	–
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	2,593	3,366	1,898	2,588	2,588	2,588	2,062	–	–
HIV and Aids	–	–	–	–	–	–	–	–	–
Local Government Financial Management Grant [Schedule 5B]	1,550	1,550	1,412	1,800	1,800	1,800	1,900	2,100	2,200
Municipal Disaster Grant [Schedule 5B]	–	1,292	428	–	–	–	–	–	–
Municipal Human Settlement Capacity Grant [Schedule 5B]	–	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant [Schedule 5B]	1,144	652	200	210	210	210	200	200	200
Water Services Infrastructure Grant	3,579	–	–	–	–	–	–	–	–
Provincial Government:	**73,992**	**126,439**	**104,875**	**61,906**	**71,823**	**71,823**	**20,742**	**28,152**	**28,518**
Title Deeds Restoration Grant	–	362	174	97	97	97	250	250	250
Community Library Services Grant	8,258	8,398	8,608	8,824	8,824	8,824	9,288	9,381	9,475
Thusong Services Centres Grant	60	90		150	150	150	150	150	–
Resource funding for the establish & support of K9 Unit	2,420	3,345	4,172	4,350	4,350	4,350	4,473	4,666	4,876
Community Development Workers	75	76	76	76	76	76	78	78	78
Financial Management Capability Grant	474	139	99	672	672	672	–	–	–
Maintenance & Construction of Transport Infrastructure	140	400	7,440	130	130	130	140	8,908	8,908
Resource funding for the est of Law Enforcement Rural Safety Unit	4,745	4,282	4,223	4,317	4,317	4,317	4,516	4,719	4,931
Human Settlements Dev & Informal Settlement Upgrading Partnership Grant	55,457	104,289	79,443	42,790	52,107	52,107	1,847	–	–
Municipal Fire Service Capacity Support Grant	200			500	500	500	–	–	–
Municipal Service Delivery & Capacity Building Grant	121	179	500	–	600	600	–	–	–
Library Service Replacement Funding	–	219	139	–	–	–	–	–	–
Emergency Municipal Load-shedding relief grant	2,042	4,658		–	–	–	–	–	–
District Municipality:	**35**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
All Grants	35	–	–	–	–	–	–	–	–
Other Grant Providers:	**–**	**–**	**854**	**2,975**	**4,005**	**4,005**	**3,934**	**–**	**–**
Departmental Agencies and Accounts	–	–	398	2,600	2,600	2,600	3,722	–	–
Foreign Government and International Organisations	–	–	456	375	1,405	1,405	212	–	–
Total operating expenditure of Transfers and Grants:	**85,692**	**137,699**	**109,666**	**69,479**	**80,425**	**80,425**	**28,838**	**30,452**	**30,918**
Capital expenditure of Transfers and Grants									
National Government:	**81,741**	**59,150**	**54,164**	**76,207**	**76,207**	**76,207**	**82,749**	**38,905**	**46,168**
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	34,397	24,380	19,334	13,908	13,908	13,908	30,139	9,983	13,434
Municipal Infrastructure Grant [Schedule 5B]	23,484	19,518	28,617	33,872	33,872	33,872	26,368	28,922	29,734
Local Government Financial Management Grant [Schedule 5B]	–	–	288	–	–	–	–	–	–
Water Services Infrastructure Grant [Schedule 5B]	23,860	4,500	5,925	28,427	28,427	28,427	26,242	–	3,000
Municipal Disaster Relief Grant	–	10,753	–	–	–	–	–	–	–
Provincial Government:	**31,195**	**33,827**	**18,719**	**25,342**	**36,541**	**36,541**	**8,835**	**33,540**	**40,000**
Capacity Building	–	–	–	–	–	–	–	–	–
Capacity Building and Other	–	–	–	–	–	–	–	–	–
Disaster and Emergency Services	–	–	–	–	–	–	–	–	–
Health	–	–	–	–	–	–	–	–	–
Human Settlements Dev & Informal Settlement Upgrading Partnership Grant	26,098	33,678	17,619	25,342	34,741	34,741	7,110	33,540	40,000
Non-motorised Transport Infrastructure Grant	–	–	1,100	–	–	–	–	–	–
Regional Socio Economic Projects	–	–	–	–	800	800	700	–	–
Baboon Management	–	–	–	–	1,000	1,000	–	–	–
Municipal Fire Service Capacity Support Grant							1,025		
Capacity Building and Other	1,194	56	–	–	–	–		–	–
Infrastructure	3,903	93	–						
District Municipality:	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
All Grants	–	–	–	–	–	–	–	–	–
Other Grant Providers:	**–**	**–**	**105**	**–**	**20**	**20**	**–**	**–**	**–**
Departmental Agencies and Accounts	–	–	–	–	–	–	–	–	–
Foreign Government and International Organisations	–	–	–	–	20	20	–	–	–
Public Corporations	–	–	105	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants	**112,936**	**92,977**	**72,989**	**101,549**	**112,768**	**112,768**	**91,584**	**72,445**	**86,168**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	**198,628**	**230,677**	**182,655**	**171,028**	**193,194**	**193,194**	**120,422**	**102,897**	**117,086**

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

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

Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Operating transfers and grants:									
National Government:									
Balance unspent at beginning of the year	(4,017)	(201)	(128)	–	–	–	–	–	–
Current year receipts	15,573	(9,896)	(3,498)	(4,598)	(4,598)	(4,598)	192,483	199,895	204,373
Conditions met - transferred to revenue	(15,774)	9,969	3,626	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities	323	–	–	–	–	–	–	–	–
Closing Balance	(3,895)	(128)	–	(4,598)	(4,598)	(4,598)	192,483	199,895	204,373
Provincial Government:									
Balance unspent at beginning of the year	(5,552)	(4,745)	6,757	–	(161)	(161)	–	–	–
Current year receipts	(21,651)	(17,688)	(24,953)	(18,616)	(19,216)	(19,216)	20,742	28,152	28,518
Conditions met - transferred to revenue	18,395	21,750	17,975	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities	3,663	–	61	–	161	161	–	–	–
Closing Balance	(5,145)	(683)	(161)	(18,616)	(19,216)	(19,216)	20,742	28,152	28,518
District Municipality:									
Balance unspent at beginning of the year	–	–	–	–	–	–	–	–	–
Current year receipts	(35)	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue	35	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities	–	–	–	–	–	–	–	–	–
Closing Balance	–	–	–	–	–	–	–	–	–
Other grant providers:									
Balance unspent at beginning of the year	(187)	(187)	(187)	–	(935)	(935)	–	–	–
Current year receipts	–	–	(1,602)	(2,975)	(3,424)	(3,424)	3,934	–	–
Conditions met - transferred to revenue	–	–	854	–	354	354	–	–	–
Conditions still to be met - transferred to liabilities	–	–	–	–	–	–	–	–	–
Closing Balance	(187)	(187)	(935)	(2,975)	(4,005)	(4,005)	3,934	–	–
Total operating transfers and grants revenue	**2,655**	**31,719**	**22,455**	**–**	**354**	**354**	**–**	**–**	**–**
Total operating transfers and grants - CTBM	**3,986**	**–**	**61**	**–**	**161**	**161**	**–**	**–**	**–**
Capital transfers and grants:									
National Government:									
Balance unspent at beginning of the year	(7,066)	–	(3,985)	–	–	–	–	–	–
Current year receipts	(102,114)	(52,383)	(50,491)	(76,207)	(76,207)	(76,207)	82,749	38,905	46,168
Conditions met - transferred to revenue	109,180	48,398	54,476	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities	–	–	–	–	–	–	–	–	–
Closing Balance	–	(3,985)	–	(76,207)	(76,207)	(76,207)	82,749	38,905	46,168
Provincial Government:									
Balance unspent at beginning of the year	(600)	(569)	(254)	–	(1,917)	(1,917)	–	–	–
Current year receipts	(335,231)	(33,680)	(20,636)	(25,842)	(37,041)	(37,041)	8,835	33,540	40,000
Conditions met - transferred to revenue	338,562	33,827	18,736	–	1,917	1,917	–	–	–
Conditions still to be met - transferred to liabilities	(3,300)	168	238	–	–	–	–	–	–
Closing Balance	(569)	(254)	(1,917)	(25,842)	(37,041)	(37,041)	8,835	33,540	40,000
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	–	–	–	–	–	–	–	–	–
Closing Balance	–	–	–	–	–	–	–	–	–
Other grant providers:									
Balance unspent at beginning of the year	(12,442)	(105)	(105)	–	–	–	–	–	–
Current year receipts	–	–	–	–	(20)	(20)	–	–	–
Conditions met - transferred to revenue	12,337	–	105	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities	–	–	–	–	–	–	–	–	–
Closing Balance	(105)	(105)	–	–	(20)	(20)	–	–	–
Total capital transfers and grants revenue	**460,079**	**82,225**	**73,317**	**–**	**1,917**	**1,917**	**–**	**–**	**–**
Total capital transfers and grants - CTBM	**(674)**	**(4,344)**	**(1,917)**	**(102,049)**	**(113,268)**	**(113,268)**	**91,584**	**72,445**	**86,168**
TOTAL TRANSFERS AND GRANTS REVENUE	**462,734**	**113,943**	**95,772**	**–**	**2,271**	**2,271**	**–**	**–**	**–**
TOTAL TRANSFERS AND GRANTS - CTBM	**3,312**	**(4,344)**	**(1,856)**	**(102,049)**	**(113,107)**	**(113,107)**	**91,584**	**72,445**	**86,168**

2.8 Councillor and employee benefits

Table 45 MBRR SA22 - Summary of councillor and staff benefits

Summary of Employee and Councillor remuneration	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)									
Allowances and Service Related Benefits									
Basic Salary	10,979	11,461	12,063	12,742	13,080	13,080	14,084	15,211	15,971
Cell phone Allowance	1,336	1,269	1,268	1,269	1,269	1,269	1,316	1,269	1,269
Housing Allowance	–	–	–	–	–	–	–	–	–
In-kind Benefits	–	–	–	–	–	–	–	–	–
Market Related Non-pensionable Allowance	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	–	–	–	–	–	–	–	–	–
Office-bearer Allowance	–	–	–	–	–	–	–	–	–
Out of pocket Expenses	–	–	–	–	–	–	–	–	–
Travelling Allowance	–	–	–	–	–	–	–	–	–
Use of Personal Facilities	–	–	–	–	–	–	–	–	–
Total Allowances and Service Related Benefits	**12,315**	**12,730**	**13,332**	**14,012**	**14,349**	**14,349**	**15,400**	**16,480**	**17,240**
Social Contributions									
Medial Aid Benefits	–	–	–	–	–	–	–	–	–
Pension Fund Contributions	–	–	–	–	–	–	–	–	–
Total Social Contributions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Councillors	**12,315**	**12,730**	**13,332**	**14,012**	**14,349**	**14,349**	**15,400**	**16,480**	**17,240**
Senior Managers of the Municipality									
Salaries and Allowances									
Basic Salary	12,034	12,340	9,800	12,377	7,786	7,786	13,340	14,007	14,707
Bonuses	162	205	288	229	229	229	229	240	252
Allowance									
Accommodation, Travel and Incidental	–	–	–	–	–	–	–	–	–
Cellular and Telephone	179	201	155	221	137	137	221	232	244
Housing Benefits	–	–	–	–	–	–	–	–	–
Non-pensionable	–	–	–	–	–	–	–	–	–
Travel or Motor Vehicle	–	–	–	–	–	–	–	–	–
Voluntary Work	–	–	–	–	–	–	–	–	–
Total Allowance	**179**	**201**	**155**	**221**	**137**	**137**	**221**	**232**	**244**
Service Related Benefits									
Total Service Related Benefits	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Salaries and Allowances	**12,376**	**12,746**	**10,243**	**12,827**	**8,151**	**8,151**	**13,789**	**14,479**	**15,203**
Social Contributions									
Total Social Contributions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Post-retirement Benefit									
Total Post-retirement Benefit	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Costs Capitalised to PPE	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality	**12,376**	**12,746**	**10,243**	**12,827**	**8,151**	**8,151**	**13,789**	**14,479**	**15,203**
Other Municipal Staff									
Salaries and Allowances									
Basic Salary	283,550	309,950	317,181	382,372	358,559	358,559	418,255	440,094	465,371
Bonuses	856	1,061	(531)	549	589	589	612	637	669
Allowance									
Accommodation, Travel and Incidental	–	–	–	–	–	–	–	–	–
Cellular and Telephone	1,976	2,291	2,127	2,426	2,202	2,202	2,218	2,351	2,492
Housing Benefits	8,104	9,134	9,996	11,247	9,940	9,940	10,799	11,447	12,133
Non-pensionable	207	202	31	51	15	15	54	57	61
Travel or Motor Vehicle	7,976	7,726	7,411	8,438	7,540	7,540	7,652	8,111	8,598
Voluntary Work	–	–	–	–	–	–	–	–	–
Total Allowance	**18,264**	**19,354**	**19,565**	**22,161**	**19,696**	**19,696**	**20,724**	**21,967**	**23,284**
Service Related Benefits									
Acting	1,781	1,334	1,422	1,101	2,095	2,095	2,425	2,571	2,725
Bonus	20,905	22,202	22,625	25,197	24,201	24,201	25,559	27,060	28,654
Danger Allowance	–	–	–	–	–	–	–	–	–
Entertainment	–	–	–	–	–	–	–	–	–
Fire Brigade	–	–	–	–	–	–	–	–	–
In-kind Benefits	–	–	–	–	–	–	–	–	–
Leave Pay	–	–	–	–	–	–	–	–	–
Lifeguard/Duty Squads	–	–	–	–	–	–	–	–	–
Long Service Award	3,283	4,010	4,358	4,831	4,298	4,298	4,638	2,873	3,017
Overtime	42,829	43,751	42,008	42,318	53,145	53,145	53,191	56,382	59,765
Scarcity	3,796	4,103	3,900	4,295	3,973	3,973	4,691	4,973	5,271
Standby Allowance	17,650	17,536	17,374	16,972	18,982	18,982	19,006	20,146	21,355
Tools Allowance	–	–	–	–	–	–	–	–	–
Uniform/Special/Protective Clothing	–	–	–	–	–	–	–	–	–
Leave gratuity	2,875	1,665	3,539	2,123	3,440	3,440	3,648	3,857	4,050
Long Term Service Award	–	–	–	–	–	–	–	–	–
Total Service Related Benefits	**93,119**	**94,601**	**95,226**	**96,837**	**110,133**	**110,133**	**113,158**	**117,861**	**124,836**
Total Salaries and Allowances	**395,789**	**424,967**	**431,442**	**501,919**	**488,978**	**488,978**	**552,750**	**580,559**	**614,161**
Social Contributions									
Bargaining Council	171	214	167	174	175	175	202	213	226
Group Life Insurance	5,006	5,332	5,389	5,908	5,872	5,872	6,285	6,657	7,052
Medical	15,638	16,959	18,091	19,278	18,455	18,455	20,818	22,041	23,339
Pension	45,272	48,052	49,020	54,276	51,979	51,979	57,751	61,169	64,796
Unemployment Insurance	2,483	2,620	2,548	2,740	2,696	2,696	2,998	3,146	3,326
Total Social Contributions	**68,570**	**73,178**	**75,215**	**82,376**	**79,178**	**79,178**	**88,053**	**93,226**	**98,740**
Post-retirement Benefit									
Medical	4,204	12,116	14,482	21,718	18,607	18,607	20,258	14,234	14,945
Other Benefits	–	–	–	–	–	–	–	–	–
Pension	–	–	–	–	–	–	–	–	–
Total Post-retirement Benefit	**4,204**	**12,116**	**14,482**	**21,718**	**18,607**	**18,607**	**20,258**	**14,234**	**14,945**
Costs Capitalised to PPE	–	–	–	–	–	–	–	–	–
Sub Total - Other Municipal Staff	**468,563**	**510,261**	**521,139**	**606,013**	**586,763**	**586,763**	**661,061**	**688,019**	**727,846**
Total Parent Municipality	**493,254**	**535,737**	**544,713**	**632,851**	**609,263**	**609,263**	**690,250**	**718,978**	**760,289**
TOTAL SALARY, ALLOWANCES & BENEFITS	**493,254**	**535,737**	**544,713**	**632,851**	**609,263**	**609,263**	**690,250**	**718,978**	**760,289**
TOTAL MANAGERS AND STAFF	**480,939**	**523,007**	**531,381**	**618,840**	**594,914**	**594,914**	**674,850**	**702,498**	**743,048**

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

WC032 Overstrand - Supporting Table SA23 Salaries, allowances & 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	882,245	–	47,004	–	–	929,249
Chief Whip	–	–	–	–	–	–	–
Executive Mayor	1	1,102,798	–	47,004	–	–	1,149,802
Deputy Executive Mayor	1	882,245	–	47,004	–	–	929,249
Executive Committee	5	4,137,383	–	235,020	–	–	4,372,403
Total for all other councillors	21	7,078,864	–	940,080	–	–	8,018,944
Section 79 committee chairperso	–	–	–	–	–	–	–
Total Councillors	**29**	**14,083,535**	**–**	**1,316,112**			**15,399,647**
Senior Managers of the Municipality							
Municipal Manager (MM)	1	2,490,994	–	47,004	–	228,518	2,766,516
Chief Finance Officer	1	1,555,566	–	28,980	–	–	1,584,546
Corporate Services	1	2,251,118	–	28,980	–	–	2,280,098
Infrastructure Services	1	2,375,597	–	28,980	–	–	2,404,577
Public Safety	1	1,555,566	–	28,980	–	–	1,584,546
Planning & development	1	1,555,566	–	28,980	–	–	1,584,546
Community Services	1	1,555,566	–	28,980	–	–	1,584,546
Total Senior Managers of the Municipality	**7**	**13,339,973**	**–**	**220,884**	**–**		**13,789,375**
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	**36**	**27,423,508**	**–**	**1,536,996**	**–**		**29,189,022**

Table 47 MBRR SA24 – Summary of personnel numbers

Summary of Personnel Numbers	2024/25			Current Year 2025/26			Budget Year 2026/27		
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)	27	8	–	27	8	–	27	9	
Board Members of municipal entities			4			–			
Municipal employees									
Municipal Manager and Senior Managers	7	6	–	7	5	–	7	3	
Other Managers	53	47	–	52	44	–	53	50	
Professionals	*30*	*25*	*1*	*27*	*19*	*1*	*31*	*22*	–
Finance	24	21	1	20	15	1	24	18	
Spatial/town planning	2	2	–	2	2	–	2	2	
Information Technology	1	1	–	2	1	–	2	1	
Roads			–						
Electricity			–			–			
Water			–			–			
Sanitation			–			–			
Refuse			–			–			
Other	3	1	–	3	1		3	1	
Technicians	*197*	*181*	*1*	*218*	*170*	*1*	*217*	*176*	–
Finance			1			1			
Spatial/town planning	11	11	–	13	11	–	13	11	
Information Technology	6	4	–	7	6	–	7	6	
Roads	10	10	–	11	10	–	11	11	
Electricity	30	28	–	34	29	–	34	28	
Water	20	18	–	20	15	–	19	13	
Sanitation	1	1	–	1	1	–	1	1	
Refuse	5	5	–	6	5	–	6	5	
Other	114	104	–	126	93	–	126	101	
Clerks (Clerical and administrative)	279	250	5	295	235	15	307	239	
Service and sales workers	148	128	–	153	122	–	148	124	
Skilled agricultural and fishery workers			–			–			
Craft and related trades			–			–			
Plant and Machine Operators	62	56	–	78	73	–	78	69	
Elementary Occupations	424	402	–	427	385	–	426	368	
TOTAL PERSONNEL NUMBERS	**1,227**	**1,103**	**11**	**1,284**	**1,061**	**17**	**1,294**	**1,060**	**–**
% increase				4.6%	(3.8%)	54.5%	0.8%	(0.1%)	(100.0%)
Total municipal employees headcount	**1,200**	**1,095**		**1,257**	**1,053**		**1,267**	**1,051**	
Finance personnel headcount	114	**103**	**5**	**137**	**105**	**10**	**142**	**109**	
Human Resources personnel headcount	**20**	**19**	**–**	**19**	**23**	**–**	**26**	**22**	**–**

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

Table 48 MBRR SA25 - Budgeted monthly revenue and expenditure

Description	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue															
Exchange Revenue															
Service charges - Electricity	68,575	68,575	68,575	68,575	68,575	68,575	68,575	68,575	68,575	68,575	68,575	68,575	822,903	871,718	923,997
Service charges - Water	18,829	18,829	18,829	18,829	18,829	18,829	18,829	18,829	18,829	18,829	18,829	18,829	225,950	239,494	253,864
Service charges - Waste Water Management	11,193	11,193	11,193	11,193	11,193	11,193	11,193	11,193	11,193	11,193	11,193	11,193	134,321	142,381	150,923
Service charges - Waste Management	10,164	10,164	10,164	10,164	10,164	10,164	10,164	10,164	10,164	10,164	10,164	10,164	121,971	129,289	137,046
Sale of Goods and Rendering of Services	2,418	2,418	2,418	2,418	2,418	2,418	2,418	2,418	2,418	2,418	2,418	2,418	29,014	30,755	32,600
Agency services	652	652	652	652	652	652	652	652	652	652	652	652	7,819	8,288	8,785
Interest	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest earned from Receivables	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	12,500	13,250	14,045
Interest earned from Current and Non Current Assets	5,667	5,667	5,667	5,667	5,667	5,667	5,667	5,667	5,667	5,667	5,667	5,667	68,000	68,000	68,000
Dividends	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rent on Land	104	104	104	104	104	104	104	104	104	104	104	104	1,243	1,318	1,397
Rental from Fixed Assets	781	781	781	781	781	781	781	781	781	781	781	781	9,370	9,932	10,528
Licence and permits	123	123	123	123	123	123	123	123	123	123	123	123	1,481	1,570	1,664
Special rating levies	1,349	1,349	1,349	1,349	1,349	1,349	1,349	1,349	1,349	1,349	1,349	1,349	16,193	17,165	18,195
Construction Contract Revenue	154	154	154	154	154	154	154	154	154	154	154	154	1,847	–	–
Development Charges	300	300	300	300	300	300	300	300	300	300	300	300	3,599	3,815	4,044
Operational Revenue	734	734	734	734	734	734	734	734	734	734	734	734	8,812	9,341	9,901
Non-Exchange Revenue															
Property rates	33,813	33,813	33,813	33,813	33,813	33,813	33,813	33,813	33,813	33,813	33,813	33,601	405,548	429,881	455,674
Surcharges and Taxes	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	3,572	3,572	3,572	3,572	3,572	3,572	3,572	3,572	3,572	3,572	3,572	3,572	42,861	43,032	43,214
Licences or permits	182	182	182	182	182	182	182	182	182	182	182	182	2,186	2,317	2,456
Transfer and subsidies - Operational	17,925	17,925	17,925	17,925	17,925	17,925	17,925	17,925	17,925	17,925	17,925	18,137	215,312	228,047	232,891
Interest	192	192	192	192	192	192	192	192	192	192	192	192	2,300	2,438	2,584
Fuel Levy	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational Revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Gains	–	–	–	–	–	–	–	–	–	–	–	300	300	300	300
Discontinued Operations	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	**177,769**	**177,769**	**177,769**	**177,769**	**177,769**	**177,769**	**177,769**	**177,769**	**177,769**	**177,769**	**177,769**	**178,070**	**2,133,528**	**2,252,329**	**2,372,107**
Expenditure															
Employee related costs	56,238	56,238	56,238	56,238	56,238	56,238	56,238	56,238	56,238	56,238	56,238	56,237	674,850	702,498	743,048
Remuneration of councillors	1,283	1,283	1,283	1,283	1,283	1,283	1,283	1,283	1,283	1,283	1,283	1,283	15,400	16,480	17,240
Bulk purchases - electricity	50,253	50,253	50,253	50,253	50,253	50,253	50,253	50,253	50,253	50,253	50,253	50,253	603,032	656,280	708,782
Inventory consumed	6,575	6,575	6,575	6,575	6,575	6,575	6,575	6,575	6,575	6,575	6,575	6,576	78,902	83,969	128,795
Debt impairment	–	–	–	–	–	–	–	–	–	–	–	38,593	38,593	38,593	38,593
Depreciation and amortisation	14,631	14,631	14,631	14,631	14,631	14,631	14,631	14,631	14,631	14,631	14,631	14,632	175,572	184,350	193,568
Interest	3,590	3,590	3,590	3,590	3,590	3,590	3,590	3,590	3,590	3,590	3,590	3,590	43,080	47,145	56,450
Contracted services	33,077	33,077	33,077	33,077	33,077	33,077	33,077	33,077	33,077	33,077	33,077	33,079	396,928	419,114	439,592
Transfers and subsidies	1,471	1,471	1,471	1,471	1,471	1,471	1,471	1,471	1,471	1,471	1,471	1,471	17,648	18,500	19,397
Irrecoverable debts written off	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	20,000	20,000	20,000
Operational costs	10,484	10,484	10,484	10,484	10,484	10,484	10,484	10,484	10,484	10,484	10,484	10,486	125,810	130,201	137,048
Losses on disposal of Assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Losses	3,820	3,820	3,820	3,820	3,820	3,820	3,820	3,820	3,820	3,820	3,820	(34,474)	7,542	9,120	9,576
Total Expenditure	**183,088**	**183,088**	**183,088**	**183,088**	**183,088**	**183,088**	**183,088**	**183,088**	**183,088**	**183,088**	**183,088**	**183,394**	**2,197,357**	**2,326,250**	**2,512,089**
Surplus/(Deficit)	**(5,319)**	**(5,319)**	**(5,319)**	**(5,319)**	**(5,319)**	**(5,319)**	**(5,319)**	**(5,319)**	**(5,319)**	**(5,319)**	**(5,319)**	**(5,324)**	**(63,829)**	**(73,921)**	**(139,982)**
Transfers and subsidies - capital (monetary allocations)	7,632	7,632	7,632	7,632	7,632	7,632	7,632	7,632	7,632	7,632	7,632	7,632	91,584	72,445	86,168
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributio	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,308**	**27,755**	**(1,476)**	**(53,814)**
Income Tax	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,308**	**27,755**	**(1,476)**	**(53,814)**
Share of Surplus/Deficit attributable to Joint Venture	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,308**	**27,755**	**(1,476)**	**(53,814)**
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,308**	**27,755**	**(1,476)**	**(53,814)**

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

Description	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue by Vote															
Vote 1 - Municipal Council	4,416	4,416	4,416	4,416	4,416	4,416	4,416	4,416	4,416	4,416	4,416	4,416	52,992	54,146	49,917
Vote 2 - Office of the Municipal Manager	48	48	48	48	48	48	48	48	48	48	48	48	576	611	647
Vote 3 - Corporate Services	88	88	88	88	88	88	88	88	88	88	88	88	1,057	1,120	1,188
Vote 4 - Financial Services	43,034	43,034	43,034	43,034	43,034	43,034	43,034	43,034	43,034	43,034	43,034	43,034	516,406	543,396	571,894
Vote 5 - Infrastructure Services	127,549	127,549	127,549	127,549	127,549	127,549	127,549	127,549	127,549	127,549	127,549	127,549	1,530,590	1,603,952	1,711,884
Vote 6 - Community Services	3,424	3,424	3,424	3,424	3,424	3,424	3,424	3,424	3,424	3,424	3,424	3,424	41,090	44,216	43,492
Vote 7 - Municipal Public Safety	5,191	5,191	5,191	5,191	5,191	5,191	5,191	5,191	5,191	5,191	5,191	5,191	62,292	62,400	63,603
Vote 8 - Planning and Development	1,676	1,676	1,676	1,676	1,676	1,676	1,676	1,676	1,676	1,676	1,676	1,676	20,109	14,933	15,651
Vote 9 - Costing Services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Main Ledger Services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue by Vote	**185,426**	**185,426**	**185,426**	**185,426**	**185,426**	**185,426**	**185,426**	**185,426**	**185,426**	**185,426**	**185,426**	**185,427**	**2,225,112**	**2,324,774**	**2,458,275**
Expenditure by Vote to be appropriated															
Vote 1 - Municipal Council	4,755	4,755	4,755	4,755	4,755	4,755	4,755	4,755	4,755	4,755	4,755	4,755	57,064	50,823	53,213
Vote 2 - Office of the Municipal Manager	3,070	3,070	3,070	3,070	3,070	3,070	3,070	3,070	3,070	3,070	3,070	3,070	36,841	38,672	40,608
Vote 3 - Corporate Services	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,228	86,730	91,316	96,164
Vote 4 - Financial Services	16,034	16,034	16,034	16,034	16,034	16,034	16,034	16,034	16,034	16,034	16,034	16,034	192,404	199,181	210,176
Vote 5 - Infrastructure Services	109,931	109,931	109,931	109,931	109,931	109,931	109,931	109,931	109,931	109,931	109,931	109,933	1,319,177	1,427,221	1,566,544
Vote 6 - Community Services	18,459	18,459	18,459	18,459	18,459	18,459	18,459	18,459	18,459	18,459	18,459	18,460	221,509	227,148	238,601
Vote 7 - Municipal Public Safety	17,264	17,264	17,264	17,264	17,264	17,264	17,264	17,264	17,264	17,264	17,264	17,265	207,166	217,730	229,089
Vote 8 - Planning and Development	6,372	6,372	6,372	6,372	6,372	6,372	6,372	6,372	6,372	6,372	6,372	6,373	76,466	74,158	77,695
Vote 9 - Costing Services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Main Ledger Services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	**183,113**	**183,113**	**183,113**	**183,113**	**183,113**	**183,113**	**183,113**	**183,113**	**183,113**	**183,113**	**183,113**	**183,119**	**2,197,357**	**2,326,250**	**2,512,089**
Surplus/(Deficit) before assoc.	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,308**	**27,755**	**(1,476)**	**(53,814)**
Surplus/(Deficit) after income tax	–	–	–	–	–	–	–	–	–	–	–	27,755	27,755	(1,476)	(53,814)
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,308**	**27,755**	**(1,476)**	**(53,814)**

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

Description	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue - Functional															
Governance and administration	**47,633**	**47,633**	**47,633**	**47,633**	**47,633**	**47,633**	**47,633**	**47,633**	**47,633**	**47,633**	**47,633**	**178,379**	**702,343**	**740,834**	**779,734**
Executive and council	4,416	4,416	4,416	4,416	4,416	4,416	4,416	4,416	4,416	4,416	4,416	24,424	73,000	75,721	73,714
Finance and administration	43,217	43,217	43,217	43,217	43,217	43,217	43,217	43,217	43,217	43,217	43,217	153,955	629,342	665,113	706,020
Internal audit	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety	**9,324**	**9,324**	**9,324**	**9,324**	**9,324**	**9,324**	**9,324**	**9,324**	**9,324**	**9,324**	**9,324**	**12,465**	**115,026**	**143,058**	**150,161**
Community and social services	876	876	876	876	876	876	876	876	876	876	876	876	10,509	10,666	10,678
Sport and recreation	2,463	2,463	2,463	2,463	2,463	2,463	2,463	2,463	2,463	2,463	2,463	2,463	29,557	32,475	31,535
Public safety	5,191	5,191	5,191	5,191	5,191	5,191	5,191	5,191	5,191	5,191	5,191	8,333	65,434	65,788	67,339
Housing	794	794	794	794	794	794	794	794	794	794	794	794	9,527	34,129	40,610
Health	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services	**3,466**	**3,466**	**3,466**	**3,466**	**3,466**	**3,466**	**3,466**	**3,466**	**3,466**	**3,466**	**3,466**	**9,073**	**47,203**	**40,046**	**40,852**
Planning and development	1,414	1,414	1,414	1,414	1,414	1,414	1,414	1,414	1,414	1,414	1,414	7,020	22,570	21,088	22,601
Road transport	1,725	1,725	1,725	1,725	1,725	1,725	1,725	1,725	1,725	1,725	1,725	1,725	20,699	18,958	18,252
Environmental protection	328	328	328	328	328	328	328	328	328	328	328	328	3,934	–	–
Trading services	**125,003**	**125,003**	**125,003**	**125,003**	**125,003**	**125,003**	**125,003**	**125,003**	**125,003**	**125,003**	**125,003**	**125,003**	**1,500,033**	**1,551,252**	**1,653,431**
Energy sources	75,883	75,883	75,883	75,883	75,883	75,883	75,883	75,883	75,883	75,883	75,883	75,883	910,591	942,704	1,002,094
Water management	22,707	22,707	22,707	22,707	22,707	22,707	22,707	22,707	22,707	22,707	22,707	22,707	272,479	260,998	279,658
Waste water management	13,960	13,960	13,960	13,960	13,960	13,960	13,960	13,960	13,960	13,960	13,960	13,960	167,523	189,144	203,768
Waste management	12,453	12,453	12,453	12,453	12,453	12,453	12,453	12,453	12,453	12,453	12,453	12,453	149,440	158,406	167,910
Other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	**185,426**	**185,426**	**185,426**	**185,426**	**185,426**	**185,426**	**185,426**	**185,426**	**185,426**	**185,426**	**185,426**	**324,920**	**2,364,605**	**2,475,190**	**2,624,178**
Expenditure - Functional															
Governance and administration	**33,668**	**33,668**	**33,668**	**33,668**	**33,668**	**33,668**	**33,668**	**33,668**	**33,668**	**33,668**	**33,668**	**33,670**	**404,023**	**411,764**	**432,600**
Executive and council	6,206	6,206	6,206	6,206	6,206	6,206	6,206	6,206	6,206	6,206	6,206	6,206	74,469	68,946	72,361
Finance and administration	27,035	27,035	27,035	27,035	27,035	27,035	27,035	27,035	27,035	27,035	27,035	27,037	324,425	337,428	354,572
Internal audit	427	427	427	427	427	427	427	427	427	427	427	427	5,129	5,390	5,666
Community and public safety	**27,463**	**27,463**	**27,463**	**27,463**	**27,463**	**27,463**	**27,463**	**27,463**	**27,463**	**27,463**	**27,463**	**27,464**	**329,553**	**339,116**	**356,864**
Community and social services	2,652	2,652	2,652	2,652	2,652	2,652	2,652	2,652	2,652	2,652	2,652	2,652	31,826	33,014	34,138
Sport and recreation	6,655	6,655	6,655	6,655	6,655	6,655	6,655	6,655	6,655	6,655	6,655	6,656	79,866	84,713	89,752
Public safety	17,437	17,437	17,437	17,437	17,437	17,437	17,437	17,437	17,437	17,437	17,437	17,438	209,245	214,250	225,445
Housing	718	718	718	718	718	718	718	718	718	718	718	718	8,615	7,138	7,529
Health	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services	**21,937**	**21,937**	**21,937**	**21,937**	**21,937**	**21,937**	**21,937**	**21,937**	**21,937**	**21,937**	**21,937**	**21,938**	**263,246**	**281,560**	**297,652**
Planning and development	5,481	5,481	5,481	5,481	5,481	5,481	5,481	5,481	5,481	5,481	5,481	5,481	65,768	66,931	70,476
Road transport	13,805	13,805	13,805	13,805	13,805	13,805	13,805	13,805	13,805	13,805	13,805	13,806	165,665	185,425	196,809
Environmental protection	2,651	2,651	2,651	2,651	2,651	2,651	2,651	2,651	2,651	2,651	2,651	2,651	31,813	29,204	30,367
Trading services	**99,432**	**99,432**	**99,432**	**99,432**	**99,432**	**99,432**	**99,432**	**99,432**	**99,432**	**99,432**	**99,432**	**238,926**	**1,332,675**	**1,436,487**	**1,582,727**
Energy sources	60,008	60,008	60,008	60,008	60,008	60,008	60,008	60,008	60,008	60,008	60,008	146,104	806,195	874,013	938,151
Water management	15,727	15,727	15,727	15,727	15,727	15,727	15,727	15,727	15,727	15,727	15,727	38,375	211,378	224,459	286,160
Waste water management	13,837	13,837	13,837	13,837	13,837	13,837	13,837	13,837	13,837	13,837	13,837	30,392	182,605	192,172	204,290
Waste management	9,858	9,858	9,858	9,858	9,858	9,858	9,858	9,858	9,858	9,858	9,858	24,055	132,498	145,843	154,126
Other	**613**	**613**	**613**	**613**	**613**	**613**	613	613	613	613	613	613	7,354	7,739	8,149
Total Expenditure - Functional	**183,113**	**183,113**	**183,113**	**183,113**	**183,113**	**183,113**	**183,113**	**183,113**	**183,113**	**183,113**	**183,113**	**322,612**	**2,336,850**	**2,476,666**	**2,677,992**
Surplus/(Deficit) before assoc.	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,308**	**27,755**	**(1,476)**	**(53,814)**
Intercompany/Parent subsidiary transactions	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,313**	**2,308**	**27,755**	**(1,476)**	**(53,814)**

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

Description	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Multi-year expenditure *to be appropriated*															
Vote 1 - Municipal Council	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Office of the Municipal Manager	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 3 - Corporate Services	23	23	896	23	23	896	23	23	896	23	23	896	3,770	3,270	3,270
Vote 4 - Financial Services	–	–	35	–	–	2,785	–	–	35	–	–	2,785	5,640	8,640	4,790
Vote 5 - Infrastructure Services	3,942	6,442	11,479	8,942	5,942	32,108	3,942	8,942	13,979	4,592	4,942	99,190	204,445	255,695	269,418
Vote 6 - Community Services	–	–	–	–	–	1,796	–	–	–	–	–	1,796	3,592	5,320	5,320
Vote 7 - Municipal Public Safety	26	26	970	26	26	1,218	26	26	970	26	26	1,218	4,581	7,310	7,310
Vote 8 - Planning and Development	–	–	50	–	–	550	–	–	50	–	–	550	1,200	2,200	2,200
Vote 9 - Costing Services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Main Ledger Services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	**3,992**	**6,492**	**13,430**	**8,992**	**5,992**	**39,353**	**3,992**	**8,992**	**15,930**	**4,642**	**4,992**	**106,435**	**223,229**	**282,435**	**292,308**
Single-year expenditure *to be appropriated*															
Vote 1 - Municipal Council	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Office of the Municipal Manager	–	–	–	–	–	5	–	–	–	–	–	3,755	3,760	10	10
Vote 3 - Corporate Services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 4 - Financial Services	–	–	1,000	–	–	4,750	–	–	1,000	–	–	4,750	11,500	11,500	15,350
Vote 5 - Infrastructure Services	–	–	125	–	–	125	–	–	125	–	–	125	500	500	500
Vote 6 - Community Services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 7 - Municipal Public Safety	–	–	–	–	1,000	–	–	–	1,000	1,000	750	–	3,750	–	–
Vote 8 - Planning and Development	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 9 - Costing Services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Main Ledger Services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total	**–**	**–**	**1,125**	**–**	**1,000**	**4,880**	**–**	**–**	**2,125**	**1,000**	**750**	**8,630**	**19,510**	**12,010**	**15,860**
Total Capital Expenditure	**3,992**	**6,492**	**14,555**	**8,992**	**6,992**	**44,233**	**3,992**	**8,992**	**18,055**	**5,642**	**5,742**	**115,065**	**242,739**	**294,445**	**308,168**

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

Description	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital Expenditure - Functional															
Governance and administration	23	23	931	23	23	936	23	23	931	23	23	4,686	7,670	3,420	3,420
Executive and council	–	–	10	–	–	15	–	–	10	–	–	3,765	3,800	50	50
Finance and administration	23	23	921	23	23	921	23	23	921	23	23	921	3,870	3,370	3,370
Internal audit	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety	1,584	1,584	3,528	1,584	2,584	9,322	1,584	1,584	4,528	2,584	2,334	9,322	42,120	65,112	74,230
Community and social services	–	–	1,000	–	–	2,796	–	–	1,000	–	–	2,796	7,592	9,420	7,320
Sport and recreation	965	965	965	965	965	965	965	965	965	965	965	965	11,586	7,442	6,250
Public safety	26	26	970	26	1,026	4,968	26	26	1,970	1,026	776	4,968	15,831	14,710	20,660
Housing	593	593	593	593	593	593	593	593	593	593	593	593	7,110	33,540	40,000
Health	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services	1,183	1,183	2,832	1,183	1,183	8,642	1,183	1,183	2,832	1,183	1,183	8,642	32,414	21,550	16,921
Planning and development	121	121	171	121	121	3,421	121	121	171	121	121	3,421	8,150	11,450	7,600
Road transport	1,062	1,062	2,661	1,062	1,062	5,221	1,062	1,062	2,661	1,062	1,062	5,221	24,264	10,100	9,321
Environmental protection	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services	1,201	3,701	7,264	6,201	3,201	25,333	1,201	6,201	9,764	1,851	2,201	92,415	160,536	204,363	213,597
Energy sources	930	930	1,555	930	930	16,624	930	930	1,555	930	930	36,724	63,894	48,083	49,634
Water management	–	2,500	4,338	5,000	2,000	5,588	–	5,000	6,838	650	1,000	41,830	74,742	81,900	84,300
Waste water management	272	272	822	272	272	2,572	272	272	822	272	272	13,312	19,700	65,480	72,663
Waste management	–	–	550	–	–	550	–	–	550	–	–	550	2,200	8,900	7,000
Other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	3,992	6,492	14,555	8,992	6,992	44,233	3,992	8,992	18,055	5,642	5,742	115,065	242,739	294,445	308,168
Funded by:															
National Government	1,473	1,473	2,947	1,473	1,473	19,414	1,473	1,473	2,947	1,473	1,473	45,656	82,749	38,905	46,168
Provincial Government	651	651	907	651	651	907	651	651	907	651	651	907	8,835	33,540	40,000
District Municipality	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other transfers and grants	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	2,124	2,124	3,854	2,124	2,124	20,321	2,124	2,124	3,854	2,124	2,124	46,563	91,584	72,445	86,168
Public contributions & donations	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing	1,118	3,618	6,680	6,118	3,118	9,680	1,118	6,118	9,180	1,768	2,118	50,520	101,155	172,000	172,000
Internally generated funds	750	750	4,020	750	1,750	14,231	750	750	5,020	1,750	1,500	17,981	50,000	50,000	50,000
Total Capital Funding	3,992	6,492	14,555	8,992	6,992	44,233	3,992	8,992	18,055	5,642	5,742	115,065	242,739	294,445	308,168

Table 53 MBRR SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Cash Receipts By Source													1		
Property rates	34,824	34,824	34,824	34,824	34,824	34,824	34,824	34,824	34,824	34,824	34,824	34,612	417,681	442,741	469,306
Service charges - electricity revenue	68,423	68,423	68,423	68,423	68,423	68,423	68,423	68,423	68,423	68,423	68,423	68,423	821,071	869,778	921,941
Service charges - water revenue	18,504	18,504	18,504	18,504	18,504	18,504	18,504	18,504	18,504	18,504	18,504	18,504	222,047	235,357	249,479
Service charges - sanitation revenue	10,999	10,999	10,999	10,999	10,999	10,999	10,999	10,999	10,999	10,999	10,999	10,999	131,991	139,948	148,357
Service charges - refuse revenue	9,989	9,989	9,989	9,989	9,989	9,989	9,989	9,989	9,989	9,989	9,989	9,989	119,867	127,021	134,630
Rental of facilities and equipment	884	884	884	884	884	884	884	884	884	884	884	884	10,613	11,250	11,925
Interest earned - external investments	5,667	5,667	5,667	5,667	5,667	5,667	5,667	5,667	5,667	5,667	5,667	5,667	68,000	68,000	68,000
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	1,488	1,488	1,488	1,488	1,488	1,488	1,488	1,488	1,488	1,488	1,488	1,488	17,861	18,044	18,238
Licences and permits	306	306	306	306	306	306	306	306	306	306	306	306	3,667	3,887	4,120
Agency services	652	652	652	652	652	652	652	652	652	652	652	652	7,819	8,288	8,785
Transfers and Subsidies - Operational	17,925	17,925	17,925	17,925	17,925	17,925	17,925	17,925	17,925	17,925	17,925	18,137	215,312	228,047	232,891
Other revenue	3,083	3,083	3,083	3,083	3,083	3,083	3,083	3,083	3,083	3,083	3,083	3,084	37,001	37,892	40,482
Cash Receipts by Source	**172,744**	**172,744**	**172,744**	**172,744**	**172,744**	**172,744**	**172,744**	**172,744**	**172,744**	**172,744**	**172,744**	**172,745**	**2,072,928**	**2,190,252**	**2,308,153**
Other Cash Flows by Source															
(National / Provincial and District)	7,632	7,632	7,632	7,632	7,632	7,632	7,632	7,632	7,632	7,632	7,632	7,632	91,584	72,445	86,168
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on Disposal of Fixed and Intangible Assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Short term loans	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–	–	–	–	–	–	–	100,000	100,000	172,000	172,000
Increase (decrease) in consumer deposits	(163)	(163)	(163)	(163)	(163)	(163)	(163)	(163)	(163)	(163)	(163)	(163)	(1,950)	(1,950)	(1,950)
Vat Control (receipts)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	705	705	705	705	705	705	705	705	705	705	705	705	8,456	–	–
Insurance Refund - Capital	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest on Short Term Investment (> 90 days) and Long Ter	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Receipts by Source	**180,918**	**180,918**	**180,918**	**180,918**	**180,918**	**180,918**	**180,918**	**180,918**	**180,918**	**180,918**	**180,918**	**280,919**	**2,271,018**	**2,432,747**	**2,564,371**
Cash Payments by Type															
Employee related costs	(55,099)	(55,099)	(55,099)	(55,099)	(55,099)	(55,099)	(55,099)	(55,099)	(55,099)	(55,099)	(55,099)	(55,099)	(661,188)	(697,018)	(737,410)
Remuneration of councillors	(1,283)	(1,283)	(1,283)	(1,283)	(1,283)	(1,283)	(1,283)	(1,283)	(1,283)	(1,283)	(1,283)	(1,283)	(15,400)	(16,480)	(17,240)
Finance charges	(3,590)	(3,590)	(3,590)	(3,590)	(3,590)	(3,590)	(3,590)	(3,590)	(3,590)	(3,590)	(3,590)	(3,590)	(43,080)	(47,145)	(56,450)
Bulk purchases - Electricity	(50,253)	(50,253)	(50,253)	(50,253)	(50,253)	(50,253)	(50,253)	(50,253)	(50,253)	(50,253)	(50,253)	(50,253)	(603,032)	(656,280)	(708,782)
Bulk purchases - Water & Sewer												–	–		
Other materials	(6,575)	(6,575)	(6,575)	(6,575)	(6,575)	(6,575)	(6,575)	(6,575)	(6,575)	(6,575)	(6,575)	(6,576)	(78,902)	(83,969)	(128,795)
Contracted services	(33,077)	(33,077)	(33,077)	(33,077)	(33,077)	(33,077)	(33,077)	(33,077)	(33,077)	(33,077)	(33,077)	(33,079)	(396,928)	(419,114)	(439,592)
Transfers and grants - other municipalities												–	–		
Transfers and grants - other	(1,471)	(1,471)	(1,471)	(1,471)	(1,471)	(1,471)	(1,471)	(1,471)	(1,471)	(1,471)	(1,471)	(1,471)	(17,648)	(18,500)	(19,397)
Other expenditure	(9,864)	(9,864)	(9,864)	(9,864)	(9,864)	(9,864)	(9,864)	(9,864)	(9,864)	(9,864)	(9,864)	(9,866)	(118,373)	(124,868)	(146,978)
Cash Payments by Type	**(161,212)**	**(161,212)**	**(161,212)**	**(161,212)**	**(161,212)**	**(161,212)**	**(161,212)**	**(161,212)**	**(161,212)**	**(161,212)**	**(161,212)**	**(161,217)**	**(1,934,552)**	**(2,063,374)**	**(2,254,645)**
Other Cash Flows/Payments by Type															
Capital assets	(3,992)	(6,492)	(14,555)	(8,992)	(6,992)	(44,233)	(3,992)	(8,992)	(18,055)	(5,642)	(5,742)	(115,065)	(242,739)	(294,445)	(308,168)
Retention (Capital)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Repayment of borrowing	–	(1,535)	(1,987)	–	(1,637)	(20,046)	–	–	(3,711)	–	(1,717)	(30,838)	(61,471)	(78,879)	(93,722)
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type	**(165,204)**	**(169,239)**	**(177,754)**	**(170,204)**	**(169,841)**	**(225,491)**	**(165,204)**	**(170,204)**	**(182,978)**	**(166,854)**	**(168,670)**	**(307,120)**	**(2,238,762)**	**(2,436,698)**	**(2,656,534)**
NET INCREASE/(DECREASE) IN CASH HELD	**15,714**	**11,679**	**3,164**	**10,714**	**11,077**	**(44,573)**	**15,714**	**10,714**	**(2,060)**	**14,064**	**12,248**	**(26,201)**	**32,256**	**(3,951)**	**(92,164)**
Cash/cash equivalents at the month/year begin:	843,596	859,310	870,989	874,153	884,868	895,945	851,372	867,086	877,801	875,741	889,805	902,053	843,596	875,852	871,901
Cash/cash equivalents at the month/year end:	859,310	870,989	874,153	884,868	895,945	851,372	867,086	877,801	875,741	889,805	902,053	875,852	875,852	871,901	779,737

2.10 Annual budgets and SDBIP

The Draft SDBIP for 2026/27 will be tabled at the Council Meeting on 31 March 2026 as per the legal prescript.

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. In ensuring adherence to this contractual period 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.

Table 54 MBRR SA35 - Future financial implications of the capital budget

Vote Description	2026/27 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Present value
Capital expenditure							
Vote 1 - Municipal Council	–	–	–				
Vote 2 - Office of the Municipal Manager	3,760	10	10	11	11	12	13
Vote 3 - Corporate Services	3,770	3,270	3,270	3,466	3,674	3,895	4,128
Vote 4 - Financial Services	17,140	20,140	20,140	21,348	22,629	23,987	25,426
Vote 5 - Infrastructure Services	204,945	256,195	269,918	286,113	303,280	321,477	340,765
Vote 6 - Community Services	3,592	5,320	5,320	5,640	5,978	6,337	6,717
Vote 7 - Municipal Public Safety	8,331	7,310	7,310	7,748	8,213	8,706	9,228
Vote 8 - Planning and Development	1,200	2,200	2,200	2,332	2,472	2,620	2,777
Vote 9 - Costing Services	–	–	–				
Vote 10 - Main Ledger Services	–	–	–				
Total Capital Expenditure	**242,739**	**294,445**	**308,168**	**326,658**	**346,258**	**367,033**	**389,055**
Future operational costs by vote							
Vote 1 - Municipal Council	57,064	50,823	53,213	56,406	59,790	63,378	67,180
Vote 2 - Office of the Municipal Manager	36,841	38,672	40,608	43,044	45,627	48,364	51,266
Vote 3 - Corporate Services	86,730	91,316	96,164	101,934	108,050	114,533	121,405
Vote 4 - Financial Services	192,404	199,181	210,176	222,787	236,154	250,324	265,343
Vote 5 - Infrastructure Services	1,319,177	1,427,221	1,566,544	1,660,536	1,760,169	1,865,779	1,977,725
Vote 6 - Community Services	221,509	227,148	238,601	252,917	268,092	284,177	301,228
Vote 7 - Municipal Public Safety	207,166	217,730	229,089	242,834	257,404	272,848	289,219
Vote 8 - Planning and Development	76,466	74,158	77,695	82,357	87,298	92,536	98,088
Vote 9 - Costing Services	–	–	–				
Vote 10 - Main Ledger Services	–	–	–				
Total future operational costs	2,197,357	2,326,250	2,512,089	2,662,815	2,822,584	2,991,939	3,171,455
Future revenue by source							
Exchange Revenue	152,059	155,144	160,373	169,995	180,195	191,006	202,467
Service charges - Electricity	822,903	871,718	923,997	979,437	1,038,203	1,100,495	1,166,525
Service charges - Water	225,950	239,494	253,864	269,095	285,241	302,356	320,497
Service charges - Waste Water Management	134,321	142,381	150,923	159,979	169,577	179,752	190,537
Service charges - Waste Management	121,971	129,289	137,046	145,269	153,985	163,224	173,018
Agency services	7,819	8,288	8,785	9,312	9,871	10,463	11,091
List other revenues sources if applicable							
List entity summary if applicable							
Total future revenue	1,465,021	1,546,314	1,634,988	1,733,087	1,837,072	1,947,297	2,064,135
Net Financial Implications	**975,075**	**1,074,381**	**1,185,269**	**1,256,386**	**1,331,769**	**1,411,675**	**1,496,375**

2.12 Capital Assets: Repairs and Maintenance

Table 55 MBRR SA34c - Repairs and maintenance expenditure by asset class

Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	**137,671**	**159,666**	**159,763**	**193,053**	**183,399**	**183,399**	**206,443**	**230,200**	**284,736**
Roads Infrastructure	54,418	74,585	78,823	85,143	82,665	82,665	93,111	109,049	116,410
Roads	54,418	74,585	78,823	85,143	82,665	82,665	93,111	109,049	116,410
Storm water Infrastructure	6,157	5,588	9,572	13,746	11,423	11,423	13,615	14,431	15,297
Drainage Collection	–	–	–	–	–	–	–	–	–
Storm water Conveyance	6,157	5,588	9,572	13,746	11,423	11,423	13,615	14,431	15,297
Attenuation	–	–	–	–	–	–	–	–	–
Electrical Infrastructure	35,380	38,864	36,881	49,278	44,748	44,748	51,844	55,986	58,764
LV Networks	35,380	38,864	36,881	49,278	44,748	44,748	51,844	55,986	58,764
Capital Spares	–	–	–	–	–	–	–	–	–
Water Supply Infrastructure	20,432	19,038	17,591	20,984	22,295	22,295	24,096	25,500	67,487
Water Treatment Works	33	–		–	–	–	–	–	–
Bulk Mains	–	–		–	–	–	–	–	–
Distribution	18,708	17,457	17,590	19,901	21,311	21,311	22,947	24,283	66,197
Distribution Points	1,691	1,581	1	1,083	985	985	1,148	1,217	1,290
Sanitation Infrastructure	12,634	12,280	10,134	12,419	11,133	11,133	11,936	12,652	13,411
Pump Station	–	–	–	–	–	–	–	–	–
Reticulation	6,759	6,576	10,134	8,521	8,704	8,704	9,338	9,898	10,492
Waste Water Treatment Works	5,875	5,703		3,898	2,429	2,429	2,598	2,754	2,919
Solid Waste Infrastructure	8,650	9,310	6,763	11,483	11,134	11,134	11,842	12,580	13,366
Waste Processing Facilities	2,662	3,003	331	3,100	3,060	3,060	3,274	3,503	3,749
Waste Drop-off Points	5,988	6,307	6,432	8,383	8,074	8,074	8,568	9,077	9,617
Community Assets	**53,486**	**55,786**	**59,601**	**63,754**	**62,037**	**62,037**	**68,729**	**72,877**	**77,174**
Community Facilities	40,568	43,765	45,665	48,316	47,486	47,486	52,724	55,820	59,109
Halls	5,950	5,954	6,030	5,464	5,584	5,584	6,387	6,711	7,056
Libraries	14	72	–	–	–	–	–	–	–
Cemeteries/Crematoria	943	978	2,111	3,111	2,561	2,561	3,686	3,906	4,139
Police	–	–	–	–	–	–	–	–	–
Parks	28,619	31,644	29,319	31,742	30,981	30,981	33,466	35,474	37,602
Public Open Space	4,553	4,667	6,115	4,186	5,681	5,681	5,145	5,446	5,772
Nature Reserves	–	–	–	–	–	–	–	–	–
Public Ablution Facilities	488	450	2,090	3,812	2,679	2,679	4,040	4,283	4,540
Sport and Recreation Facilities	12,919	12,021	13,936	15,437	14,551	14,551	16,005	17,057	18,065
Indoor Facilities	–	–	–	–	–	–	–	–	–
Outdoor Facilities	12,919	12,021	13,936	15,437	14,551	14,551	16,005	17,057	18,065
Capital Spares	–	–	–	–	–	–	–	–	–
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Other assets	**16,833**	**12,818**	**6,204**	**18,955**	**18,739**	**18,739**	**23,244**	**17,915**	**17,997**
Operational Buildings	16,833	12,818	6,204	18,955	18,739	18,739	23,244	17,915	17,997
Municipal Offices	16,773	12,726	6,204	18,955	18,739	18,739	23,244	17,915	17,997
Pay/Enquiry Points	–	–	–	–	–	–	–	–	–
Building Plan Offices	25	59	–	–	–	–	–	–	–
Depots	34	33	–	–	–	–	–	–	–
Housing	–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Intangible Assets	6,829	7,777	7,842	10,661	11,811	11,811	11,057	11,648	12,275
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	6,829	7,777	7,842	10,661	11,811	11,811	11,057	11,648	12,275
Computer Software and Applications	6,829	7,777	7,842	10,661	11,811	11,811	11,057	11,648	12,275
Computer Equipment	2,157	1,898	1,292	2,546	2,546	2,546	2,546	2,546	2,546
Computer Equipment	2,157	1,898	1,292	2,546	2,546	2,546	2,546	2,546	2,546
Furniture and Office Equipment	8,206	12,316	996	1,704	1,655	1,655	1,737	1,781	1,858
Furniture and Office Equipment	8,206	12,316	996	1,704	1,655	1,655	1,737	1,781	1,858
Machinery and Equipment	4,163	6,749	1,723	5,807	5,797	5,797	6,009	6,415	6,708
Machinery and Equipment	4,163	6,749	1,723	5,807	5,797	5,797	6,009	6,415	6,708
Transport Assets	20,160	23,455	32,021	22,339	42,259	42,259	32,777	34,744	36,828
Transport Assets	20,160	23,455	32,021	22,339	42,259	42,259	32,777	34,744	36,828
Land	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–
Living resources	-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	**249,505**	**280,465**	**269,443**	**318,818**	**328,242**	**328,242**	**352,543**	**378,124**	**440,121**
R&M as a % of PPE	*6.8%*	*7.6%*	*7.2%*	*8.2%*	*8.5%*	*8.5%*	*9.0%*	*9.4%*	*10.6%*
R&M as % Operating Expenditure	*15.9%*	*16.0%*	*14.8%*	*15.1%*	*15.6%*	*15.6%*	*26.8%*	*17.2%*	*18.9%*

Table 56 MBRR SA36 - Detailed capital budget per municipal vote

R thousand												2026/27 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 2024/25	Current Year 2025/26 Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Parent municipality: *List all capital projects grouped by Function*															
EXECUTIVE & COUNCIL											48	76			
	MINOR ASSETS COUNCIL	New	*A capable, ethical and developmental state*	*Governance*	1	*Furniture and Office Equipment*	*Other*	Overstrand	19.248734	*-34.41427*			40	40	40
	COMMUNITY PROJECTS(WARD SPECIFI	New	*A capable, ethical and developmental state*	*Governance*	1	*Community Facilities*	*Other*	Overstrand	19.248734	*-34.41427*			3,750		
	MINOR ASSETS-OFFICE OF THE MUNIC	New	*A capable, ethical and developmental state*	*Governance*	1	*Furniture and Office Equipment*	*Other*	Overstrand	19.248734	*-34.41427*			10	10	10
FINANCE AND ADMINISTRATION											3,355	3,497			
	UPS REPLACEMENT	New	*A capable, ethical and developmental state*	*Governance*	1	*Computer Equipment*	*Other*	Overstrand	19.248734	*-34.41427*			250		500
	DATA CENTRE SERVER END OF LIFE RE	New	*A capable, ethical and developmental state*	*Governance*	1	*Computer Equipment*	*Other*	Overstrand	19.248734	*-34.41427*			2,250	2,000	1,500
	MINOR ASSETS FINANCIAL SERVICES	New	*A capable, ethical and developmental state*	*Governance*	1	*Furniture and Office Equipment*	*Other*	Overstrand	19.248734	*-34.41427*			140	140	140
	MINOR ASSETS CORPORATE SERVICES	New	*A capable, ethical and developmental state*	*Governance*	1	*Furniture and Office Equipment*	*Other*	Overstrand	19.248734	*-34.41427*			30	30	30
	MINOR ASSETS ICT ORGANIZATION WID	New	*A capable, ethical and developmental state*	*Governance*	1	*Computer Equipment*	*Other*	Overstrand	19.248734	*-34.41427*			1,200	1,200	1,200
PUBLIC SAFETY											6,181	8,521			
	UPGRADING OF KLEINMOND FIRE STAT	New	*Social cohesion and safe communities*	*Governance*	4	*Operational Buildings*	*Fire/Ambulance Stations*	Multi-ward KM Area	19,019000	*-34,329000*			3,750		
	CCTV NETWORK (NEW SITES)	New	*Social cohesion and safe communities*	*Governance*	4	*Furniture and Office Equipment*	*Other*	Overstrand	19.248734	*-34.41427*				1,045	
	UPGRADING OF HERMANUS FIRE STAT	New	*Social cohesion and safe communities*	*Governance*	4	*Operational Buildings*	*Fire/Ambulance Stations*	Multi-ward HM Area	19,237000	*-34,376000*					1,455
	CHANGE OF KLEINMOND FIRE STATION	New	*Social cohesion and safe communities*	*Governance*	4	*Operational Buildings*	*Fire/Ambulance Stations*	Multi-ward KM Area	19,019000	*-34,329000*				495	225
	CAR PORTS AT ALL FIRE STATIONS	New	*Social cohesion and safe communities*	*Governance*	4	*Operational Buildings*	*Fire/Ambulance Stations*	Overstrand	19.248734	*-34.41427*				1,750	1,820
	FURNITURE FOR NEW OFFICE SPACE	New	*Social cohesion and safe communities*	*Governance*	4	*Furniture and Office Equipment*	*Other*	Overstrand	19.248734	*-34.41427*				210	
	RE-SURFACE OF HERMANUS DLTC TES	New	*Social cohesion and safe communities*	*Governance*	4	*Operational Buildings*	*Testing Stations*	Multi-ward HM Area	19,237000	*-34,376000*			495	1,000	1,000
	ESTABLISHMENT OF GANSBAAI DLTC T	New	*Social cohesion and safe communities*	*Governance*	4	*Operational Buildings*	*Testing Stations*	Multi-ward GB Area	19.334189	*-34.61809*			2,752	2,500	2,500
	MINOR ASSETS PROTECTION SERVICES	New	*Social cohesion and safe communities*	*Governance*	4	*Furniture and Office Equipment*	*Other*	Overstrand	19.248734	*-34.41427*			310	310	310
	MINOR ASSETS PROTECTION SERVICES	New	*Social cohesion and safe communities*	*Governance*	4	*Furniture and Office Equipment*	*Other*	Overstrand	19.248734	*-34.41427*			1,025		
	VEHICLES-PUBLIC SAFETY	New	*Social cohesion and safe communities*	*Governance*	4	*Transport Assets*	*Other*	Overstrand	19.248734	*-34.41427*			7,500	7,400	13,350
PLANNING & DEVELOPMENT											1,151	3,985			
	MINOR ASSETS PLANNING AND DEVELO	New	*A capable, ethical and developmental state*	*usion and acc*	5	*Furniture and Office Equipment*	*Other*	Overstrand	19.248734	*-34.41427*			200	200	200
	MINOR ASSETS INFRASTRUCTURE SER	New	*A capable, ethical and developmental state*	*usion and acc*	5	*Furniture and Office Equipment*	*Other*	Overstrand	19.248734	*-34.41427*			750	750	750
	NEW ELECTRIC BABOON FENCE	New	*A capable, ethical and developmental state*	*usion and acc*	5	*Community Facilities*	*Public Open Space*	Ward 03	*19.216839*	-34.421342				500	1,000
	ZWELIHLE BUSINESS HUB	New	*A capable, ethical and developmental state*	*usion and acc*	5	*Community Facilities*	*Public Open Space*	Ward 12	-34,424000	*19,212000*			700		
	ERECTION OF STRATEGIC STATIC FEN	New	*A capable, ethical and developmental state*	*usion and acc*	5	*Community Facilities*	*Nature Reserves*	Ward 03	19.216839	*-34.42134*					1,000
	BUILDING OF NEW FERNKLOOF NATURI	New	*A capable, ethical and developmental state*	*usion and acc*	5	*Operational Buildings*	*Municipal Offices*	Ward 03	19.216839	*-34.42134*				1,500	
	UPGRADING TOWN PLANNING OFFICES	New	*A capable, ethical and developmental state*	*usion and acc*	5	*Operational Buildings*	*Municipal Offices*	Overstrand	19.248734	*-34.41427*			1,000		
	VEHICLES-INFRASTRUCTURE SERVICE	New	*A capable, ethical and developmental state*	*usion and acc*	5	*Transport Assets*	*Other*	Overstrand	19.248734	*-34.41427*			5,500	8,500	4,650
COMMUNITY SERVICES											1,192	6,077			
	MINOR ASSETS COMMUNITY SERVICES	New	*A capable, ethical and developmental state*	*usion and acc*	3	*Transport Assets*	*Other*	Overstrand	19.248734	*-34.41427*			345	320	320
	VEHICLES-COMMUNITY SERVICES	New	*A capable, ethical and developmental state*	*usion and acc*	3	*Community Facilities*	*Other*	Overstrand	19.248734	*-34.41427*			4,000	4,100	2,000
	FENCING OVERSTRAND WIDE	New	*A capable, ethical and developmental state*	*usion and acc*	3	*Furniture and Office Equipment*	*Other*	Overstrand	19.248734	*-34.41427*			3,248	5,000	5,000
SPORT & RECREATION											17,476	33,768			
	UPGRADE HAWSTON SPORT COMPLEX	Upgrading	*g the social wage through reliable and quality b*	*usion and acc*	4	*Sport and Recreation Facilities*	*Outdoor Facilities*	Ward 08	19,219000	*-34,419000*			4,026	2,442	1,250
	UPGRADE MOUNT PLEASANT SPORT GI	Upgrading	*g the social wage through reliable and quality b*	*usion and acc*	4	*Sport and Recreation Facilities*	*Outdoor Facilities*	Ward 04	19.132225	*-34.38609*			6,988		
	UPGRADE OF KLEINMOND SPORT FACIL	Upgrading	*g the social wage through reliable and quality b*	*usion and acc*	4	*Sport and Recreation Facilities*	*Outdoor Facilities*	Ward 09	19.021389	*-34.34194*			571		
	UPGRADE SPORTGROUNDS	Upgrading	*g the social wage through reliable and quality b*	*usion and acc*	4	*Sport and Recreation Facilities*	*Outdoor Facilities*	Ward 06	19,212000	*-34,427000*				5,000	5,000
HOUSING											17,619	34,741			
	LCH SERVICES CONSTRUCTION CONTR	New	*integration, human settlements and local gove*	*natial integrati*	4	*Housing*	*Social Housing*	Overstrand	19.248734	*-34.41427*			7,110	33,540	40,000

Detailed capital budget per municipal vote (continued)

R thousand													2026/27 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 2024/25	Current Year 2025/26 Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
ROADS											3,797	17,800			
	REHABILITATE ROADS AND SIDEWALKS	Upgrading	g the social wage through reliable and quality busion and acc		5	Roads Infrastructure	Roads	Ward 02	19.360833	-34.59167			2,794		
	REHABILITATE ROADS ANGELIER STRE	Upgrading	g the social wage through reliable and quality busion and acc		5	Roads Infrastructure	Roads	Ward 04	19,219000	-34,419000			12,749	2,100	
	REHABILITATE ROADS PROTEADORP	Upgrading	g the social wage through reliable and quality busion and acc		5	Roads Infrastructure	Roads	Ward 09	19,209000	-34,423000			8,220		
	HAWSTON CIRCLES	New	g the social wage through reliable and quality busion and acc		5	Roads Infrastructure	Roads	Ward 08	19.132225	-34.38609			500	500	500
	ROADS SIDEWALKS SPEED CALMING	New	g the social wage through reliable and quality busion and acc		5	Roads Infrastructure	Other	Overstrand	19.248734	-34.41427				750	750
	HERMANUS TAXI RANK	Upgrading	g the social wage through reliable and quality busion and acc		5	Roads Infrastructure	Roads	Ward 03	19.216839	-34.42134				6,750	8,071
ELECTRICITY											45,169	48,613			
	GANSBAAI ELECTRICAL DEPOT ALTERA	Upgrading	g the social wage through reliable and quality busion and acc		2	Operational Buildings	Municipal Offices	Ward 02	19.360833	-34.59167				500	1,000
	ELECTRIFICATION OF LOW COST HOUS	New	g the social wage through reliable and quality busion and acc		2	Electrical Infrastructure	MV Substations	Overstrand	19.248734	-34.41427			30,139	9,983	13,434
	OVERSTRAND MV/LV UPGRADE REPLAC	Upgrading	g the social wage through reliable and quality busion and acc		2	Electrical Infrastructure	MV Networks	Overstrand	19.248734	-34.41427			20,100	22,000	20,000
	ADDITIONAL WORKSPACE AT ELECTRIC	New	g the social wage through reliable and quality busion and acc		2	Electrical Infrastructure	MV Networks	Ward 13	19.216839	-34.42134			1,155		
	KLEINMOND ELECTRICAL DEPOT ALTEF	Upgrading	g the social wage through reliable and quality busion and acc		2	Operational Buildings	Municipal Offices	Ward 09	19,209000	-34,423000			500	1,000	
	NEW STILL STREET 66KV 11KV SUBSTA	New	g the social wage through reliable and quality busion and acc		2	Electrical Infrastructure	MV Networks	Ward 03	19.216839	-34.42134			10,000	10,000	10,000
	ELECTRIFICATION OF HOUSING AREAS	New	g the social wage through reliable and quality busion and acc		2	Electrical Infrastructure	MV Networks	Overstrand	19.248734	-34.41427				1,500	1,500
	HIGH MAST LIGHTS REPLACEMENT	New	g the social wage through reliable and quality busion and acc		2	Electrical Infrastructure	MV Networks	Ward 03	19.248734	-34.41427				1,100	1,200
	ELECTRICITY TRANSFORMERS CAPITA	New	g the social wage through reliable and quality busion and acc		2	Electrical Infrastructure	MV Networks	Overstrand	19.248734	-34.41427			2,000	2,000	2,500
WATER											34,078	73,470			
	REFURBISHMENT OF BULK WATER INFF	Upgrading	g the social wage through reliable and quality busion and acc		2	Water Supply Infrastructure	Reticulation	Overstrand	19.248734	-34.41427			1,000	1,000	1,000
	FENCING AT WATER INSTALLATIONS	Upgrading	g the social wage through reliable and quality busion and acc		2	Water Supply Infrastructure	Reticulation	Overstrand	19.248734	-34.41427			500	500	
	REPLACEMENT OF OVERSTRAND WATE	New	g the social wage through reliable and quality busion and acc		2	Water Supply Infrastructure	Reticulation	Overstrand	19.248734	-34.41427			12,600	5,000	
	REPLACEMENT OF OVERSTRAND WATE	New	g the social wage through reliable and quality busion and acc		2	Water Supply Infrastructure	Reticulation	Overstrand	19.248734	-34.41427				55,000	55,000
	REFURBISHMENT OF BUFFELS RIVER W	Renewal	g the social wage through reliable and quality busion and acc		2	Water Supply Infrastructure	Pump Stations	ulti-ward Kleinmond Ar	19,019000	-34,329000			26,242		3,000
	REFURBISHMENT OF BUFFELS RIVER W	Renewal	g the social wage through reliable and quality busion and acc		2	Water Supply Infrastructure	Pump Stations	ulti-ward Kleinmond Ar	19,019000	-34,329000			19,650		
	WATER FACILITIES CONTINGENCY	Renewal	g the social wage through reliable and quality busion and acc		2	Water Supply Infrastructure	Reticulation	Overstrand	19.248734	-34.41427			500	500	500
	PREEKSTOEL WTW OFFICE SPACE	Renewal	g the social wage through reliable and quality busion and acc		2	Water Supply Infrastructure	Municipal Offices	ulti-ward Hermanus Ar	19,237000	-34,376000			1,250		
	UPGRADE HERMANUS WELL FIELDS PH	Upgrading	g the social wage through reliable and quality busion and acc		2	Water Supply Infrastructure	Reticulation	ulti-ward Hermanus Ar	19,237000	-34,376000			6,000	4,000	
	PEARLY BEACH GROUNDWATER DEVEL	Upgrading	g the social wage through reliable and quality busion and acc		2	Water Supply Infrastructure	Water Treatment Works	Ward 11	19,539000	-34,663000			3,000		
	NEW RESERVOIR ONRUS RIVER	New	g the social wage through reliable and quality busion and acc		2	Water Supply Infrastructure	Reservoirs	Ward 13	19.216839	-34.42134			1,500	6,500	7,000
	NEW RESERVOIR VOORBERG	New	g the social wage through reliable and quality busion and acc		2	Water Supply Infrastructure	Reservoirs	Ward 10	18,881000	-34,354500			1,500	6,500	7,000
	NEW BOOSTER PUMP STATION AND PIP	New	g the social wage through reliable and quality busion and acc		2	Water Supply Infrastructure	Distribution	ulti-ward Gansbaai Ar	19.334189	-34.61809				1,000	7,000
	TELEMETRY SYSTEM UPGRADE-WATER	Upgrading	g the social wage through reliable and quality busion and acc		2	Water Supply Infrastructure	Reticulation	Overstrand	19.248734	-34.41427			300	400	300
	NEW RESERVOIR KIDBROOKE	New	g the social wage through reliable and quality busion and acc		2	Water Supply Infrastructure	Reservoirs	Ward 13	19.216839	-34.42134				500	1,500
	PREEKSTOEL WTW SLUDGE HANDLING	New	g the social wage through reliable and quality busion and acc		2	Water Supply Infrastructure	Water Treatment Works	Ward 03	19.216839	-34.42134				1,000	2,000
	REPLACEMENT OF WATER MAIN PEARL	New	g the social wage through reliable and quality busion and acc		2	Water Supply Infrastructure	Water Treatment Works	Ward 11	19,539000	-34,663000			700		
SEWERAGE											43,628	27,360			
	SEWERAGE FACILITIES CONTINGENCY	Upgrading	g the social wage through reliable and quality busion and acc		2	Sanitation Infrastructure	ste Water Treatment Wc	Overstrand	19.248734	-34.41427			700	700	700
	FENCING AT SEWERAGE INSTALLATION	Upgrading	g the social wage through reliable and quality busion and acc		2	Sanitation Infrastructure	ste Water Treatment Wc	Overstrand	19.248734	-34.41427			800	600	600
	UPGRADING OF PUMPSTATIONS & RISII	Upgrading	g the social wage through reliable and quality busion and acc		2	Sanitation Infrastructure	ste Water Treatment Wc	Overstrand	19.248734	-34.41427			10,740	10,000	10,000
	HAWSTON WWTW REFURBISH AND UPG	Upgrading	g the social wage through reliable and quality busion and acc		2	Sanitation Infrastructure	ste Water Treatment Wc	Ward 08	19.132225	-34.38609			2,260	16,000	9,000
	HAWSTON WWTW REFURBISH AND UPG	Upgrading	g the social wage through reliable and quality busion and acc		2	Sanitation Infrastructure	ste Water Treatment Wc	Ward 08	19.132225	-34.38609			1,000	12,630	16,663
	TELEMETRY SYSTEM UPGRADE-SEWER	Upgrading	g the social wage through reliable and quality busion and acc		2	Sanitation Infrastructure	ste Water Treatment Wc	Overstrand	19.248734	-34.41427			200	300	300
	HAWSTON SEWER NETWORK EXTENSIC	Upgrading	g the social wage through reliable and quality busion and acc		2	Sanitation Infrastructure	ste Water Treatment Wc	Ward 08	19,129000	-34,376000			2,000		
	HERMANUS SEWER NETWORK EXTENSI	Upgrading	g the social wage through reliable and quality busion and acc		2	Sanitation Infrastructure	ste Water Treatment Wc	Ward 03	19.216839	-34.42134				17,000	17,000

R thousand												2026/27 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 2024/25	Current Year 2025/26 Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
	HERMANUS WWTW CAPACITY UPGRADE	Upgrading	g the social wage through reliable and quality busion and acc		2	Sanitation Infrastructure	ste Water Treatment Wo	Ward 03	19.216839	-34.42134					11,400
STORMWATER											14,449	6,988			
	STORMWATER SYSTEM UPGRADING	Upgrading	g the social wage through reliable and quality busion and acc		2	Storm water Infrastructure	Storm water Conveyance	Ward 08	19.132225	-34.38609			2,000	2,000	2,000
	STORMWATER AND SUBSURFACE DRAI	Upgrading	g the social wage through reliable and quality busion and acc		2	Storm water Infrastructure	Storm water Conveyance	Overstrand	19.248734	-34.41427				3,750	5,000
	STORMWATER AND SUBSURFACE DRAI	Upgrading	g the social wage through reliable and quality busion and acc		2	Storm water Infrastructure	Storm water Conveyance	Ward 11	19,395000	-34,592000				2,500	
WASTE MANAGEMENT											4,612	4,940			
	RELOCATION OF TRANSFER STATION	Upgrading	g the social wage through reliable and quality busion and acc		2	Solid Waste Infrastructure	Waste Transfer Stations	lti-ward Kleinmond Ar	19,019000	-34,329000				5,000	6,000
	HERMANUS TRANSFER STATION UPGR	Upgrading	g the social wage through reliable and quality busion and acc		2	Solid Waste Infrastructure	Waste Transfer Stations	Multi-ward HM Area	19.217636	-34.42476				2,500	
	PEARLY BEACH DROP OFF UPGRADE	Upgrading	g the social wage through reliable and quality busion and acc		2	Solid Waste Infrastructure	Waste Drop-off Points	Ward 11	19,539000	-34,663000			2,200		
	ORGANIC WASTE DIVERSION PROJECT	New	g the social wage through reliable and quality busion and acc		2	Solid Waste Infrastructure	Vaste Processing Facilitie	Overstrand	19.248734	-34.41427				1,400	1,000
Parent Capital expenditure											192,754	269,836	242,739	294,445	308,168
Total Capital expenditure											192,754	269,836	242,739	294,445	308,168

Table 57 MBRR SA37 - Projects delayed from previous financial year

R thousand												Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework		
Function	Project name	Project number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Lattitude	Original Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Parent municipality:																
List all capital projects grouped by Function																
ELECTRICITY	ADDITIONAL WORKSPACE AT ELECTRICAL D		New	age through reliable	Inclusion and access	2	Electrical Infrastructure	MV Networks	Ward 13	19.216839	-34.421342	1,500	345	1,155		

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 was 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 and are to be tabled in Council on 31 March 2026.

2.14 Other supporting documents

Table 58 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

R thousand	Vote 1 - Municipal Council	Vote 2 - Office of the Municipal Manager	Vote 3 - Corporate Services	Vote 4 - Financial Services	Vote 5 - Infrastructure Services	Vote 6 - Community Services	Vote 7 - Municipal Public Safety	Vote 8 - Planning and Development	Vote 9 - Costing Services	Vote 10 - Main Ledger Services	Total
Revenue											
Exchange Revenue											
Service charges - Electricity	–	–	–	1,370	821,532	–	–	–	–	–	**822,903**
Service charges - Water	–	–	–	22	225,928	–	–	–	–	–	**225,950**
Service charges - Waste Water Management	–	–	–	–	134,321	–	–	–	–	–	**134,321**
Service charges - Waste Management	–	–	–	–	121,971	–	–	–	–	–	**121,971**
Sale of Goods and Rendering of Services	–	143	154	1,978	339	14,214	259	11,926	–	–	**29,014**
Agency services	–	–	–	–	–	–	7,819	–	–	–	**7,819**
Interest	–	–	–	–	–	–	–	–	–	–	**–**
Interest earned from Receivables	–	–	–	12,500	–	–	–	–	–	–	**12,500**
Interest earned from Current and Non Current Assets	–	–	–	68,000	–	–	–	–	–	–	**68,000**
Dividends	–	–	–	–	–	–	–	–	–	–	**–**
Rent on Land	–	102	–	–	–	1,141	–	–	–	–	**1,243**
Rental from Fixed Assets	–	–	–	–	–	9,365	–	4	–	–	**9,370**
Licence and permits	–	331	–	–	–	746	404	–	–	–	**1,481**
Special rating levies	–			16,193				–	–	–	**16,193**
Construction Contract Revenue	–		–	–	1,847			–	–	–	**1,847**
Development Charges	–		–	–	3,599			–	–	–	**3,599**
Operational Revenue	34	–	903	6,595	124	16	979	162	–	–	**8,812**
Non-Exchange Revenue											
Property rates	–	–	–	405,548	–	–	–	–	–	–	**405,548**
Surcharges and Taxes	–	–	–	–	–	–	–	–	–	–	**–**
Fines, penalties and forfeits	–	–	–	–	609	50	40,632	1,570	–	–	**42,861**
Licences or permits	–	–	–	–	–	–	2,186	–	–	–	**2,186**
Transfer and subsidies - Operational	52,958	–	–	1,900	135,703	9,616	8,989	6,146	–	–	**215,312**
Interest	–	–	–	2,300	–	–	–	–	–	–	**2,300**
Fuel Levy	–	–	–	–	–	–	–	–	–	–	**–**
Service charges	–	–	–	–	–	–	–	–	–	–	**–**
Gains on disposal of Assets	–	–	–	–	–	–	–	–	–	–	**–**
Other Gains	–	–	–	–	–	–	–	300	–	–	**300**
Discontinued Operations	–	–	–	–	–	–	–	–	–	–	**–**
Total Revenue (excluding capital transfers and contr	**52,992**	**576**	**1,057**	**516,406**	**1,445,972**	**35,149**	**61,267**	**20,109**	**–**	**–**	**2,133,528**
Expenditure											
Employee related costs	29,158	29,047	49,378	80,007	161,983	138,679	131,533	55,067	–	–	**674,850**
Remuneration of councillors	15,400	–	–	–	–	–	–	–	–	–	**15,400**
Bulk purchases - electricity	–	–	–	–	603,032	–	–	–	–	–	**603,032**
Inventory consumed	27	244	2,678	1,179	46,026	13,936	12,999	1,813	–	–	**78,902**
Debt impairment	–	–	–	4,496	8,971	–	25,071	127	–	–	**38,664**
Depreciation and amortisation	1	58	2,144	1,652	145,790	23,335	2,245	275	–	–	**175,500**
Interest	–	–	–	–	43,080	–	–	–	–	–	**43,080**
Contracted services	158	4,995	6,865	44,971	260,183	40,748	23,402	15,606	–	–	**396,928**
Transfers and subsidies	1,450	–	–	16,198	–	–	–	–	–	–	**17,648**
Irrecoverable debts written off	–	–	–	981	18,853	–	–	166	–	–	**20,000**
Operational costs	10,870	2,498	25,665	42,920	31,259	4,811	11,916	3,413	–	–	**133,352**
Losses on disposal of Assets	–	–	–	–	–	–	–	–	–	–	**–**
Other Losses	–	–	–	–	–	–	–	–	–	–	**–**
Total Expenditure	**57,064**	**36,841**	**86,730**	**192,404**	**1,319,177**	**221,509**	**207,166**	**76,466**	**–**	**–**	**2,197,357**
Surplus/(Deficit)	**(4,072)**	**(36,265)**	**(85,673)**	**324,002**	**126,796**	**(186,360)**	**(145,899)**	**(56,358)**	**–**	**–**	**(63,829)**
Transfers and subsidies - capital (monetary allocations)	–	–	–	–	**84,618**	**5,941**	**1,025**	–	–	–	**91,584**
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	–	–	**–**
Surplus/(Deficit) after capital transfers &	**(4,072)**	**(36,265)**	**(85,673)**	**324,002**	**211,414**	**(180,419)**	**(144,874)**	**(56,358)**	**–**	**–**	**27,755**

Table 59 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

Description of economic indicator	Basis of calculation	2001 Census	2007 Survey	2011 Census	2022/23	2023/24	2024/25	Current Year 2025/26	2026/27 Medium Term Revenue & Expenditure Framework		
					Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Demographics											
Population	0	55,735	74,547	80,432	110,856	132,495	136,338	139,474	148,547	151,976	155,928
Females aged 5 - 14	0	4,050	5,843	5,228	7,153	7,696	7,921	8,103	8,631	8,830	9,059
Males aged 5 - 14	0	4,055	5,894	5,278	7,222	7,587	7,812	7,992	8,512	8,708	8,935
Females aged 15 - 34	0	9,473	11,567	13,141	17,978	20,263	20,846	21,326	22,713	23,237	23,841
Males aged 15 - 34	0	9,520	11,230	13,648	18,674	19,840	20,410	20,879	22,237	22,751	23,342
Unemployment	0	5,165	8,099	4,237	5,797	26,583	19,590	20,041	21,344	21,837	22,405
Monthly household income (no. of households)											
No income	0	2,214	2,551	3,251	3,051	6,969	7,171	7,336	7,813	7,993	8,201
R1 - R1 600	0	6,098	7,025	8,955	8,405	19,194	19,751	20,205	21,519	22,016	22,588
R1 601 - R3 200	0	3,766	4,339	5,530	5,191	11,854	12,198	12,478	13,290	13,597	13,950
R3 201 - R6 400	0	3,383	3,897	4,968	4,663	10,648	10,957	11,209	11,938	12,214	12,531
R6 401 - R12 800	0	2,306	2,657	3,386	3,178	7,258	7,469	7,641	8,138	8,325	8,542
R12 801 - R25 600	0	917	1,056	1,347	1,264	2,886	2,970	3,038	3,236	3,311	3,397
R25 601 - R51 200	0	209	241	307	288	658	677	692	738	755	774
R52 201 - R102 400	0	83	96	122	114	261	269	275	293	300	307
R102 401 - R204 800	0	44	51	65	61	138	143	146	155	159	163
R204 801 - R409 600	0	36	41	53	50	113	117	119	127	130	133
R409 601 - R819 200	0	–	–	–	–	–	–	–	–	–	–
> R819 200	0	–	–	–	–	–	–	–	–	–	–
Poverty profiles (no. of households)											
< R2 060 per household per month	0	9,393	10,821	9,393	12,947	29,565	30,382	31,063	32,918	33,660	34,506
	0	–	–	–	–	–	–	–	–	–	–
Household/demographics (000)											
Number of people in municipal area	0	55,735	75,014	80,358	110,856	132,495	136,338	139,474	148,547	151,976	155,928
Number of poor people in municipal area	0										
Number of households in municipal area	0	19,056	21,953	27,983	26,264	59,980	61,720	63,139	67,246	68,799	
Number of poor households in municipal area	0	–	–	–	–	–	–	–	–	–	–
Definition of poor household (R per month)	0	–	–	–	-	-	-	-	-	-	-
Housing statistics											
Formal	0	15,593	17,964	22,436	54,103	55,035	56,026	57,035	58,061	59,106	60,879
Informal	0	2,441	3,307	3,568	3,536	3,242	3,137	3,076	3,229	4,036	4,237
Total number of households		18,034	21,271	26,004	57,639	58,277	59,163	60,111	61,290	63,142	65,116
Dwellings provided by municipality	0	–	–	–	250	486	382	139	-	-	-
Dwellings provided by province/s	0	–	–	–	-	-	-	-	-	-	-
Dwellings provided by private sector	0	–	–	–	-	-	-	-	-	-	-
Total new housing dwellings		-	-	-	250	486	382	139	-	-	-
Economic											
Inflation/inflation outlook (CPIX)					6.9%	5.9%	4.4%	3.3%	3.7%	3.3%	3.2%
Interest rate - borrowing					11.4%	10.5%	10.0%	10.5%	11.0%	11.0%	11.0%
Interest rate - investment					7.3%	9.0%	7.0%	7.5%	7.8%	7.8%	7.8%
Remuneration increases					4.9%	5.4%	6.0%	5.0%	4.8%	5.8%	5.8%
Consumption growth (electricity)					1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Consumption growth (water)					2.0%	2.0%	3.0%	4.0%	4.0%	4.0%	4.0%
Collection rates											
Property tax/service charges					99.5%	100.0%	99.0%	99.0%	99.0%	99.0%	99.0%
Rental of facilities & equipment					98.0%	97.5%	98.3%	98.0%	98.0%	98.0%	98.0%
Interest - external investments					100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Interest - debtors					97.1%	97.1%	98.7%	98.7%	98.7%	98.7%	98.7%
Revenue from agency services					97.1%	97.1%	97.1%	97.1%	97.1%	97.1%	97.1%

Table 60 MBRR SA11 – Property rates summary

WC032 Overstrand - Supporting Table SA11 Property rates summary

Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Valuation:									
Date of valuation:	02/07/2015	02/07/2022	02/07/2022	02/07/2022					
Financial year valuation used	**2016/2017**	**2022/2023**	**2022/2023**	**2022/2023**			**2022/2023**		
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. 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)									
Implementation time of new valuation roll (mths)	60	12	24	36			48		
No. of properties	43,655	44,983	44,983	45,849			48,599		
No. of sectional title values	2,752	2,752	2,752	2,960			3,137		
No. of unreasonably difficult properties s7(2)	–	–	–	–			–		
No. of supplementary valuations	1	1	1	1			1		
No. of valuation roll amendments	15	–	–	–			–		
No. of objections by rate payers	–	1,888	1,888	–			–		
No. of appeals by rate payers	–	170	170	–			–		
No. of successful objections	–	1,203	1,203	–			–		
No. of successful objections > 10%	–	360	360	–			–		
Supplementary valuation	2,552	657	657	–			–		
Public service infrastructure value (Rm)	306	96	96	437			463		
Municipality owned property value (Rm)	928	1,160	1,160	661			700		
Valuation reductions:									
Valuation reductions-public infrastructure (Rm)	306	96	96	437	437	437	463	490	520
Valuation reductions-nature reserves/park (Rm)	436	680	680	619	619	619	656	656	656
Valuation reductions-mineral rights (Rm)	–	–	–	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)	505	511	511	539	539	539	572	572	572
Valuation reductions-public worship (Rm)	194	270	270	264	264	264	279	279	279
Valuation reductions-other (Rm)	1,169	1,185	1,185	15,832	15,832	15,832	16,782	16,782	16,782
Total valuation reductions:	**2,610**	**2,610**	**2,743**	**3,527**	**3,527**	**3,527**	**1,473**	**1,561**	**1,655**
Total value used for rating (Rm)	53,082	90,339	90,339	92,829	92,829	92,829	98,398	98,398	98,398
Total land value (Rm)	24,419	32,974	32,974	33,303	33,303	33,303	29,972	29,972	29,972
Total value of improvements (Rm)	31,099	57,365	57,365	59,526	59,526	59,526	63,098	63,098	63,098
Total market value (Rm)	53,458	92,914	92,914	92,829	92,829	92,829	98,398	98,398	98,398
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		
Special rating area used? (Y/N)	Yes	Yes	Yes	YES			Yes		
Phasing-in properties s21 (number)	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? (%)	0.0%	0.0%	0.0%	0.0%			0.0%		
Rate revenue:									
Rate revenue budget (R '000)	409,443	439,026	444,249	467,991	467,991	467,991	491,390	520,874	552,126
Rate revenue expected to collect (R'000)	409,443	439,026	442,472	467,991	467,991	467,991	496,070	525,834	557,384
Expected cash collection rate (%)	100.0%	100.0%	99.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Special rating areas (R'000)	13,345	14,443	14,915	15,020	15,020	15,020	16,193	17,165	18,195
Rebates, exemptions - indigent (R'000)	–	–	–	–	–	–	–	–	–
Rebates, exemptions - pensioners (R'000)	1,178	1,273	1,273	1,273	1,396	1,396	1,466	1,554	1,647
Rebates, exemptions - bona fide farm. (R'000)	–	–	–	–	–	–	–	–	–
Rebates, exemptions - other (R'000)	67,758	75,796	75,796	75,796	82,617	82,617	84,376	89,439	94,805
Phase-in reductions/discounts (R'000)	–	–	–	–	–	–	–	–	–

Table 61 MBRR SA12a – Property rates by category (current year)

Description	Business and commercial properties	Industrial properties	Mining properties	Residential properties	Agricultural properties	Public benefit organisations	Public service purpose properties	Public service infrastructure properties	Vacant land	Sport Clubs and Fields (Bitou only)	Sectional Title Garages (Drakenstein only)	Sum
Current Year 2025/26												
Valuation:												
No. of properties	936	–	–	34,757	360	164	85	1,626	4,961	–	–	43
No. of sectional title property values	479	–	–	2,481	–	–	–	–	–	–	–	3
No. of unreasonably difficult properties s7(2)	–	–	–	–	–	–	–	–	–	–	–	–
No. of supplementary valuations	NOT RECEIV	NOT RECEIV	NOT RECEIV	NOT RECEIV	NOT RECEIV	NOT RECEIV	NOT RECEIV	NOT RECEIV	NOT RECEIV	–	–	–
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	10	–	–	90	–	–		–	–	–	–	0
Years since last valuation **(select)**	3	3	3	3	3	3	3	3	3	0	0	
Frequency of valuation **(select)**	4	4	4	4	4	4	4	4	4	0	0	
Method of valuation used **(select)**	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			
Phasing-in properties s21 (number)	–	–	–	–	–	–	–	–	–			–
Combination of rating types used? (Y/N)												
Flat rate used? (Y/N)												
Is balance rated by uniform rate/variable rate?												
Valuation reductions:												
Valuation reductions-public infrastructure (Rm)	437	–	–	–	–	–	–	–	–	–	–	436,535
Valuation reductions-nature reserves/park (Rm)	619	–	–	–	–	–	–	–	–	–	–	618,546
Valuation reductions-mineral rights (Rm)	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)	–	–	–	539	–	–	–	–	–	–	–	539,375
Valuation reductions-public worship (Rm)	264	–	–	–	–	–	–	–	–	–	–	263,806
Valuation reductions-other (Rm)	–	–	–	15,832					80			15,911,903
Total valuation reductions:												
Total value used for rating (Rm)	6,040	–	–	80,689	1,000	607	618	437	3,437	–	–	92,828,772
Total land value (Rm)	1,766	–	–	26,497	752	191	255	404	3,437	–	–	33,302,821
Total value of improvements (Rm)	4,274	–	–	54,192	248	416	363	33	–	–	–	59,525,950
Total market value (Rm)	6,040	–	–	80,689	1,000	607	618	437	3,437	–	–	92,828,772
Rating:												
Average rate												
Rate revenue budget (R '000)	51,444	–	–	384,574	1,203	–	4,572	–	26,197	–	–	467,991
Rate revenue expected to collect (R'000)	51,444	–	–	384,574	1,203	–	4,572	–	26,197	–	–	467,991
Expected cash collection rate (%)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	0.0%	0.0%	0
Special rating areas (R'000)												–
Rebates, exemptions - indigent (R'000)	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - pensioners (R'000)	–	–	–	1,396	–	–	–	–	–	–	–	1,396
Rebates, exemptions - bona fide farm. (R'000)	–	–	–	–	–	–	–	–	–		–	–
Rebates, exemptions - other (R'000)	–	–	–	82,617	–	–	–	–	–	–	–	82,617
Phase-in reductions/discounts (R'000)	–	–	–	–	–	–	–	–	–	–	–	–
Total rebates,exemptns,reductns,discs (R'000)												–

Table 62 MBRR SA12b – Property rates by category (budget year)

Description	Business and commercial properties	Industrial properties	Mining properties	Residential properties	Agricultural properties	Public benefit organisations	Public service purpose properties	Public service infrastructure properties	Vacant land	Sport Clubs and Fields (Bitou only)	Sectional Title Garages (Drakenstein only)	Sum
Budget Year 2026/27												
Valuation:												
No. of properties	992	–	–	36,842	196	173	90	1,723	5,258	–	–	45
No. of sectional title property values	507	–	–	2,629	–	–	–	–	–		–	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	10	–	–	90	–	–		–	–	–	–	0
Years since last valuation **(select)**	4	4	4	4	4	4	4	4	4	0	0	
Frequency of valuation **(select)**	4	4	4	4	4	4	4	4	4	0	0	
Method of valuation used **(select)**	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			
Phasing-in properties s21 (number)	–	–	–	–	–	–	–	–	–	–	–	–
Combination of rating types used? (Y/N)												
Flat rate used? (Y/N)												
Is balance rated by uniform rate/variable rate?												
Valuation reductions:												
Valuation reductions-public infrastructure (Rm)	463	–	–	–	–	–	–	–	–	–	–	462,727
Valuation reductions-nature reserves/park (Rm)	656	–	–	–	–	–	–	–	–	–	–	655,659
Valuation reductions-mineral rights (Rm)	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)	–	–	–	572	–	–	–	–	–	–	–	571,526
Valuation reductions-public worship (Rm)	279	–	–	–	–	–	–	–	–	–	–	279,434
Valuation reductions-other (Rm)	–	–	–	16,782	–	–	–	–	84	–	–	16,866,617
Total valuation reductions:												
Total value used for rating (Rm)	6,402	–	–	85,530	1,060	644	655	463	3,644	–	–	98,398,498
Total land value (Rm)	187	–	–	28,087	797	203	270	428	–	–	–	29,972,150
Total value of improvements (Rm)	4,530	–	–	57,443	263	441	385	35	–	–	–	63,097,507
Total market value (Rm)	6,402	–	–	85,530	1,060	644	655	463	3,644	–	–	98,398,498
Rating:												
Average rate												
Rate revenue budget (R '000)	64,823	–	–	385,667	1,588	–	7,000	–	32,313	–	–	491,390
Rate revenue expected to collect (R'000)	64,823	–	–	385,667	1,588	–	7,000	–	32,313	–	–	491,390
Expected cash collection rate (%)	100.0%	100.0%	100.0%	100.0%	100.0%		100.0%		100.0%			0
Special rating areas (R'000)												–
Rebates, exemptions - indigent (R'000)												–
Rebates, exemptions - pensioners (R'000)				1,466								1,466
Rebates, exemptions - bona fide farm. (R'000)												–
Rebates, exemptions - other (R'000)				84,376								84,376
Phase-in reductions/discounts (R'000)												–
Total rebates,exemptns,reductns,discs (R'000)	–	–	–	85,842	–	–	–	–	–	–	–	85,842

Table 63 MBRR SA13a – Service tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2022/23	2023/24	2024/25	Current Year 2025/26	2026/27 Medium Term Revenue & Expenditure Framework		
							Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Property rates *(rate in the Rand)*	1								
Residential properties									
Residential properties - vacant land									
Formal/informal settlements									
Small holdings									
Farm properties - used									
Farm properties - not used									
Industrial properties									
Business and commercial properties									
Communal land - residential									
Communal land - small holdings									
Communal land - farm property									
Communal land - business and commercial									
Communal land - other									
State-owned properties									
Municipal properties									
Public service infrastructure									
Privately owned towns serviced by the owner									
State trust land									
Restitution and redistribution properties									
Protected areas									
National monuments properties									
Property rates by usage									
Business and commercial properties			0.009940	0.007368	0.007957	0.008729	0.009165	0.009715	0.010298
Industrial properties									
Mining properties									
Residential properties			0.006570	0.004210	0.004547	0.004988	0.005237	0.005551	0.005884
Agricultural properties			0.001640	0.001053	0.001137	0.001248	0.001310	0.001389	0.001472
Public benefit organisations									
Public service purpose properties									
Public service infrastructure properties									
Vacant land			0.008990	0.006315	0.006820	0.007482	0.007856	0.008327	0.008827
Sport Clubs and Fields (Bitou only)									
Sectional Title Garages (Drakenstein only)									
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			35,000	35,000	35,000	35,000	35,000	35,000	35,000
Indigent rebate or exemption									
Pensioners/social grants rebate or exemption			40-100%	40-100%	40-100%	40-100%	40-100%	40-100%	40-100%
Temporary relief rebate or exemption									
Bona fide farmers rebate or exemption									
Other rebates or exemptions	2								
Water tariffs									
Domestic									
Basic charge/fixed fee *(Rands/month)*			156	166	176	187	196	208	220
Service point - vacant land *(Rands/month)*			156	166	176	187	196	208	220
Water usage - flat rate tariff *(c/kl)*									
Water usage - life line tariff		(describe structure)							
Water usage - Block 1 (c/kl)		0 - 6 kl	6	7	7	8	8	9	9
Water usage - Block 2 (c/kl)		7 - 18 kl	13	14	15	16	17	18	19
Water usage - Block 3 (c/kl)		19 - 45 kl	New	19	31	33	35	37	39
Water usage - Block 4 (c/kl)		46 - 60 kl	55	59	62	67	69	73	78
Water usage - Block 5 (c/kl)		> 60 kl	74	78	83	88	95	101	107
Water usage - Block 6 (c/kl)									
Other	2								
Waste water tariffs									
Domestic									
Basic charge/fixed fee *(Rands/month)*		Basic charge	138	148	161	170	179	189	201
Service point - vacant land *(Rands/month)*									
Waste water - flat rate tariff *(c/kl)*		70% of water usage	16	17	18	19	20	21	23
Volumetric charge - Block 1 (c/kl)		Basic charge pumps	93	99	108	115	120	128	135
Volumetric charge - Block 2 (c/kl)		Service per pump	636	677	738	782	821	870	922
Volumetric charge - Block 3 (c/kl)									
Volumetric charge - Block 4 (c/kl)									
Other	2								
Electricity tariffs									
Domestic									
Basic charge/fixed fee *(Rands/month)*		Basic	439	504	466	414	343	343	343
Service point - vacant land *(Rands/month)*			439	504	466	414	343	343	343
FBE		Capacity Charge	-	-	2	5	9	9	10
Life-line tariff - meter		FBE based on household							
Life-line tariff - prepaid		income							
Flat rate tariff - meter *(c/kwh)*		one-part (cents)	157	157	199	224	247	267	288
Flat rate tariff - prepaid*(c/kwh)*		Credit Meter							
Meter - IBT Block 1 (c/kwh)		0 - 350 kWh (cents)	168	194	213	233	252	277	305
Meter - IBT Block 2 (c/kwh)		351 - 600 kWh (cents)	247	285	274	288	282	276	271
Meter - IBT Block 3 (c/kwh)		> 600 kWh (cents)	304	350	385	327	303	279	257
Meter - IBT Block 4 (c/kwh)		Prepaid Meter							
Meter - IBT Block 5 (c/kwh)		0 - 350 kWh (cents)	155	179	200	224	247	272	299
Prepaid - IBT Block 1 (c/kwh)		351 - 600 kWh (cents)	233	268	274	278	276	275	274
Prepaid - IBT Block 2 (c/kwh)		> 600 kWh (cents)	292	336	370	319	299	280	262
Prepaid - IBT Block 3 (c/kwh)									
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			213	228	253	268	282	299	316
80l bin - once a week									
250l bin - once a week			213	228	253	268	282	299	316

Table 64 MBRR SA13b – Service tariffs by category (explanatory)

Description	Provide description of tariff structure where appropriate	2022/23	2023/24	2024/25	Current Year 2025/26	2026/27 Medium Term Revenue & Expenditure Framework		
						Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Exemptions, reductions and rebates *(Rands)*								
R15 000 threshhold rebate		15,000	15,000	15,000	15,000	15,000	15,000	15,000
General residential rebate		35,000	35,000	35,000	35,000	35,000	35,000	35,000
Indigent rebate or exemption		-	-	-	-	-	-	-
Pensioners/social grants rebate or exemption		220,000	220,000	-	-	-	-	-
Residential Properties exemption (Residential Properties			40-100%	40-100%	40-100%	40-100%	40-100%	40-100%
Bona fide farmers rebate or exemption								
Other rebates or exemptions								
Water tariffs								
	Basic charge	156	166	176	187	196	208	220
	0 - 6 kl	6	7	7	8	8	9	9
	7 - 18 kl	13	14	15	16	17	18	19
	19 - 45 kl	New	19	31	33	35	37	39
	46 - 60 kl	55	59	62	66	69	73	78
	> 60 kl	74	78	83	88	95	101	107
Waste water tariffs								
	Basic charge	138	148	161	170	179	189	201
	70% of water usage	16	17	18	19	20	21	23
	Basic charge pumps	93	99	108	115	120	128	135
	Service per pump	636	677	738	782	821	870	922
Electricity tariffs								
	Basic	439	504	466	414	343	343	343
	Capacity Charge	-	-	149	329	536	568	602
	FBE based on household income							
	one-part (cents)	157	157	199	224	247	267	288
	Credit Meter							
	0 - 350 kWh (cents)	168	194	213	233	252	277	305
	351 - 600 kWh (cents)	247	285	274	288	282	276	271
	> 600 kWh (cents)	304	350	385	327	303	279	257
	Prepaid Meter							
	0 - 350 kWh (cents)	155	179	200	224	247	272	299
	351 - 600 kWh (cents)	233	268	274	278	276	275	274
	> 600 kWh (cents)	292	336	370	319	299	280	262

Table 65 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 treatmer	Yrs	15	Outsourcing of sub function water and waste water treatmer	07 December 2033	1,693,083
Outsourcing of sub function operation of landfil site	Yrs	13	Outsourcing of sub function operation of landfil site	30 November 2032	108,587
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 66 MBRR SA38 – Consolidated detailed operational projects

Municipal Vote/Operational project R thousand	Program/Project description	Prior year outcomes		2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome 2024/25	Current Year 2025/26 Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Parent municipality:						
List all operational projects grouped by Municipal Vote						
Vote 1 - Municipal Council						
	Municipal Running Cost	45,672	53,611	57,064	50,823	53,213
	Typical Work Streams	–	23	–	–	–
Vote 2 - Office of the Municipal Manager						
	Municipal Running Cost	19,548	27,117	34,674	36,385	38,194
	Repairs & Maintenance	–	36	28	28	28
	Typical Work Streams	1,003	2,020	2,138	2,258	2,385
Vote 3 - Corporate Services						
	Municipal Running Cost	54,595	64,874	70,125	73,708	77,518
	Repairs & Maintenance	11,635	14,371	13,706	14,297	14,924
	Typical Work Streams	2,131	2,467	2,900	3,311	3,722
Vote 4 - Financial Services						
	Municipal Running Cost	85,980	112,799	139,197	142,837	150,603
	Repairs & Maintenance	32,345	43,114	33,614	35,629	37,767
	Typical Work Streams	17,822	18,600	19,575	20,716	21,807
Vote 5 - Infrastructure Services						
	Municipal Running Cost	922,139	1,057,382	1,104,141	1,189,818	1,274,258
	Repairs & Maintenance	175,781	186,137	209,227	233,215	287,859
	Typical Work Streams	81,861	55,880	5,809	4,187	4,427
Vote 6 - Public Safety						
	Municipal Running Cost	115,512	183,975	184,491	194,097	204,343
	Repairs & Maintenance	973	1,708	2,249	2,269	2,319
	Typical Work Streams	19,214	19,839	20,426	21,365	22,427
Vote 7 - Planning and Development						
	Municipal Running Cost	45,155	47,881	55,998	59,037	62,178
	Repairs & Maintenance	7,450	3,634	4,058	3,927	3,792
	Typical Work Streams	8,912	16,454	16,410	11,194	11,725
Vote 8 - Community Services						
	Municipal Running Cost	80,913	88,134	101,003	106,751	112,695
	Repairs & Maintenance	72,682	79,241	89,660	88,759	93,433
	Typical Work Streams	22,544	26,246	30,864	31,638	32,473
Total Operational expenditure		**1,823,868**	**2,105,545**	**2,197,357**	**2,326,250**	**2,512,089**

Table 67 MBRR SA33 – Contracts having future budgetary implications

Description	Preceding Years	Current Year 2025/26	2026/27 Medium Term Revenue & Expenditure Framework			Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Forecast 2032/33	Forecast 2033/34	Forecast 2034/35	Forecast 2035/36	Total Contract Value
R thousand	Total	Original Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality:													
Revenue Obligation By Contract													
Total Operating Revenue Implication	–	–	–	–	–	–	–	–	–	–	–	–	–
Expenditure Obligation By Contract													
Contract 1: SC1890/2018: WATER & WASTE WATER TREATMENT OPERATIONS MANAGEMENT CONTRACT.	481,175	114,552	124,171	131,373	138,993	147,054	155,584	164,607	174,155	61,419			1,693,083
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	35,011	8,196	8,726	9,276	9,863	10,390	10,872	11,419	4,834				108,587
Contract 3													–
Total Operating Expenditure Implication	516,186	122,748	132,898	140,649	148,855	157,444	166,455	176,027	178,989	61,419	–	–	1,801,670
Capital Expenditure Obligation By Contract													
Total Capital Expenditure Implication	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Parent Expenditure Implication	**516,186**	**122,748**	**132,898**	**140,649**	**148,855**	**157,444**	**166,455**	**176,027**	**178,989**	**61,419**	**–**	**–**	1,801,670

2.15 Municipal manager's quality certificate

I, DGI O'NEILL, the municipal manager of **Overstrand Municipality**, hereby certify that the annual budget and supporting documentation for the **2026/2027 MTREF** has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name: DGI O'NEILL

Municipal Manager of **Overstrand Municipality (WC032)**

Signature: 

Date: 31 March 2026

ANNEXURE A

DRAFT BUDGET SCHEDULES 1-10

SCHEDULE 1

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

Vote Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue by Vote									
Vote 1 - Municipal Council	74 415	106 209	69 013	78 908	37 942	37 942	52 992	54 146	49 917
Vote 2 - Office of the Municipal Manager	–	–	833	515	860	860	576	611	647
Vote 3 - Corporate Services	1 496	1 492	122	1 274	1 774	1 774	1 057	1 120	1 188
Vote 4 - Financial Services	370 122	436 859	475 912	477 666	490 666	490 666	516 406	543 396	571 894
Vote 5 - Infrastructure Services	1 102 798	1 275 677	1 373 260	1 419 613	1 450 527	1 450 527	1 530 590	1 603 952	1 711 884
Vote 6 - Community Services	24 795	29 545	42 900	52 939	52 939	52 939	41 090	44 216	43 492
Vote 7 - Municipal Public Safety	76 056	(7 188)	29 217	71 012	60 132	60 132	62 292	62 400	63 603
Vote 8 - Planning and Development	32 033	35 888	39 611	17 494	19 544	19 544	20 109	14 933	15 651
Total Revenue by Vote	**1 681 715**	**1 878 482**	**2 030 870**	**2 119 420**	**2 114 384**	**2 114 384**	**2 225 112**	**2 324 774**	**2 458 275**
Expenditure by Vote ***to be appropriated***									
Vote 1 - Municipal Council	46 177	41 353	45 672	55 516	53 635	53 635	57 064	50 823	53 213
Vote 2 - Office of the Municipal Manager	9 709	14 201	20 551	33 702	29 173	29 173	36 841	38 672	40 608
Vote 3 - Corporate Services	58 075	56 963	68 360	82 589	81 712	81 712	86 730	91 316	96 164
Vote 4 - Financial Services	140 078	106 638	136 147	171 468	174 513	174 513	192 404	199 181	210 176
Vote 5 - Infrastructure Services	943 253	1 189 410	1 179 782	1 293 520	1 299 399	1 299 399	1 319 177	1 427 221	1 566 544
Vote 6 - Community Services	157 827	186 656	176 139	203 116	193 622	193 622	221 509	227 148	238 601
Vote 7 - Municipal Public Safety	153 723	94 947	135 700	201 555	205 522	205 522	207 166	217 730	229 089
Vote 8 - Planning and Development	63 185	60 230	61 517	70 875	67 969	67 969	76 466	74 158	77 695
Total Expenditure by Vote	**1 572 027**	**1 750 397**	**1 823 868**	**2 112 340**	**2 105 545**	**2 105 545**	**2 197 357**	**2 326 250**	**2 512 089**
Surplus/(Deficit) for the year	**109 688**	**128 085**	**207 001**	**7 080**	**8 839**	**8 839**	**27 755**	**(1 476)**	**(53 814)**

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

R thousand	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue									
Exchange Revenue									
Service charges - Electricity	495 999	607 344	680 585	745 540	718 135	718 135	822 903	871 718	923 997
Service charges - Water	158 070	179 935	200 340	209 109	208 803	208 803	225 950	239 494	253 864
Service charges - Waste Water Management	100 655	113 954	127 050	129 533	126 779	126 779	134 321	142 381	150 923
Service charges - Waste Management	85 923	97 574	108 353	115 444	115 444	115 444	121 971	129 289	137 046
Sale of Goods and Rendering of Services	80 448	131 093	106 778	63 725	73 387	73 387	29 014	30 755	32 600
Agency services	7 140	6 599	6 846	7 500	7 500	7 500	7 819	8 288	8 785
Interest	33	215	507	0	0	0	–	–	–
Interest earned from Receivables	5 796	10 299	11 703	12 500	12 500	12 500	12 500	13 250	14 045
Interest earned from Current and Non Current Assets	51 751	68 418	73 160	55 000	68 000	68 000	68 000	68 000	68 000
Dividends	–	–	–	–	–	–	–	–	–
Rent on Land	1 401	2 704	855	452	452	452	1 243	1 318	1 397
Rental from Fixed Assets	5 346	5 570	8 246	7 544	7 544	7 544	9 370	9 932	10 528
Licence and permits	1 143	923	1 116	780	780	780	1 481	1 570	1 664
Special rating levies	–	–	–	15 420	15 420	15 420	16 193	17 165	18 195
Construction Contract Revenue	–	–	–	–	–	–	1 847	–	–
Development Charges	–	–	–	–	–	–	3 599	3 815	4 044
Operational Revenue	10 988	11 090	16 233	5 554	5 620	5 620	8 812	9 341	9 901
Non-Exchange Revenue									
Property rates	297 101	339 224	367 109	383 977	383 977	383 977	405 548	429 881	455 674
Surcharges and Taxes	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	58 043	(22 970)	12 341	52 537	42 344	42 344	42 861	43 032	43 214
Licences or permits	1 834	2 008	1 858	2 000	2 000	2 000	2 186	2 317	2 456
Transfer and subsidies - Operational	172 163	191 359	199 017	205 957	207 587	207 587	215 312	228 047	232 891
Interest	1 294	2 186	2 027	2 300	2 300	2 300	2 300	2 438	2 584
Fuel Levy	–	–	–	–	–	–	–	–	–
Operational Revenue	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets	904	–	13 632	–	–	–	–	–	–
Other Gains	14 279	16 679	16 121	3 000	3 000	3 000	300	300	300
Discontinued Operations	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	**1 550 312**	**1 764 206**	**1 953 878**	**2 017 871**	**2 001 572**	**2 001 572**	**2 133 528**	**2 252 329**	**2 372 107**
Expenditure									
Employee related costs	480 939	523 007	531 381	618 840	594 914	594 914	674 850	702 498	743 048
Remuneration of councillors	12 315	13 519	13 332	14 012	14 349	14 349	15 400	16 480	17 240
Bulk purchases - electricity	346 418	444 223	481 547	556 160	553 190	553 190	603 032	656 280	708 782
Inventory consumed	58 220	59 855	51 539	76 168	73 892	73 892	78 902	83 969	128 795
Debt impairment	52 100	(12 141)	12 698	70 770	25 001	25 001	38 593	38 593	38 593
Depreciation and amortisation	148 321	153 790	152 838	167 211	167 211	167 211	175 572	184 350	193 568
Interest	48 152	48 571	48 767	51 227	45 040	45 040	43 080	47 145	56 450
Contracted services	257 088	293 480	321 654	356 644	383 770	383 770	396 928	419 114	439 592
Transfers and subsidies	16 086	16 512	16 716	16 770	16 770	16 770	17 648	18 500	19 397
Irrecoverable debts written off	10 206	27 155	37 069	20 000	60 131	60 131	20 000	20 000	20 000
Operational costs	142 111	181 851	156 227	164 539	171 278	171 278	125 810	130 201	137 048
Losses on disposal of Assets	–	514	–	–	–	–	–	–	–
Other Losses	72	60	101	–	–	–	7 542	9 120	9 576
Total Expenditure	**1 572 027**	**1 750 397**	**1 823 868**	**2 112 340**	**2 105 545**	**2 105 545**	**2 197 357**	**2 326 250**	**2 512 089**
Surplus/(Deficit)	**(21 715)**	**13 809**	**130 010**	**(94 469)**	**(103 973)**	**(103 973)**	**(63 829)**	**(73 921)**	**(139 982)**
Transfers and subsidies - capital (monetary	125 273	92 977	72 989	101 549	112 768	112 768	91 584	72 445	86 168
Transfers and subsidies - capital (in-kind)	6 130	21 299	4 003	–	44	44	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**109 688**	**128 085**	**207 001**	**7 080**	**8 839**	**8 839**	**27 755**	**(1 476)**	**(53 814)**
Income Tax	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax	109 688	128 085	207 001	7 080	8 839	8 839	27 755	(1 476)	(53 814)
Share of Surplus/Deficit attributable to Joint Venture	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	109 688	128 085	207 001	7 080	8 839	8 839	27 755	(1 476)	(53 814)
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	**109 688**	**128 085**	**207 001**	**7 080**	**8 839**	**8 839**	**27 755**	**(1 476)**	**(53 814)**

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

Vote Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital Expenditure - Functional									
Governance and administration	**2 228**	**6 967**	**3 403**	**3 500**	**3 573**	**3 573**	**7 670**	**3 420**	**3 420**
Executive and council	5	7	48	70	76	76	3 800	50	50
Finance and administration	2 223	6 960	3 355	3 430	3 497	3 497	3 870	3 370	3 370
Internal audit	–	–	–	–	–	–	–	–	–
Community and public safety	**40 838**	**43 100**	**42 468**	**72 520**	**83 107**	**83 107**	**42 120**	**65 112**	**74 230**
Community and social services	3 890	1 371	1 192	6 625	6 077	6 077	7 592	9 420	7 320
Sport and recreation	3 318	5 741	17 476	33 901	33 768	33 768	11 586	7 442	6 250
Public safety	5 007	2 310	6 181	7 452	8 521	8 521	15 831	14 710	20 660
Housing	28 623	33 678	17 619	24 542	34 741	34 741	7 110	33 540	40 000
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	**20 518**	**17 926**	**4 948**	**18 954**	**21 785**	**21 785**	**32 414**	**21 550**	**16 921**
Planning and development	3 719	6 170	1 151	1 554	3 985	3 985	8 150	11 450	7 600
Road transport	16 799	11 755	3 797	17 400	17 800	17 800	24 264	10 100	9 321
Environmental protection	–	–	–	–	–	–	–	–	–
Trading services	**125 737**	**125 525**	**141 935**	**163 372**	**161 371**	**161 371**	**160 536**	**204 363**	**213 597**
Energy sources	55 692	49 583	45 169	60 218	48 613	48 613	63 894	48 083	49 634
Water management	31 608	29 092	34 078	63 653	73 470	73 470	74 742	81 900	84 300
Waste water management	32 801	46 735	58 077	34 560	34 348	34 348	19 700	65 480	72 663
Waste management	5 637	115	4 612	4 940	4 940	4 940	2 200	8 900	7 000
Other	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	**189 321**	**193 518**	**192 754**	**258 346**	**269 836**	**269 836**	**242 739**	**294 445**	**308 168**
Funded by:									
National Government	81 741	59 150	54 164	76 207	76 207	76 207	82 749	38 905	46 168
Provincial Government	5 036	33 827	18 719	25 342	36 541	36 541	8 835	33 540	40 000
District Municipality	–		–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	26 098	21 282	4 108	–	–	–	–	–	–
Transfers recognised - capital	**112 876**	**114 260**	**76 992**	**101 549**	**112 748**	**112 748**	**91 584**	**72 445**	**86 168**
Borrowing	34 249	66 513	77 047	106 337	104 918	104 918	101 155	172 000	172 000
Internally generated funds	42 197	12 745	38 716	50 460	52 170	52 170	50 000	50 000	50 000
Total Capital Funding	**189 321**	**193 518**	**192 754**	**258 346**	**269 836**	**269 836**	**242 739**	**294 445**	**308 168**

WC032 Overstrand - Schedule 4 - Budgeted Financial Position

R thousand	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
ASSETS									
Current assets									
Cash and cash equivalents	646 535	676 658	854 064	723 115	843 596	843 596	875 852	871 901	779 737
Short term Investments	–	–	–	–	–	–	–	–	–
Trade and other receivables from exchange transactions	86 305	116 416	136 299	110 653	90 021	90 021	85 085	80 763	77 914
Receivables from non-exchange transactions	37 804	36 449	32 716	35 577	43 097	43 097	49 162	55 608	62 459
Current portion of non-current receivables	–	–	–	–	–	–	–	–	–
Inventory	11 594	15 762	12 097	15 588	18 182	18 182	17 306	16 458	15 618
VAT	10 328	9 557	4 856	1 800	17 911	17 911	17 440	17 440	17 440
Other current assets	41 162	104 945	141 503	55 610	56 028	56 028	57 088	58 158	59 228
Total current assets	**833 727**	**959 788**	**1 181 533**	**942 343**	**1 068 835**	**1 068 835**	**1 101 933**	**1 100 329**	**1 012 398**
Non current assets									
Investments	68 211	31 415	7 315	8 400	8 456	8 456	–	–	–
Investment property	151 589	164 436	167 369	168 225	167 658	167 658	167 958	168 258	168 558
Property, plant and equipment	3 674 341	3 714 046	3 758 566	3 871 372	3 861 249	3 861 249	3 928 792	4 039 282	4 154 297
Biological assets	–	–	–	–	–	–	–	–	–
Living and non-living resources	542	415	681	980	913	913	842	767	689
Heritage assets	109 625	109 625	109 625	109 625	109 625	109 625	109 625	109 625	109 625
Intangible assets	8 687	8 050	7 585	7 488	7 295	7 295	6 990	6 670	6 334
Trade and other receivables from exchange transactions	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions	–	–	–	–	–	–	–	–	–
Other non-current assets	–	–	–	–	–	–	–	–	–
Total non current assets	**4 012 995**	**4 027 986**	**4 051 141**	**4 166 089**	**4 155 195**	**4 155 195**	**4 214 208**	**4 324 602**	**4 439 503**
TOTAL ASSETS	**4 846 722**	**4 987 774**	**5 232 674**	**5 108 433**	**5 224 031**	**5 224 031**	**5 316 141**	**5 424 931**	**5 451 900**
LIABILITIES									
Current liabilities									
Bank overdraft	–	–	–	–	–	–	–	–	–
Financial liabilities	57 949	50 444	150 929	61 383	61 471	61 471	78 879	93 722	80 407
Consumer deposits	65 804	69 338	63 274	69 665	68 474	68 474	66 524	64 574	62 624
Trade and other payables from exchange transactions	127 465	135 133	158 574	133 297	157 669	157 669	162 517	163 956	165 593
Trade and other payables from non-exchange transactions	6 206	5 342	3 012	–	–	–	–	–	–
Provision	40 983	42 076	37 797	45 206	35 147	35 147	47 840	64 824	59 499
VAT	–	–	–	6 076	1 581	1 581	(15)	(15)	(15)
Other current liabilities	8 465	10 266	9 559	11 002	10 105	10 105	12 466	11 000	11 000
Total current liabilities	**306 872**	**312 598**	**423 145**	**326 629**	**334 448**	**334 448**	**368 211**	**398 062**	**379 108**
Non current liabilities									
Financial liabilities	421 957	421 513	335 584	360 476	360 549	360 549	394 780	473 059	564 652
Provision	150 346	151 521	155 593	162 269	168 802	168 802	146 485	130 655	121 730
Long term portion of trade payables	–	–	–	–	–	–	–	–	–
Other non-current liabilities	134 757	140 834	150 043	170 424	162 356	162 356	173 657	180 603	186 241
Total non current liabilities	**707 060**	**713 869**	**641 220**	**693 169**	**691 707**	**691 707**	**714 922**	**784 317**	**872 623**
TOTAL LIABILITIES	**1 013 932**	**1 026 467**	**1 064 365**	**1 019 798**	**1 026 155**	**1 026 155**	**1 083 133**	**1 182 378**	**1 251 732**
NET ASSETS	**3 832 790**	**3 961 307**	**4 168 309**	**4 088 634**	**4 197 876**	**4 197 876**	**4 233 007**	**4 242 553**	**4 200 169**
COMMUNITY WEALTH/EQUITY									
Accumulated surplus/(deficit)	3 829 562	3 958 079	4 165 081	4 085 404	4 194 647	4 194 647	4 229 777	4 239 322	4 196 937
Reserves and funds	3 228	3 228	3 228	3 231	3 229	3 229	3 230	3 231	3 232
Other	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	**3 832 790**	**3 961 307**	**4 168 309**	**4 088 634**	**4 197 876**	**4 197 876**	**4 233 007**	**4 242 553**	**4 200 169**

WC032 Overstrand - Schedule 5 - Budgeted Cash Flows

R thousand	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	292 203	331 408	365 875	395 671	380 865	380 865	417 681	442 741	469 306
Service charges	812 299	933 715	1 063 983	1 191 297	1 168 162	1 168 162	1 294 976	1 372 104	1 454 406
Other revenue	114 226	148 838	147 686	95 718	121 480	121 480	76 959	79 360	83 550
Transfers and Subsidies - Operational	172 032	186 843	197 257	205 957	207 587	207 587	215 312	228 047	232 891
Transfers and Subsidies - Capital	105 269	96 616	70 817	101 549	112 812	112 812	91 584	72 445	86 168
Interest	58 874	81 119	86 667	55 000	68 000	68 000	68 000	68 000	68 000
Dividends	–	–	–	–	–	–	–	–	–
Payments									
Suppliers and employees	(1 277 763)	(1 501 927)	(1 519 736)	(1 753 448)	(1 706 326)	(1 706 326)	(1 873 824)	(1 997 729)	(2 178 797)
Interest	(48 152)	(48 571)	(49 393)	(51 227)	(45 040)	(45 040)	(43 080)	(47 145)	(56 450)
Transfers and Subsidies	(14 865)	(16 590)	(16 803)	(16 770)	(16 770)	(16 770)	(17 648)	(18 500)	(19 397)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**214 123**	**211 450**	**346 352**	**223 747**	**290 768**	**290 768**	**229 960**	**199 323**	**139 676**
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	3 676	302	16 293	–	–	–	–	–	–
Decrease (increase) in non-current receivables	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	(4 980)	(4 980)	(4 980)	30 167	30 112	30 112	8 456	–	–
Insurance Refund - Capital	–	–	–	–	–	–	–	–	–
days) and Long Term Investments	–	–	–	–	–	–	–	–	–
Payments									
Capital assets	(183 191)	(172 235)	(188 752)	(258 346)	(269 836)	(269 836)	(242 739)	(294 445)	(308 168)
Retention (Capital)	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(184 495)**	**(176 913)**	**(177 438)**	**(228 178)**	**(239 724)**	**(239 724)**	**(234 284)**	**(294 445)**	**(308 168)**
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	50 000	50 000	65 000	90 000	90 000	90 000	100 000	172 000	172 000
Increase (decrease) in consumer deposits	1 122	3 535	(6 064)	5 200	2 819	2 819	(1 950)	(1 950)	(1 950)
Payments									
Repayment of borrowing	(50 494)	(57 949)	(50 444)	(154 654)	(154 332)	(154 332)	(61 471)	(78 879)	(93 722)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**628**	**(4 414)**	**8 492**	**(59 454)**	**(61 512)**	**(61 512)**	**36 579**	**91 171**	**76 328**
NET INCREASE/ (DECREASE) IN CASH HELD	**30 255**	**30 123**	**177 406**	**(63 885)**	**(10 468)**	**(10 468)**	**32 256**	**(3 951)**	**(92 164)**
Cash/cash equivalents at the year begin:	**616 280**	**646 535**	**676 658**	**787 000**	**854 064**	**854 064**	**843 596**	**875 852**	**871 901**
Cash/cash equivalents at the year end:	**646 535**	**676 658**	**854 064**	**723 115**	**843 596**	**843 596**	**875 852**	**871 901**	**779 737**

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

Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Cash and investments available									
Cash/cash equivalents at the year end	646 535	676 658	854 064	723 115	843 596	843 596	875 852	871 901	779 737
Other current investments > 90 days	–	–	–	–	–	–	–	–	–
Non current Investments	68 211	31 415	7 315	8 400	8 456	8 456	–	–	–
Cash and investments available:	**714 746**	**708 073**	**861 379**	**731 515**	**852 052**	**852 052**	**875 852**	**871 901**	**779 737**
Application of cash and investments									
Trade payables from Non-exchange transactions: Unspent conditional Grants	6 206	5 342	3 012	–	–	–	–	–	–
Unspent borrowing	–	–	–	–	–	–	–	–	–
Statutory requirements	–	14 020	–	4 276	4 276	4 276	–	–	–
Other working capital requirements	–	–	–	–	–	–	–	–	–
Other provisions	13 315	(52 554)	–	56 208	46 677	46 677	–	–	–
Long term investments committed	68 211	31 415	7 315	8 400	8 456	8 456	–	–	–
Reserves to be backed by cash/investments	3 228	3 228	3 228	3 231	3 229	3 229	3 230	3 231	3 232
Total Application of cash and investments:	90 960	1 450	13 555	72 115	62 637	62 637	3 230	3 231	3 232
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits	623 786	706 622	847 823	659 400	789 415	789 415	872 621	868 670	776 505
Creditors transferred to Debt Relief - Non-Current portion	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits	**623 786**	**706 622**	**847 823**	**659 400**	**789 415**	**789 415**	**872 621**	**868 670**	**776 505**

SCHEDULE 7

WC032 Overstrand - Table A9 Asset Management

Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CAPITAL EXPENDITURE									
Total New Assets	132 803	142 268	119 207	148 010	151 640	151 640	100 119	148 823	163 255
Roads Infrastructure	16 799	11 795	2 810	8 500	8 895	8 895	500	1 250	1 250
Storm water Infrastructure	1 113	5 968	11 607	6 200	5 988	5 988	–	2 500	–
Electrical Infrastructure	53 049	45 316	25 558	33 018	22 718	22 718	40 139	22 583	26 134
Water Supply Infrastructure	9 484	16 099	18 594	17 806	18 737	18 737	12 700	19 500	24 500
Sanitation Infrastructure	3 956	8 141	6 492	7 750	8 697	8 697	2 200	17 300	17 300
Solid Waste Infrastructure	1 226	50	1 004	4 940	4 940	4 940	–	6 400	7 000
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	377	–	–	–	–	–	–
Infrastructure	***85 627***	***87 369***	***66 442***	***78 215***	***69 975***	***69 975***	***55 539***	***69 533***	***76 184***
Community Facilities	2 674	797	2 244	1 950	4 574	4 574	10 945	19 040	22 071
Sport and Recreation Facilities	5 068	3 451	5 876	10 072	8 848	8 848	571	–	–
Community Assets	***7 742***	***4 248***	***8 120***	***12 022***	***13 422***	***13 422***	***11 516***	***19 040***	***22 071***
Heritage Assets	–	–	–	–	–	–	–	–	–
Revenue Generating	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Operational Buildings	2 211	6 567	907	3 750	2 643	2 643	2 405	1 500	–
Housing	26 523	33 678	17 619	24 542	34 952	34 952	7 110	33 540	40 000
Other Assets	***28 734***	***40 245***	***18 526***	***28 292***	***37 595***	***37 595***	***9 515***	***35 040***	***40 000***
Biological or Cultivated Assets	–	–	335	–	–	–	–	–	–
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	–	71	–	–	–	–	–	–	–
Intangible Assets	–	*71*	–	–	–	–	–	–	–
Computer Equipment	2 212	4 550	3 120	3 201	3 201	3 201	3 700	3 200	3 200
Furniture and Office Equipment	715	408	759	1 345	1 889	1 889	2 505	1 690	1 480
Machinery and Equipment	729	3 588	596	325	473	473	345	320	320
Transport Assets	7 043	1 787	21 309	24 310	24 786	24 786	17 000	20 000	20 000
Land	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–
Mature	–	–	–	300	300	300	–	–	–
Immature	–	–	–	–	–	–	–	–	–
Living Resources	–	–	–	300	300	300	–	–	–
Total Renewal of Existing Assets	17 393	15 235	18 947	46 797	55 153	55 153	86 956	67 300	62 700
Roads Infrastructure	–	–	–	–	–	–	23 764	2 100	–
Storm water Infrastructure	–	–	–	–	–	–	–	–	–
Electrical Infrastructure	1 042	1 500	2 492	1 500	1 500	1 500	2 000	2 000	2 500
Water Supply Infrastructure	15 725	12 448	13 990	44 597	53 403	53 403	59 992	61 500	59 500
Sanitation Infrastructure	626	1 287	2 465	700	250	250	700	700	700
Solid Waste Infrastructure	–	–	–	–	–	–	–	–	–
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Infrastructure	***17 393***	***15 235***	***18 947***	***46 797***	***55 153***	***55 153***	***86 456***	***66 300***	***62 700***
Community Facilities	–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities	–	–	–	–	–	–	–	–	–
Community Assets	–	–	–	–	–	–	–	–	–
Heritage Assets	–	–	–	–	–	–	–	–	–
Revenue Generating	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Operational Buildings	–	–	–	–	–	–	500	1 000	–
Housing	–	–	–	–	–	–	–	–	–
Other Assets	–	–	–	–	–	–	***500***	***1 000***	–
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	–	–	–	–	–	–	–	–	–
Intangible Assets	–	–	–	–	–	–	–	–	–
Computer Equipment	–	–	–	–	–	–	–	–	–
Furniture and Office Equipment	–	–	–	–	–	–	–	–	–
Machinery and Equipment	–	–	–	–	–	–	–	–	–
Transport Assets	–	–	–	–	–	–	–	–	–
Land	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–
Mature	–	–	–	–	–	–	–	–	–
Immature	–	–	–	–	–	–	–	–	–
Living Resources	–	–	–	–	–	–	–	–	–

Total Upgrading of Existing Assets	**39 125**	**36 015**	**54 600**	**63 539**	**63 042**	**63 042**	**55 665**	**78 322**	**82 213**
Roads Infrastructure	–	–	–	–	–	–	–	–	–
Storm water Infrastructure	–	–	–	1 000	1 000	1 000	2 000	5 750	7 000
Electrical Infrastructure	1 600	2 767	15 464	16 300	16 300	16 300	20 100	22 000	20 000
Water Supply Infrastructure	6 928	541	500	500	500	500	800	900	300
Sanitation Infrastructure	28 219	30 351	27 571	18 910	18 413	18 413	14 800	39 230	47 663
Solid Waste Infrastructure	1 859	65	–	–	–	–	2 200	2 500	–
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Infrastructure	***38 606***	***33 725***	***43 535***	***36 710***	***36 213***	***36 213***	***39 900***	***70 380***	***74 963***
Community Facilities	319	–	–	4 000	4 000	4 000	3 750	–	–
Sport and Recreation Facilities	200	2 290	11 065	22 829	22 829	22 829	11 015	7 442	6 250
Community Assets	***519***	***2 290***	***11 065***	***26 829***	***26 829***	***26 829***	***14 765***	***7 442***	***6 250***
Heritage Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Investment properties	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings	–	–	–	–	–	–	1 000	500	1 000
Housing	–	–	–	–	–	–	–	–	–
Other Assets	**–**	**–**	**–**	**–**	**–**	**–**	***1 000***	***500***	***1 000***
Biological or Cultivated Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	–	–	–	–	–	–	–	–	–
Intangible Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Furniture and Office Equipment	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Machinery and Equipment	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Transport Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Land	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Mature	–	–	–	–	–	–	–	–	–
Immature	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Living Resources	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	**189 321**	**193 518**	**192 754**	**258 346**	**269 836**	**269 836**	**242 739**	**294 445**	**308 168**
Roads Infrastructure	16 799	11 795	2 810	8 500	8 895	8 895	24 264	3 350	1 250
Storm water Infrastructure	1 113	5 968	11 607	7 200	6 988	6 988	2 000	8 250	7 000
Electrical Infrastructure	55 692	49 583	43 514	50 818	40 518	40 518	62 239	46 583	48 634
Water Supply Infrastructure	32 137	29 088	33 084	62 903	72 640	72 640	73 492	81 900	84 300
Sanitation Infrastructure	32 801	39 780	36 528	27 360	27 360	27 360	17 700	57 230	65 663
Solid Waste Infrastructure	3 085	115	1 004	4 940	4 940	4 940	2 200	8 900	7 000
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Information and Communication Infrastructure	–	–	377	–	–	–	–	–	–
Infrastructure	**141 626**	**136 329**	**128 924**	**161 722**	**161 341**	**161 341**	**181 895**	**206 213**	**213 847**
Community Facilities	*2 994*	*797*	*2 244*	*5 950*	*8 574*	*8 574*	*14 695*	*19 040*	*22 071*
Sport and Recreation Facilities	5 268	5 741	16 941	32 901	31 677	31 677	11 586	7 442	6 250
Community Assets	**8 261**	**6 538**	**19 185**	**38 851**	**40 251**	**40 251**	**26 280**	**26 482**	**28 321**
Heritage Assets	–	–	–	–	–	–	–	–	–
Revenue Generating	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Operational Buildings	*2 211*	*6 567*	*907*	*3 750*	*2 643*	*2 643*	*3 905*	*3 000*	*1 000*
Housing	26 523	33 678	17 619	24 542	34 952	34 952	7 110	33 540	40 000
Other Assets	**28 734**	**40 245**	**18 526**	**28 292**	**37 595**	**37 595**	**11 015**	**36 540**	**41 000**
Biological or Cultivated Assets	–	–	335	–	–	–	–	–	–
Servitudes	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Licences and Rights	**–**	**71**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Intangible Assets	**–**	**71**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment	**2 212**	**4 550**	**3 120**	**3 201**	**3 201**	**3 201**	**3 700**	**3 200**	**3 200**
Furniture and Office Equipment	**715**	**408**	**759**	**1 345**	**1 889**	**1 889**	**2 505**	**1 690**	**1 480**
Machinery and Equipment	**729**	**3 588**	**596**	**325**	**473**	**473**	**345**	**320**	**320**
Transport Assets	**7 043**	**1 787**	**21 309**	**24 310**	**24 786**	**24 786**	**17 000**	**20 000**	**20 000**
Land	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Mature	**–**	**–**	**–**	300	300	300	**–**	**–**	**–**
Immature	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

Living Resources	-	-	-	300	300	300	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	**189 321**	**193 518**	**192 754**	**258 346**	**269 836**	**269 836**	**242 739**	**294 445**	**308 168**
ASSET REGISTER SUMMARY - PPE (WDV)	3 944 784	3 996 571	4 043 826	4 157 689	4 146 740	4 146 740	4 214 208	4 324 602	4 439 503
Roads Infrastructure	1 030 337	1 025 787	1 001 574	916 446	916 446	916 446	888 530	837 091	780 812
Storm water Infrastructure	247 788	246 502	251 586	257 028	257 028	257 028	249 683	248 122	244 820
Electrical Infrastructure	533 170	555 186	570 984	540 688	540 688	540 688	573 320	588 817	604 810
Water Supply Infrastructure	512 678	520 541	532 132	611 871	611 871	611 871	658 008	711 186	765 328
Sanitation Infrastructure	468 023	487 367	504 246	507 626	507 626	507 626	501 621	533 960	573 487
Solid Waste Infrastructure	39 649	37 096	34 852	37 547	37 547	37 547	36 240	41 457	44 590
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Infrastructure	***2 831 644***	***2 872 478***	***2 895 375***	***2 871 206***	***2 871 206***	***2 871 206***	***2 907 402***	***2 960 632***	***3 013 847***
Community Assets	***233 953***	***229 978***	***234 346***	***275 192***	***275 192***	***275 192***	***285 514***	***295 240***	***305 966***
Heritage Assets	**109 625**	**109 625**	**109 625**	**109 625**	**109 625**	**109 625**	**109 625**	**109 625**	**109 625**
Revenue Generating	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Investment properties	***151 589***	***164 436***	***167 369***	***168 225***	***167 658***	***167 658***	***167 958***	***168 258***	***168 558***
Operational Buildings	–	–	–	–	–	–		–	–
Housing	–	–	–	–	–	–		–	–
Other Assets	***81 149***	***81 243***	***78 407***	***139 372***	***128 229***	***128 229***	***135 529***	***168 168***	***205 072***
Biological or Cultivated Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes	–	–	–	–	–	–		–	–
Licences and Rights	–	–	–	–	–	–		–	–
Intangible Assets	***8 687***	***8 050***	***7 585***	***7 488***	***7 295***	***7 295***	***6 990***	***6 670***	***6 334***
Computer Equipment	**10 578**	**11 355**	**13 590**	**17 806**	**17 806**	**17 806**	**21 506**	**24 706**	**27 906**
Furniture and Office Equipment	**1 682**	**3 353**	**2 538**	**2 627**	**2 647**	**2 647**	**2 477**	**1 358**	**(112)**
Machinery and Equipment	**10 500**	**10 142**	**9 524**	**7 699**	**7 699**	**7 699**	**6 342**	**4 876**	**3 320**
Transport Assets	**99 145**	**95 012**	**109 936**	**146 984**	**147 984**	**147 984**	**159 538**	**173 818**	**187 813**
Land	**405 689**	**410 484**	**414 850**	**410 484**	**410 484**	**410 484**	**410 484**	**410 484**	**410 484**
Zoo's, Marine and Non-biological Animals	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Living Resources	**542**	**415**	**681**	**980**	**913**	**913**	**842**	**767**	**689**
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	**3 944 784**	**3 996 571**	**4 043 826**	**4 157 689**	**4 146 740**	**4 146 740**	**4 214 208**	**4 324 602**	**4 439 503**
EXPENDITURE OTHER ITEMS									
Depreciation	148 321	153 790	152 838	167 211	167 211	167 211	175 572	184 350	193 568
Repairs and Maintenance by Asset Class	**249 505**	**280 465**	**269 443**	**318 818**	**328 242**	**328 242**	**352 543**	**378 124**	**440 121**
Roads Infrastructure	54 418	74 585	78 823	85 143	82 665	82 665	93 111	109 049	116 410
Storm water Infrastructure	6 157	5 588	9 572	13 746	11 423	11 423	13 615	14 431	15 297
Electrical Infrastructure	35 380	38 864	36 881	49 278	44 748	44 748	51 844	55 986	58 764
Water Supply Infrastructure	20 432	19 038	17 591	20 984	22 295	22 295	24 096	25 500	67 487
Sanitation Infrastructure	12 634	12 280	10 134	12 419	11 133	11 133	11 936	12 652	13 411
Solid Waste Infrastructure	8 650	9 310	6 763	11 483	11 134	11 134	11 842	12 580	13 366
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Infrastructure	***137 671***	***159 666***	***159 763***	***193 053***	***183 399***	***183 399***	***206 443***	***230 200***	***284 736***
Community Facilities	40 568	43 765	45 665	48 316	47 486	47 486	52 724	55 820	59 109
Sport and Recreation Facilities	12 919	12 021	13 936	15 437	14 551	14 551	16 005	17 057	18 065
Community Assets	***53 486***	***55 786***	***59 601***	***63 754***	***62 037***	***62 037***	***68 729***	***72 877***	***77 174***
Heritage Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Investment properties	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings	16 833	12 818	6 204	18 955	18 739	18 739	23 244	17 915	17 997
Housing	–	–	–	–	–	–	–	–	–
Other Assets	***16 833***	***12 818***	***6 204***	***18 955***	***18 739***	***18 739***	***23 244***	***17 915***	***17 997***
Biological or Cultivated Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	6 829	7 777	7 842	10 661	11 811	11 811	11 057	11 648	12 275
Intangible Assets	***6 829***	***7 777***	***7 842***	***10 661***	***11 811***	***11 811***	***11 057***	***11 648***	***12 275***
Computer Equipment	**2 157**	**1 898**	**1 292**	**2 546**	**2 546**	**2 546**	**2 546**	**2 546**	**2 546**
Furniture and Office Equipment	**8 206**	**12 316**	**996**	**1 704**	**1 655**	**1 655**	**1 737**	**1 781**	**1 858**
Machinery and Equipment	**4 163**	**6 749**	**1 723**	**5 807**	**5 797**	**5 797**	**6 009**	**6 415**	**6 708**
Transport Assets	**20 160**	**23 455**	**32 021**	**22 339**	**42 259**	**42 259**	**32 777**	**34 744**	**36 828**
Libraries	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Mature	–	–	–	–	–	–	–	–	–
Immature	–	–	–	–	–	–	–	–	–
Living Resources	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL EXPENDITURE OTHER ITEMS	**397 826**	**434 255**	**422 281**	**486 029**	**495 453**	**495 453**	**528 114**	**562 475**	**633 689**
Renewal and upgrading of Existing Assets as % of total	*29.9%*	*26.5%*	*38.2%*	*42.7%*	*43.8%*	*43.8%*	*58.8%*	*49.5%*	*47.0%*
Renewal and upgrading of Existing Assets as % of depr	*38.1%*	*33.3%*	*48.1%*	*66.0%*	*70.7%*	*70.7%*	*81.2%*	*79.0%*	*74.9%*
R&M as a % of PPE & Investment Property	*6.3%*	*7.0%*	*6.7%*	*7.6%*	*7.9%*	*7.9%*	*8.3%*	*8.7%*	*9.9%*
Renewal and upgrading and R&M as a % of PPE and Inv	*7.8%*	*8.4%*	*8.5%*	*10.4%*	*10.8%*	*10.8%*	*11.8%*	*12.2%*	*13.2%*

WC032 Overstrand - Schedule 8 - Basic service delivery measurement

Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Household service targets									
Water:									
Piped water inside dwelling	31 829	32 887	33 753	32 888	32 888	32 888	35 114	35 465	35 820
Piped water inside yard (but not in dwelling)	–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	3 536	3 242	3 076	3 076	3 076	3 076	3 229	4 036	4 237
Other water supply (at least min.service level)	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total	35 365	36 129	36 829	35 964	35 964	35 964	38 343	39 501	40 057
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	**35 365**	**36 129**	**36 829**	**35 964**	**35 964**	**35 964**	**38 343**	**39 501**	**40 057**
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	32 323	33 539	34 685	33 562	33 562	33 562	36 289	36 652	37 019
Flush toilet (with septic tank)	–	–	–	–	–	–	–	–	–
Chemical toilet	–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)	–	–	–	–	–	–	–	–	–
Other toilet provisions (> min.service level)	3 536	3 242	3 076	3 076	3 076	3 076	3 229	4 036	4 237
Minimum Service Level and Above sub-total	35 859	36 781	37 761	36 638	36 638	36 638	39 518	40 688	41 256
Bucket toilet	–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)	–	–	–	–	–	–	–	–	–
No toilet provisions	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	**35 859**	**36 781**	**37 761**	**36 638**	**36 638**	**36 638**	**39 518**	**40 688**	**41 256**
Energy:									
Electricity (at least min.service level)	5 502	5 174	5 230	5 116	5 116	5 116	5 002	4 888	4 774
Electricity - prepaid (min.service level)	21 854	22 381	23 683	24 283	24 283	24 283	24 533	24 783	25 033
Minimum Service Level and Above sub-total	27 356	27 555	28 913	29 399	29 399	29 399	29 535	29 671	29 807
Electricity (< min.service level)	–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–
Other energy sources	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	**27 356**	**27 555**	**28 913**	**29 399**	**29 399**	**29 399**	**29 535**	**29 671**	**29 807**
Refuse:									
Removed at least once a week	35 601	36 662	37 594	37 532	37 532	37 532	37 780	38 913	40 080
Minimum Service Level and Above sub-total	35 601	36 662	37 594	37 532	37 532	37 532	37 780	38 913	40 080
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	**35 601**	**36 662**	**37 594**	**37 532**	**37 532**	**37 532**	**37 780**	**38 913**	**40 080**
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	7 278	7 400	4 800	5 800	7 800	7 800	7 800	7 800	7 800
Sanitation (free minimum level service)	7 400	7 400	4 800	5 800	7 800	7 800	7 800	7 800	7 800
Electricity/other energy (50kwh per household per month)	7 400	7 400	4 800	5 800	7 800	7 800	7 800	7 800	7 800
Refuse (removed at least once a week)	7 400	7 400	4 800	5 800	7 800	7 800	7 800	7 800	7 800
Informal Settlements	–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Formal Settlements (R'000)									
Water (6 kilolitres per indigent household per month)	3 214	5 224	3 432	3 638	6 412	6 412	7 535	7 987	8 466
Sanitation (free sanitation service to indigent households)	6 729	9 814	7 330	7 770	11 277	11 277	13 255	14 050	14 893
Electricity/other energy (50kwh per indigent household per month)	7 509	7 509	8 077	8 562	13 107	13 107	16 196	17 492	18 891
Refuse (removed once a week for indigent households)	6 729	9 814	7 330	7 770	22 427	22 427	26 364	27 946	29 623
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	–	–	–	–	–	–	–	–	–
Total cost of FBS provided	**24 182**	**32 361**	**26 170**	**27 740**	**53 222**	**53 222**	**63 350**	**67 475**	**71 873**
Highest level of free service provided per household									
Property rates (R value threshold)	–	–	300 000	350 000	350 000	350 000	350 000	350 000	350 000
Water (kilolitres per household per month)	6	10	10	10	10	10	10	10	10
Sanitation (kilolitres per household per month)	4	7	7	7	7	7	7	7	7
Sanitation (Rand per household per month)	138	148	155	170	170	170	178	189	200
Electricity (kwh per household per month)	50	50	70	70	70	70	70	70	70
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)	–	–	–	–	–	–	–	–	–
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	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

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

Standard Classification Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue - Functional									
Governance and administration	**462 263**	**564 280**	**568 499**	**558 698**	**531 677**	**531 677**	**571 597**	**599 850**	**624 235**
Executive and council	73 092	106 420	69 018	78 908	37 942	37 942	52 992	54 146	49 917
Finance and administration	389 170	457 860	499 480	479 790	493 735	493 735	518 605	545 704	574 317
Internal audit	–	–	–	–	–	–	–	–	–
Community and public safety	**182 416**	**159 424**	**168 617**	**190 872**	**199 508**	**199 508**	**111 885**	**139 670**	**146 425**
Community and social services	9 270	9 474	9 655	9 667	9 667	9 667	10 509	10 666	10 678
Sport and recreation	14 939	18 510	32 199	42 443	42 443	42 443	29 557	32 475	31 535
Public safety	76 056	(7 188)	29 217	71 012	60 132	60 132	62 292	62 400	63 603
Housing	82 150	138 628	97 546	67 750	87 266	87 266	9 527	34 129	40 610
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	**34 098**	**33 109**	**29 380**	**25 010**	**27 792**	**27 792**	**41 597**	**34 001**	**34 185**
Planning and development	19 181	17 820	17 970	15 605	16 293	16 293	16 965	15 043	15 933
Road transport	14 877	15 248	10 556	6 430	6 474	6 474	20 699	18 958	18 252
Environmental protection	40	40	854	2 975	5 025	5 025	3 934	–	–
Trading services	**1 002 939**	**1 121 669**	**1 264 341**	**1 344 840**	**1 355 407**	**1 355 407**	**1 500 033**	**1 551 252**	**1 653 431**
Energy sources	576 269	661 409	750 422	803 779	794 779	794 779	910 591	942 704	1 002 094
Water management	182 255	206 017	231 351	254 990	262 490	262 490	272 479	260 998	279 658
Waste water management	141 829	145 524	154 580	151 900	156 967	156 967	167 523	189 144	203 768
Waste management	102 585	108 719	127 989	134 170	141 170	141 170	149 440	158 406	167 910
Other	**0**	**0**	**33**	**–**	**0**	**0**	**–**	**–**	**–**
Total Revenue - Functional	**1 681 715**	**1 878 482**	**2 030 870**	**2 119 420**	**2 114 384**	**2 114 384**	**2 225 112**	**2 324 774**	**2 458 275**
Expenditure - Functional									
Governance and administration	**280 075**	**290 826**	**298 802**	**239 756**	**241 781**	**241 781**	**273 277**	**270 780**	**277 101**
Executive and council	60 364	68 349	67 122	54 863	48 535	48 535	54 461	47 372	48 565
Finance and administration	216 561	219 138	227 724	180 030	188 223	188 223	213 688	218 019	222 869
Internal audit	3 150	3 339	3 956	4 863	5 023	5 023	5 129	5 390	5 666
Community and public safety	**297 737**	**296 230**	**314 658**	**367 826**	**357 714**	**357 714**	**326 411**	**335 728**	**353 128**
Community and social services	22 970	36 149	25 556	28 762	28 694	28 694	31 826	33 014	34 138
Sport and recreation	57 811	57 556	64 141	79 622	71 489	71 489	79 866	84 713	89 752
Public safety	156 969	92 802	140 324	209 210	200 062	200 062	206 104	210 863	221 709
Housing	59 987	109 723	84 638	50 232	57 469	57 469	8 615	7 138	7 529
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	**179 614**	**201 690**	**212 127**	**238 076**	**234 631**	**234 631**	**257 640**	**275 515**	**290 985**
Planning and development	47 425	45 808	51 500	58 293	50 923	50 923	60 162	60 886	63 808
Road transport	107 694	131 258	133 810	150 904	153 695	153 695	165 665	185 425	196 809
Environmental protection	24 496	24 623	26 817	28 879	30 012	30 012	31 813	29 204	30 367
Trading services	**810 879**	**958 821**	**995 836**	**1 259 762**	**1 266 990**	**1 266 990**	**1 332 675**	**1 436 487**	**1 582 727**
Energy sources	439 681	553 664	586 592	755 473	753 342	753 342	806 195	874 013	938 151
Water management	139 629	160 902	167 885	203 332	204 088	204 088	211 378	224 459	286 160
Waste water management	134 709	147 196	146 977	172 526	175 479	175 479	182 605	192 172	204 290
Waste management	96 861	97 059	94 382	128 430	134 081	134 081	132 498	145 843	154 126
Other	**3 722**	**2 830**	**2 445**	**6 921**	**4 429**	**4 429**	**7 354**	**7 739**	**8 149**
Total Expenditure - Functional	**1 572 027**	**1 750 397**	**1 823 868**	**2 112 340**	**2 105 545**	**2 105 545**	**2 197 357**	**2 326 250**	**2 512 089**
Surplus/(Deficit) for the year	**109 688**	**128 085**	**207 001**	**7 080**	**8 839**	**8 839**	**27 755**	**(1 476)**	**(53 814)**

WC032 Overstrand - Schedule 10 - Budgeted Capital Expenditure by directorate

Vote Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote 1 - Municipal Council	–	–	–	–	–	–	–	–	–
Vote 2 - Office of the Municipal Manager	–	–	–	–	–	–	–	–	–
Vote 3 - Corporate Services	–	588	1 354	3 315	3 315	3 315	3 770	3 270	3 270
Vote 4 - Financial Services	–	10	2 015	8 420	8 263	8 263	5 640	8 640	4 790
Vote 5 - Infrastructure Services	4 059	170 843	143 031	215 840	221 888	221 888	204 445	255 695	269 418
Vote 6 - Community Services	–	–	596	2 925	1 325	1 325	3 592	5 320	5 320
Vote 7 - Municipal Public Safety	–	161	1 210	3 792	4 092	4 092	4 581	7 310	7 310
Vote 8 - Planning and Development	–	6 170	23	29	1 049	1 049	1 200	2 200	2 200
Total Capital Expenditure - Vote	**4 059**	**177 772**	**148 229**	**234 321**	**239 932**	**239 932**	**223 229**	**282 435**	**292 308**
Single-year expenditure to be appropriated									
Vote 1 - Municipal Council	–	–	–	–	–	–	–	–	–
Vote 2 - Office of the Municipal Manager	–	7	2	15	21	21	3 760	10	10
Vote 3 - Corporate Services	1 812	6 362	1 973	–	–	–	–	–	–
Vote 4 - Financial Services	57	–	18 384	16 060	15 711	15 711	11 500	11 500	15 350
Vote 5 - Infrastructure Services	163 637	115	17 537	7 950	12 267	12 267	500	500	500
Vote 6 - Community Services	5 007	7 112	5 129	–	1 777	1 777	–	–	–
Vote 7 - Municipal Public Safety	2 365	2 150	1 358	–	128	128	3 750	–	–
Vote 8 - Planning and Development	12 384	–	143	–	–	–	–	–	–
Capital single-year expenditure sub-total	**185 262**	**15 746**	**44 526**	**24 025**	**29 904**	**29 904**	**19 510**	**12 010**	**15 860**
Total Capital Expenditure - Vote	**189 321**	**193 518**	**192 754**	**258 346**	**269 836**	**269 836**	**242 739**	**294 445**	**308 168**

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. The schedule is password protected by National Treasury and it should be noted that some tables contain inconsistent formula errors, which calculates the data incorrectly in some tables. Also of note is that some financial system functionality is limited and could also result that certain information may be ommitted as it was not available in the financial system.

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

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Contact details:

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National Treasury
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Preparation Instructions

Municipality Name:	WC032 Overstrand
CFO Name:	ELMARI WASSERMAN (ACFO)
Tel:	028 313 8074
Fax:	0
E-Mail:	cfo@overstrand.gov.za
Budget for MTREF starting:	2026
Budget Year:	2026/27
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 - Municipal Council	**Vote 1**	**Municipal Council**	
Vote 2 - Office of the Municipal Manager	1.1	Council:Council's General	1.1 - Council:Council's General
Vote 3 - Corporate Services	1.2	Council:Mayors Office	1.2 - Council:Mayors Office
Vote 4 - Financial Services	1.3	Council:Pensioners & Continued Members	1.3 - Council:Pensioners & Continued Members
Vote 5 - Infrastructure Services	1.4	[Name of sub-vote]	
Vote 6 - Community Services	1.5	[Name of sub-vote]	
Vote 7 - Municipal Public Safety	1.6	[Name of sub-vote]	
Vote 8 - Planning and Development	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**	**Office of the Municipal Manager**	
Vote 13 - [NAME OF VOTE 13]	2.1	MM:Municipal Manager	2.1 - MM:Municipal Manager
Vote 14 - [NAME OF VOTE 14]	2.2	MM:Internal Audit	2.2 - MM:Internal Audit
Vote 15 - [NAME OF VOTE 15]	2.3	MM:Strategic Support Services	2.3 - MM:Strategic Support Services
	2.4	MM:Legal Services & Contract Management	2.4 - MM:Legal Services & Contract Management
	Vote 3	**Corporate Services**	
	3.1	Corp:Director:Corporate Services	3.1 - Corp:Director:Corporate Services
	3.2	Corp:Risk Management	3.2 - Corp:Risk Management
	3.3	Corp:Human Resources Management	3.3 - Corp:Human Resources Management
	3.4	Corp:Info & Communication Technolgy	3.4 - Corp:Info & Communication Technolgy
	3.5	Corp:Business Architecture & CRM	3.5 - Corp:Business Architecture & CRM
	3.6	Corp:Administrative Support Services	3.6 - Corp:Administrative Support Services
	3.7	Corp:Municipal Court	3.7 - Corp:Municipal Court
	Vote 4	**Financial Services**	
	4.1	Fin:Chief Financial Officer	4.1 - Fin:Chief Financial Officer
	4.2	Fin:Financial Accounting	4.2 - Fin:Financial Accounting
	4.3	Fin:Revenue Management	4.3 - Fin:Revenue Management
	4.4	Fin:Expenditure, Fleet & Asset Management	4.4 - Fin:Expenditure, Fleet & Asset Management
	4.5	Fin:Supply Chain Management	4.5 - Fin:Supply Chain Management
	Vote 5	**Infrastructure Services**	
	5.1	Infra:Chief Engineer:Infrastructure Services	5.1 - Infra:Chief Engineer:Infrastructure Services
	5.2	Infra:Civil Infrastructure Planning, Project Management & Housing Devel	5.2 - Infra:Civil Infrastructure Planning, Project Management & Ho
	5.3	Infra:Waste Management	5.3 - Infra:Waste Management
	5.4	Infra:Civil Engineering Services	5.4 - Infra:Civil Engineering Services
	5.5	Infra:Water	5.5 - Infra:Water
	5.6	Infra:Sewerage	5.6 - Infra:Sewerage
	5.7	Infra:Roads	5.7 - Infra:Roads
	5.8	Infra:Stormwater	5.8 - Infra:Stormwater
	5.9	Infra:Electricity	5.9 - Infra:Electricity
	5.10	Infra:Mechanical Workshop Fleet Management	5.10 - Infra:Mechanical Workshop Fleet Management
	Vote 6	**Community Services**	
	6.1	Comm:Director:Community Services	6.1 - Comm:Director:Community Services
	6.2	Comm:Community Services	6.2 - Comm:Community Services
	6.3	Comm:Resorts	6.3 - Comm:Resorts
	6.4	Comm:Parks and Open Spaces & Cemetries	6.4 - Comm:Parks and Open Spaces & Cemetries
	6.5	Comm:Sportsfields	6.5 - Comm:Sportsfields
	6.6	Comm:Beaches & Slipways	6.6 - Comm:Beaches & Slipways
	6.7	Comm:Refuse Removal & CBD Cleansing	6.7 - Comm:Refuse Removal & CBD Cleansing
	6.8	Comm:Intergrated Human Settlements & Development	6.8 - Comm:Intergrated Human Settlements & Development
	6.9	Comm:Library Services	6.9 - Comm:Library Services
	6.10	Comm:Halls,Facilities&Building Maintenance	6.10 - Comm:Halls,Facilities&Building Maintenance
	Vote 7	**Municipal Public Safety**	
	7.1	MPS:Director: Municipal Public Safety	7.1 - MPS:Director: Municipal Public Safety
	7.2	MPS:Traffic Services	7.2 - MPS:Traffic Services
	7.3	MPS:Law Enforcement Services	7.3 - MPS:Law Enforcement Services
	7.4	MPS:Fire & Rescue	7.4 - MPS:Fire & Rescue
	7.5	MPS:Disaster Management	7.5 - MPS:Disaster Management
	7.6	MPS:Safety,Security & CCTV	7.6 - MPS:Safety,Security & CCTV
	Vote 8	**Planning and Development**	
	8.1	P&D:Director:Planning & Development	8.1 - P&D:Director:Planning & Development
	8.2	P&D:Town Planning & Spatial Planning	8.2 - P&D:Town Planning & Spatial Planning
	8.3	P&D:Environmental Management & Conservation	8.3 - P&D:Environmental Management & Conservation
	8.4	P&D:Building Control	8.4 - P&D:Building Control
	8.5	P&D:Socio-Economic Programme	8.5 - P&D:Socio-Economic Programme
	8.6	P&D:Tourism	8.6 - P&D:Tourism
	8.7	P&D:Property Management	8.7 - P&D:Property Management
	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

Postal address:	
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:	
ID Number	0
Title	Mr
Name	GRANT MICHAEL COHEN
Telephone number	028 313 8002
Cell number	072 436 9068
Fax number	0
E-mail address	gcohen@overstrand.gov.za

Secretary/PA to the Speaker:	
ID Number	0
Title	Mr
Name	WHILES JANSEN
Telephone number	028 313 8002
Cell number	071 728 4568
Fax number	0
E-mail address	wjansen@overstrand.gov.za

Mayor/Executive Mayor:	
ID Number	0
Title	Mr
Name	ARCHIE KLAAS
Telephone number	028 313 8058
Cell number	074 623 0153
Fax number	0
E-mail address	mayor@overstrand.gov.za

Secretary/PA to the Mayor/Executive Mayor:	
ID Number	0
Title	Mr
Name	BULELA JONE MANTAMBO
Telephone number	028 313 8058
Cell number	083 477 8703
Fax number	0
E-mail address	pamayor@overstrand.gov.za

Deputy Mayor/Executive Mayor:	
ID Number	0
Title	Mrs
Name	ELNORA GILLION
Telephone number	028 313 8016
Cell number	060 652 0214
Fax number	0
E-mail address	egillion@overstrand.gov.za

Secretary/PA to the Deputy Mayor/Executive Mayor:	
ID Number	0
Title	Mr
Name	ANDISWA MBONENI
Telephone number	028 313 8002
Cell number	078 960 1140
Fax number	0
E-mail address	maycomsec@overstrand.gov.za

D. MANAGEMENT LEADERSHIP

Municipal Manager:	
ID Number	0
Title	Dr
Name	DEAN GABRIEL IAN O'NEILL
Telephone number	028 313 8003
Cell number	076 911 6497
Fax number	0
E-mail address	mm@overstrand.gov.za

Secretary/PA to the Municipal Manager:	
ID Number	0
Title	Mrs
Name	BELINDA SPANELLIS
Telephone number	028 313 8909
Cell number	079 087 1857
Fax number	0
E-mail address	bspanellis@overstrand.gov.za

Chief Financial Officer	
ID Number	0
Title	Ms
Name	ELMARI WASSERMAN (ACFO)
Telephone number	028 313 8074
Cell number	0
Fax number	0
E-mail address	cfo@overstrand.gov.za

Secretary/PA to the Chief Financial Officer	
ID Number	0
Title	Mrs
Name	DORET TALJAARD
Telephone number	028 313 8074
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Fax number	0
E-mail address	dtaljaard@overstrand.gov.za

Official responsible for submitting financial information	
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Official responsible for submitting financial information	
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Official responsible for submitting financial information	
ID Number	0
Title	0
Name	0
Telephone number	0
Cell number	0
Fax number	0
E-mail address	0

WC032 Overstrand - Table A1 Budget Summary

Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Financial Performance									
Property rates	297 101	339 224	367 109	383 977	383 977	383 977	405 548	429 881	455 674
Service charges	840 648	998 807	1 116 329	1 199 626	1 169 160	1 169 160	1 305 144	1 382 882	1 465 830
Investment revenue	51 751	68 418	73 160	55 000	68 000	68 000	68 000	68 000	68 000
Transfer and subsidies - Operational	172 163	191 359	199 017	205 957	207 587	207 587	215 312	228 047	232 891
Other own revenue	188 650	166 398	198 264	173 311	172 848	172 848	139 524	143 519	149 712
Total Revenue (excluding capital transfers and	1 550 312	1 764 206	1 953 878	2 017 871	2 001 572	2 001 572	2 133 528	2 252 329	2 372 107
Employee costs	480 939	523 007	531 381	618 840	594 914	594 914	674 850	702 498	743 048
Remuneration of councillors	12 315	13 519	13 332	14 012	14 349	14 349	15 400	16 480	17 240
Depreciation and amortisation	148 321	153 790	152 838	167 211	167 211	167 211	175 572	184 350	193 568
Interest	48 152	48 571	48 767	51 227	45 040	45 040	43 080	47 145	56 450
Inventory consumed and bulk purchases	404 638	504 078	533 086	632 328	627 082	627 082	681 934	740 249	837 577
Transfers and subsidies	16 086	16 512	16 716	16 770	16 770	16 770	17 648	18 500	19 397
Other expenditure	461 576	490 920	527 749	611 953	640 180	640 180	588 873	617 028	644 808
Total Expenditure	1 572 027	1 750 397	1 823 868	2 112 340	2 105 545	2 105 545	2 197 357	2 326 250	2 512 089
Surplus/(Deficit)	(21 715)	13 809	130 010	(94 469)	(103 973)	(103 973)	(63 829)	(73 921)	(139 982)
Transfers and subsidies - capital (monetary allocations)	125 273	92 977	72 989	101 549	112 768	112 768	91 584	72 445	86 168
Transfers and subsidies - capital (in-kind)	6 130	21 299	4 003	–	44	44	–	–	–
Surplus/(Deficit) after capital transfers & contributions	109 688	128 085	207 001	7 080	8 839	8 839	27 755	(1 476)	(53 814)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	109 688	128 085	207 001	7 080	8 839	8 839	27 755	(1 476)	(53 814)
Capital expenditure & funds sources									
Capital expenditure	189 321	193 518	192 754	258 346	269 836	269 836	242 739	294 445	308 168
Transfers recognised - capital	112 876	114 260	76 992	101 549	112 748	112 748	91 584	72 445	86 168
Borrowing	34 249	66 513	77 047	106 337	104 918	104 918	101 155	172 000	172 000
Internally generated funds	42 197	12 745	38 716	50 460	52 170	52 170	50 000	50 000	50 000
Total sources of capital funds	189 321	193 518	192 754	258 346	269 836	269 836	242 739	294 445	308 168
Financial position									
Total current assets	833 727	959 788	1 181 533	942 343	1 068 835	1 068 835	1 101 933	1 100 329	1 012 398
Total non current assets	4 012 995	4 027 986	4 051 141	4 166 089	4 155 195	4 155 195	4 214 208	4 324 602	4 439 503
Total current liabilities	306 872	312 598	423 145	326 629	334 448	334 448	368 211	398 062	379 108
Total non current liabilities	707 060	713 869	641 220	693 169	691 707	691 707	714 922	784 317	872 623
Community wealth/Equity	3 832 790	3 961 307	4 168 309	4 088 634	4 197 876	4 197 876	4 233 007	4 242 553	4 200 169
Cash flows									
Net cash from (used) operating	214 123	211 450	346 352	223 747	290 768	290 768	229 960	199 323	139 676
Net cash from (used) investing	(184 495)	(176 913)	(177 438)	(228 178)	(239 724)	(239 724)	(234 284)	(294 445)	(308 168)
Net cash from (used) financing	628	(4 414)	8 492	(59 454)	(61 512)	(61 512)	36 579	91 171	76 328
Cash/cash equivalents at the year end	646 535	676 658	854 064	723 115	843 596	843 596	875 852	871 901	779 737
Cash backing/surplus reconciliation									
Cash and investments available	714 746	708 073	861 379	731 515	852 052	852 052	875 852	871 901	779 737
Application of cash and investments	90 960	1 450	13 555	72 115	62 637	62 637	3 230	3 231	3 232
Balance - surplus (shortfall)	623 786	706 622	847 823	659 400	789 415	789 415	872 621	868 670	776 505
Asset management									
Asset register summary (WDV)	3 944 784	3 996 571	4 043 826	4 157 689	4 146 740	4 146 740	4 214 208	4 324 602	4 439 503
Depreciation	148 321	153 790	152 838	167 211	167 211	167 211	175 572	184 350	193 568
Renewal and Upgrading of Existing Assets	56 518	51 250	73 547	110 336	118 195	118 195	142 620	145 622	144 913
Repairs and Maintenance	249 505	280 465	269 443	318 818	328 242	328 242	352 543	378 124	440 121
Free services									
Cost of Free Basic Services provided	24 182	32 361	26 170	27 740	53 222	53 222	63 350	67 475	71 873
Revenue cost of free services provided	–	–	–	–	–	–	–	–	–
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	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue - Functional										
Governance and administration		**462 263**	**564 280**	**568 499**	**558 698**	**531 677**	**531 677**	**571 597**	**599 850**	**624 235**
Executive and council		73 092	106 420	69 018	78 908	37 942	37 942	52 992	54 146	49 917
Finance and administration		389 170	457 860	499 480	479 790	493 735	493 735	518 605	545 704	574 317
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		**182 416**	**159 424**	**168 617**	**190 872**	**199 508**	**199 508**	**111 885**	**139 670**	**146 425**
Community and social services		9 270	9 474	9 655	9 667	9 667	9 667	10 509	10 666	10 678
Sport and recreation		14 939	18 510	32 199	42 443	42 443	42 443	29 557	32 475	31 535
Public safety		76 056	(7 188)	29 217	71 012	60 132	60 132	62 292	62 400	63 603
Housing		82 150	138 628	97 546	67 750	87 266	87 266	9 527	34 129	40 610
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**34 098**	**33 109**	**29 380**	**25 010**	**27 792**	**27 792**	**41 597**	**34 001**	**34 185**
Planning and development		19 181	17 820	17 970	15 605	16 293	16 293	16 965	15 043	15 933
Road transport		14 877	15 248	10 556	6 430	6 474	6 474	20 699	18 958	18 252
Environmental protection		40	40	854	2 975	5 025	5 025	3 934	–	–
Trading services		**1 002 939**	**1 121 669**	**1 264 341**	**1 344 840**	**1 355 407**	**1 355 407**	**1 500 033**	**1 551 252**	**1 653 431**
Energy sources		576 269	661 409	750 422	803 779	794 779	794 779	910 591	942 704	1 002 094
Water management		182 255	206 017	231 351	254 990	262 490	262 490	272 479	260 998	279 658
Waste water management		141 829	145 524	154 580	151 900	156 967	156 967	167 523	189 144	203 768
Waste management		102 585	108 719	127 989	134 170	141 170	141 170	149 440	158 406	167 910
Other	4	**0**	**0**	**33**	**–**	**0**	**0**	**–**	**–**	**–**
Total Revenue - Functional	2	**1 681 715**	**1 878 482**	**2 030 870**	**2 119 420**	**2 114 384**	**2 114 384**	**2 225 112**	**2 324 774**	**2 458 275**
Expenditure - Functional										
Governance and administration		**280 075**	**290 826**	**298 802**	**239 756**	**241 781**	**241 781**	**273 277**	**270 780**	**277 101**
Executive and council		60 364	68 349	67 122	54 863	48 535	48 535	54 461	47 372	48 565
Finance and administration		216 561	219 138	227 724	180 030	188 223	188 223	213 688	218 019	222 869
Internal audit		3 150	3 339	3 956	4 863	5 023	5 023	5 129	5 390	5 666
Community and public safety		**297 737**	**296 230**	**314 658**	**367 826**	**357 714**	**357 714**	**326 411**	**335 728**	**353 128**
Community and social services		22 970	36 149	25 556	28 762	28 694	28 694	31 826	33 014	34 138
Sport and recreation		57 811	57 556	64 141	79 622	71 489	71 489	79 866	84 713	89 752
Public safety		156 969	92 802	140 324	209 210	200 062	200 062	206 104	210 863	221 709
Housing		59 987	109 723	84 638	50 232	57 469	57 469	8 615	7 138	7 529
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**179 614**	**201 690**	**212 127**	**238 076**	**234 631**	**234 631**	**257 640**	**275 515**	**290 985**
Planning and development		47 425	45 808	51 500	58 293	50 923	50 923	60 162	60 886	63 808
Road transport		107 694	131 258	133 810	150 904	153 695	153 695	165 665	185 425	196 809
Environmental protection		24 496	24 623	26 817	28 879	30 012	30 012	31 813	29 204	30 367
Trading services		**810 879**	**958 821**	**995 836**	**1 259 762**	**1 266 990**	**1 266 990**	**1 332 675**	**1 436 487**	**1 582 727**
Energy sources		439 681	553 664	586 592	755 473	753 342	753 342	806 195	874 013	938 151
Water management		139 629	160 902	167 885	203 332	204 088	204 088	211 378	224 459	286 160
Waste water management		134 709	147 196	146 977	172 526	175 479	175 479	182 605	192 172	204 290
Waste management		96 861	97 059	94 382	128 430	134 081	134 081	132 498	145 843	154 126
Other	4	**3 722**	**2 830**	**2 445**	**6 921**	**4 429**	**4 429**	**7 354**	**7 739**	**8 149**
Total Expenditure - Functional	3	**1 572 027**	**1 750 397**	**1 823 868**	**2 112 340**	**2 105 545**	**2 105 545**	**2 197 357**	**2 326 250**	**2 512 089**
Surplus/(Deficit) for the year		**109 688**	**128 085**	**207 001**	**7 080**	**8 839**	**8 839**	**27 755**	**(1 476)**	**(53 814)**

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

Functional Classification Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue - Functional										
Municipal governance and administration		**462 263**	**564 280**	**568 499**	**558 698**	**531 677**	**531 677**	**571 597**	**599 850**	**624 235**
Executive and council		73 092	106 420	69 018	78 908	37 942	37 942	52 992	54 146	49 917
Mayor and Council		72 865	106 209	69 013	78 908	37 942	37 942	52 992	54 146	49 917
Municipal Manager, Town Secretary and Chief Executive		227	211	5	1	1	1	0	0	0
Finance and administration		389 170	457 860	499 480	479 790	493 735	493 735	518 605	545 704	574 317
Administrative and Corporate Support		652	271	249	229	329	329	239	249	259
Asset Management		–	–	–	–	–	–	–	–	–
Finance		368 467	436 859	475 856	477 615	490 615	490 615	516 282	543 264	571 754
Fleet Management		2 552	0	–	0	0	0	–	–	–
Human Resources		1 294	1 491	1 184	1 272	1 272	1 272	1 054	1 118	1 185
Information Technology		200	0	(1 065)	–	–	–	–	–	–
Legal Services		–	–	–	–	345	345	99	105	111
Marketing, Customer Relations, Publicity and Media Co-ordination		–	–	0	–	500	500	–	–	–
Property Services		1 387	489	333	334	334	334	372	394	418
Risk Management		–	–	–	–	–	–	–	–	–
Security Services		–	0	–	–	–	–	–	–	–
Supply Chain Management		70	89	57	50	50	50	124	132	140
Valuation Service		14 549	18 662	22 867	289	289	289	434	442	451
Internal audit		–	–	–	–	–	–	–	–	–
Governance Function		–	–	–	–	–	–	–	–	–
Community and public safety		**182 416**	**159 424**	**168 617**	**190 872**	**199 508**	**199 508**	**111 885**	**139 670**	**146 425**
Community and social services		**9 270**	**9 474**	**9 655**	**9 667**	**9 667**	**9 667**	**10 509**	**10 666**	**10 678**
Aged Care		–	–	–	–	–	–	–	–	–
Agricultural		–	–	–	–	–	–	–	–	–
Animal Care and Diseases		–	–	–	–	–	–	–	–	–
Cemeteries, Funeral Parlours and Crematoriums		330	375	374	260	260	260	461	489	518
Child Care Facilities		–	–	–	–	–	–	–	–	–
Community Halls and Facilities		274	298	439	526	526	526	620	648	528
Consumer Protection		–	–	–	–	–	–	–	–	–
Cultural Matters		–	–	–	–	–	–	–	–	–
Disaster Management		–	–	–	–	–	–	–	–	–
Education		–	–	–	–	–	–	–	–	–
Indigenous and Customary Law		–	–	–	–	–	–	–	–	–
Industrial Promotion		–	–	–	–	–	–	–	–	–
Language Policy		–	–	–	–	–	–	–	–	–
Libraries and Archives		8 666	8 801	8 842	8 881	8 881	8 881	9 428	9 529	9 632
Literacy Programmes		–	–	–	–	–	–	–	–	–
Media Services		–	–	–	–	–	–	–	–	–
Museums and Art Galleries		–	–	–	–	–	–	–	–	–

Functional Classification Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Population Development		–	–	–	–	–	–	–	–	–
Provincial Cultural Matters		–	–	–	–	–	–	–	–	–
Theatres		–	–	–	–	–	–	–	–	–
Zoo's		–	–	–	–	–	–	–	–	–
Sport and recreation		**14 939**	**18 510**	**32 199**	**42 443**	**42 443**	**42 443**	**29 557**	**32 475**	**31 535**
Beaches and Jetties		871	832	878	883	883	883	1 034	1 096	1 162
Casinos, Racing, Gambling, Wagering		–	–	–	–	–	–	–	–	–
Community Parks (including Nurseries)		4 691	6 158	6 196	5 416	5 416	5 416	8 022	8 503	9 013
Recreational Facilities		8 545	9 155	14 710	9 025	9 025	9 025	14 485	15 354	16 275
Sports Grounds and Stadiums		833	2 365	10 416	27 119	27 119	27 119	6 017	7 522	5 085
Public safety		**76 056**	**(7 188)**	**29 217**	**71 012**	**60 132**	**60 132**	**62 292**	**62 400**	**63 603**
Civil Defence		–	0	–	–	–	–	–	–	–
Cleansing		–	–	–	–	–	–	–	–	–
Control of Public Nuisances		10 298	7 627	8 399	8 667	8 667	8 667	8 989	9 385	9 807
Fencing and Fences		–	–	–	–	–	–	–	–	–
Fire Fighting and Protection		303	1 920	818	615	615	615	1 284	274	291
Licensing and Control of Animals		369	1 007	263	200	200	200	121	128	136
Police Forces, Traffic and Street Parking Control		65 086	(17 743)	19 737	61 530	50 650	50 650	51 899	52 613	53 369
Pounds		–	–	–	–	–	–	–	–	–
Housing		**82 150**	**138 628**	**97 546**	**67 750**	**87 266**	**87 266**	**9 527**	**34 129**	**40 610**
Housing		82 150	138 628	97 546	67 750	87 266	87 266	9 527	34 129	40 610
Informal Settlements		–	–	–	–	–	–	–	–	–
Health		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Ambulance		–	–	–	–	–	–	–	–	–
Health Services		–	–	–	–	–	–	–	–	–
Laboratory Services		–	–	–	–	–	–	–	–	–
Food Control		–	–	–	–	–	–	–	–	–
Health Surveillance and Prevention of Communicable Diseases		–	–	–	–	–	–	–	–	–
Vector Control		–	–	–	–	–	–	–	–	–
Chemical Safety		–	–	–	–	–	–	–	–	–
Economic and environmental services		**34 098**	**33 109**	**29 380**	**25 010**	**27 792**	**27 792**	**41 597**	**34 001**	**34 185**
Planning and development		**19 181**	**17 820**	**17 970**	**15 605**	**16 293**	**16 293**	**16 965**	**15 043**	**15 933**
Billboards		–	–	–	–	–	–	–	–	–
Corporate Wide Strategic Planning (IDPs, LEDs)		–	–	800	515	515	515	477	506	536
Central City Improvement District		–	–	–	–	–	–	–	–	–
Development Facilitation		121	179	–	–	–	–	–	–	–
Economic Development/Planning		2 593	3 366	1 898	2 588	2 588	2 588	2 062	–	–
Regional Planning and Development		–	–	–	–	–	–	–	–	–
Town Planning, Building Regulations and Enforcement, and City		15 236	13 623	13 972	11 492	11 492	11 492	13 526	14 337	15 197
Project Management Unit		1 231	652	1 300	1 010	1 698	1 698	900	200	200
Provincial Planning		–	–	–	–	–	–	–	–	–

Functional Classification Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Support to Local Municipalities		–	–	–	–	–	–	–	–	–
Road transport		**14 877**	**15 248**	**10 556**	**6 430**	**6 474**	**6 474**	**20 699**	**18 958**	**18 252**
Public Transport		–	–	–	–	–	–	–	–	–
Road and Traffic Regulation		–	–	–	–	–	–	–	–	–
Roads		14 877	15 248	10 556	6 430	6 474	6 474	20 699	18 958	18 252
Taxi Ranks		–	–	–	–	–	–	–	–	–
Environmental protection		**40**	**40**	**854**	**2 975**	**5 025**	**5 025**	**3 934**	**–**	**–**
Biodiversity and Landscape		40	40	854	2 975	5 025	5 025	3 934	–	–
Coastal Protection		–	–	–	–	–	–	–	–	–
Indigenous Forests		–	–	–	–	–	–	–	–	–
Nature Conservation		–	–	–	–	–	–	–	–	–
Pollution Control		–	–	–	–	–	–	–	–	–
Soil Conservation		–	–	–	–	–	–	–	–	–
Trading services		**1 002 939**	**1 121 669**	**1 264 341**	**1 344 840**	**1 355 407**	**1 355 407**	**1 500 033**	**1 551 252**	**1 653 431**
Energy sources		**576 269**	**661 409**	**750 422**	**803 779**	**794 779**	**794 779**	**910 591**	**942 704**	**1 002 094**
Electricity		573 470	657 005	750 421	803 779	794 779	794 779	910 591	942 704	1 002 094
Street Lighting and Signal Systems		2 799	4 404	0	–	–	–	–	–	–
Nonelectric Energy		–	–	–	–	–	–	–	–	–
Water management		**182 255**	**206 017**	**231 351**	**254 990**	**262 490**	**262 490**	**272 479**	**260 998**	**279 658**
Water Treatment		–	–	128	–	–	–	–	–	–
Water Distribution		182 255	206 017	231 223	254 990	262 490	262 490	272 479	260 998	279 658
Water Storage		–	–	–	–	–	–	–	–	–
Waste water management		**141 829**	**145 524**	**154 580**	**151 900**	**156 967**	**156 967**	**167 523**	**189 144**	**203 768**
Public Toilets		0	–	–	–	–	–	–	–	–
Sewerage		141 422	139 806	143 833	151 500	156 500	156 500	167 145	188 744	203 343
Storm Water Management		408	5 718	10 747	400	400	400	258	273	290
Waste Water Treatment		–	–	–	–	67	67	120	127	135
Waste management		**102 585**	**108 719**	**127 989**	**134 170**	**141 170**	**141 170**	**149 440**	**158 406**	**167 910**
Recycling		–	0	–	–	–	–	–	–	–
Solid Waste Disposal (Landfill Sites)		1 712	158	128	20	20	20	20	21	22
Solid Waste Removal		100 873	108 561	127 861	134 150	141 150	141 150	149 420	158 385	167 888
Street Cleaning		–	–	–	–	–	–	–	–	–
Other		**0**	**0**	**33**	**–**	**0**	**0**	**–**	**–**	**–**
Abattoirs		–	–	–	–	–	–	–	–	–
Air Transport		–	–	–	–	–	–	–	–	–
Forestry		–	–	–	–	–	–	–	–	–
Licensing and Regulation		–	–	–	–	–	–	–	–	–
Markets		–	–	–	–	–	–	–	–	–
Tourism		0	0	33	–	0	0	–	–	–
Total Revenue - Functional	2	**1 681 715**	**1 878 482**	**2 030 870**	**2 119 420**	**2 114 384**	**2 114 384**	**2 225 112**	**2 324 774**	**2 458 275**

Functional Classification Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Expenditure - Functional										
Municipal governance and administration		**280 075**	**290 826**	**298 802**	**239 756**	**241 781**	**241 781**	**273 277**	**270 780**	**277 101**
Executive and council		60 364	68 349	67 122	54 863	48 535	48 535	54 461	47 372	48 565
Mayor and Council		33 142	41 353	45 671	53 015	51 133	51 133	54 452	48 003	50 101
Municipal Manager, Town Secretary and Chief Executive		27 223	26 997	21 450	1 848	(2 599)	(2 599)	9	(631)	(1 536)
Finance and administration		216 561	219 138	227 724	180 030	188 223	188 223	213 688	218 019	222 869
Administrative and Corporate Support		48 589	39 788	43 097	11 945	17 506	17 506	21 695	21 474	20 209
Asset Management		186	636	305	1 500	1 500	1 500	1 500	1 590	1 685
Finance		84 190	94 816	85 549	71 189	68 206	68 206	75 468	74 473	76 041
Fleet Management		10 053	6 350	5 279	6 165	8 967	8 967	6 075	6 372	6 605
Human Resources		14 682	15 747	16 378	11 213	10 005	10 005	12 381	13 252	13 902
Information Technology		24 910	27 228	27 763	21 128	28 315	28 315	29 196	30 032	30 570
Legal Services		4 631	5 303	7 202	7 491	8 368	8 368	8 194	8 658	8 835
Marketing, Customer Relations, Publicity and Media Co-ordination		2 223	2 192	1 812	1 348	6 392	6 392	8 516	8 939	9 319
Property Services		12 363	10 520	21 803	27 203	24 098	24 098	27 966	29 388	30 867
Risk Management		982	930	1 180	1 547	1 715	1 715	1 625	1 710	1 801
Security Services		3 348	4 360	4 064	6 141	7 971	7 971	6 467	6 802	7 157
Supply Chain Management		10 404	11 268	13 292	13 162	5 180	5 180	14 604	15 329	15 879
Valuation Service		–	–	–	–	–	–	–	–	–
Internal audit		3 150	3 339	3 956	4 863	5 023	5 023	5 129	5 390	5 666
Governance Function		3 150	3 339	3 956	4 863	5 023	5 023	5 129	5 390	5 666
Community and public safety		**297 737**	**296 230**	**314 658**	**367 826**	**357 714**	**357 714**	**326 411**	**335 728**	**353 128**
Community and social services		**22 970**	**36 149**	**25 556**	**28 762**	**28 694**	**28 694**	**31 826**	**33 014**	**34 138**
Aged Care		1	1	1	1	1	1	1	1	1
Agricultural		–	–	–	–	–	–	–	–	–
Animal Care and Diseases		500	530	543	1 000	1 040	1 040	1 400	1 450	1 500
Cemeteries, Funeral Parlours and Crematoriums		943	978	2 136	3 111	2 561	2 561	3 686	3 906	4 139
Child Care Facilities		–	–	–	–	20	20	–	–	–
Community Halls and Facilities		12 381	24 724	12 122	13 281	13 703	13 703	14 800	15 504	16 122
Consumer Protection		–	–	–	–	–	–	–	–	–
Cultural Matters		–	–	–	–	–	–	–	–	–
Disaster Management		–	–	–	–	–	–	–	–	–
Education		–	–	–	–	–	–	–	–	–
Indigenous and Customary Law		–	–	–	–	–	–	–	–	–
Industrial Promotion		–	–	–	–	–	–	–	–	–
Language Policy		–	–	–	–	–	–	–	–	–
Libraries and Archives		9 145	9 916	10 754	11 369	11 369	11 369	11 939	12 153	12 376
Literacy Programmes		–	–	–	–	–	–	–	–	–
Media Services		–	–	–	–	–	–	–	–	–
Museums and Art Galleries		–	–	–	–	–	–	–	–	–
Population Development		–	–	–	–	–	–	–	–	–

Functional Classification Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Provincial Cultural Matters		–	–	–	–	–	–	–	–	–
Theatres		–	–	–	–	–	–	–	–	–
Zoo's		–	–	–	–	–	–	–	–	–
Sport and recreation		**57 811**	**57 556**	**64 141**	**79 622**	**71 489**	**71 489**	**79 866**	**84 713**	**89 752**
Beaches and Jetties		7 597	7 153	8 798	9 278	11 918	11 918	13 076	13 852	14 682
Casinos, Racing, Gambling, Wagering		–	–	–	–	–	–	–	–	–
Community Parks (including Nurseries)		31 090	33 926	34 133	46 107	36 880	36 880	40 049	42 444	44 983
Recreational Facilities		12 838	10 637	13 779	15 529	16 177	16 177	17 809	18 953	20 060
Sports Grounds and Stadiums		6 287	5 839	7 431	8 707	6 513	6 513	8 932	9 464	10 028
Public safety		**156 969**	**92 802**	**140 324**	**209 210**	**200 062**	**200 062**	**206 104**	**210 863**	**221 709**
Civil Defence		19 208	23 979	27 031	29 516	16 539	16 539	17 346	18 505	19 836
Cleansing		–	–	–	–	–	–	–	–	–
Control of Public Nuisances		26 083	27 875	29 327	40 863	44 245	44 245	48 532	51 369	54 446
Fencing and Fences		–	–	–	–	–	–	–	–	–
Fire Fighting and Protection		35 792	40 719	42 678	51 767	68 292	68 292	62 622	63 928	67 262
Licensing and Control of Animals		35	–	–	–	–	–	–	–	–
Police Forces, Traffic and Street Parking Control		75 850	230	41 288	87 064	70 986	70 986	77 604	77 061	80 165
Pounds		–	–	–	–	–	–	–	–	–
Housing		**59 987**	**109 723**	**84 638**	**50 232**	**57 469**	**57 469**	**8 615**	**7 138**	**7 529**
Housing		59 987	109 723	84 638	50 232	57 469	57 469	8 615	7 138	7 529
Informal Settlements		–	–	–	–	–	–	–	–	–
Health		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Ambulance		–	–	–	–	–	–	–	–	–
Health Services		–	–	–	–	–	–	–	–	–
Laboratory Services		–	–	–	–	–	–	–	–	–
Food Control		–	–	–	–	–	–	–	–	–
Health Surveillance and Prevention of Communicable Diseases		–	–	–	–	–	–	–	–	–
Vector Control		–	–	–	–	–	–	–	–	–
Chemical Safety		–	–	–	–	–	–	–	–	–
Economic and environmental services		**179 614**	**201 690**	**212 127**	**238 076**	**234 631**	**234 631**	**257 640**	**275 515**	**290 985**
Planning and development		**47 425**	**45 808**	**51 500**	**58 293**	**50 923**	**50 923**	**60 162**	**60 886**	**63 808**
Billboards		–	–	–	–	–	–	–	–	–
Corporate Wide Strategic Planning (IDPs, LEDs)		2 756	2 991	4 407	2 454	2 566	2 566	2 491	2 582	2 641
Central City Improvement District		–	–	–	–	–	–	–	–	–
Development Facilitation		1 868	1 645	4 014	5 539	5 372	5 372	5 222	5 358	5 554
Economic Development/Planning		7 876	8 605	5 854	8 339	4 072	4 072	8 938	7 216	7 566
Regional Planning and Development		–	–	–	–	–	–	–	–	–
Town Planning, Building Regulations and Enforcement, and City		23 640	20 762	23 984	27 365	27 626	27 626	28 674	30 340	32 047
Project Management Unit		11 284	11 805	13 241	14 596	11 288	11 288	14 837	15 391	16 001
Provincial Planning		–	–	–	–	–	–	–	–	–
Support to Local Municipalities		–	–	–	–	–	–	–	–	–

Functional Classification Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Road transport		**107 694**	**131 258**	**133 810**	**150 904**	**153 695**	**153 695**	**165 665**	**185 425**	**196 809**
Public Transport		–	–	–	–	–	–	–	–	–
Road and Traffic Regulation		1 177	1 949	2 084	2 270	2 121	2 121	2 413	2 558	2 712
Roads		106 517	129 309	131 726	148 634	151 574	151 574	163 251	182 867	194 098
Taxi Ranks		–	–	–	–	–	–	–	–	–
Environmental protection		**24 496**	**24 623**	**26 817**	**28 879**	**30 012**	**30 012**	**31 813**	**29 204**	**30 367**
Biodiversity and Landscape		23 467	23 732	24 901	27 069	28 202	28 202	29 907	27 131	28 284
Coastal Protection		–	–	–	–	–	–	–	–	–
Indigenous Forests		–	–	–	–	–	–	–	–	–
Nature Conservation		1 028	891	1 916	1 810	1 810	1 810	1 906	2 073	2 084
Pollution Control		–	–	–	–	–	–	–	–	–
Soil Conservation		–	–	–	–	–	–	–	–	–
Trading services		**810 879**	**958 821**	**995 836**	**1 259 762**	**1 266 990**	**1 266 990**	**1 332 675**	**1 436 487**	**1 582 727**
Energy sources		**439 681**	**553 664**	**586 592**	**755 473**	**753 342**	**753 342**	**806 195**	**874 013**	**938 151**
Electricity		435 215	547 005	584 458	753 095	750 964	750 964	803 553	871 101	935 219
Street Lighting and Signal Systems		4 466	6 659	2 134	2 378	2 378	2 378	2 642	2 912	2 932
Nonelectric Energy		–	–	–	–	–	–	–	–	–
Water management		**139 629**	**160 902**	**167 885**	**203 332**	**204 088**	**204 088**	**211 378**	**224 459**	**286 160**
Water Treatment		74 641	87 789	88 186	114 924	112 922	112 922	114 660	120 346	126 317
Water Distribution		58 827	65 566	68 776	79 210	82 113	82 113	87 489	95 073	152 436
Water Storage		6 161	7 548	10 924	9 197	9 053	9 053	9 228	9 040	7 407
Waste water management		**134 709**	**147 196**	**146 977**	**172 526**	**175 479**	**175 479**	**182 605**	**192 172**	**204 290**
Public Toilets		488	850	2 238	3 812	2 679	2 679	4 040	4 283	4 540
Sewerage		75 358	81 145	80 266	95 255	101 939	101 939	101 401	106 934	114 699
Storm Water Management		15 143	15 104	19 281	23 478	21 355	21 355	24 055	25 405	26 831
Waste Water Treatment		43 720	50 096	45 192	49 981	49 506	49 506	53 108	55 550	58 220
Waste management		**96 861**	**97 059**	**94 382**	**128 430**	**134 081**	**134 081**	**132 498**	**145 843**	**154 126**
Recycling		84	172	244	282	282	282	227	314	251
Solid Waste Disposal (Landfill Sites)		49 011	42 505	45 382	66 933	65 108	65 108	65 421	74 913	79 267
Solid Waste Removal		47 766	54 383	48 756	61 216	68 691	68 691	66 849	70 616	74 609
Street Cleaning		–	–	–	–	–	–	–	–	–
Other		**3 722**	**2 830**	**2 445**	**6 921**	**4 429**	**4 429**	**7 354**	**7 739**	**8 149**
Abattoirs		–	–	–	–	–	–	–	–	–
Air Transport		–	–	–	–	–	–	–	–	–
Forestry		–	–	–	–	–	–	–	–	–
Licensing and Regulation		–	–	–	–	–	–	–	–	–
Markets		–	–	–	–	–	–	–	–	–
Tourism		3 722	2 830	2 445	6 921	4 429	4 429	7 354	7 739	8 149
Total Expenditure - Functional	3	**1 572 027**	**1 750 397**	**1 823 868**	**2 112 340**	**2 105 545**	**2 105 545**	**2 197 357**	**2 326 250**	**2 512 089**
Surplus/(Deficit) for the year		**109 688**	**128 085**	**207 001**	**7 080**	**8 839**	**8 839**	**27 755**	**(1 476)**	**(53 814)**

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

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue by Vote	1									
Vote 1 - Municipal Council		74 415	106 209	69 013	78 908	37 942	37 942	52 992	54 146	49 917
Vote 2 - Office of the Municipal Manager		–	–	833	515	860	860	576	611	647
Vote 3 - Corporate Services		1 496	1 492	122	1 274	1 774	1 774	1 057	1 120	1 188
Vote 4 - Financial Services		370 122	436 859	475 912	477 666	490 666	490 666	516 406	543 396	571 894
Vote 5 - Infrastructure Services		1 102 798	1 275 677	1 373 260	1 419 613	1 450 527	1 450 527	1 530 590	1 603 952	1 711 884
Vote 6 - Community Services		24 795	29 545	42 900	52 939	52 939	52 939	41 090	44 216	43 492
Vote 7 - Municipal Public Safety		76 056	(7 188)	29 217	71 012	60 132	60 132	62 292	62 400	63 603
Vote 8 - Planning and Development		32 033	35 888	39 611	17 494	19 544	19 544	20 109	14 933	15 651
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	**1 681 715**	**1 878 482**	**2 030 870**	**2 119 420**	**2 114 384**	**2 114 384**	**2 225 112**	**2 324 774**	**2 458 275**
Expenditure by Vote *to be appropriated*	1									
Vote 1 - Municipal Council		46 177	41 353	45 672	55 516	53 635	53 635	57 064	50 823	53 213
Vote 2 - Office of the Municipal Manager		9 709	14 201	20 551	33 702	29 173	29 173	36 841	38 672	40 608
Vote 3 - Corporate Services		58 075	56 963	68 360	82 589	81 712	81 712	86 730	91 316	96 164
Vote 4 - Financial Services		140 078	106 638	136 147	171 468	174 513	174 513	192 404	199 181	210 176
Vote 5 - Infrastructure Services		943 253	1 189 410	1 179 782	1 293 520	1 299 399	1 299 399	1 319 177	1 427 221	1 566 544
Vote 6 - Community Services		157 827	186 656	176 139	203 116	193 622	193 622	221 509	227 148	238 601
Vote 7 - Municipal Public Safety		153 723	94 947	135 700	201 555	205 522	205 522	207 166	217 730	229 089
Vote 8 - Planning and Development		63 185	60 230	61 517	70 875	67 969	67 969	76 466	74 158	77 695
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	**1 572 027**	**1 750 397**	**1 823 868**	**2 112 340**	**2 105 545**	**2 105 545**	**2 197 357**	**2 326 250**	**2 512 089**
Surplus/(Deficit) for the year	2	**109 688**	**128 085**	**207 001**	**7 080**	**8 839**	**8 839**	**27 755**	**(1 476)**	**(53 814)**

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

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue by Vote	1									
Vote 1 - Municipal Council		**74 415**	**106 209**	**69 013**	**78 908**	**37 942**	**37 942**	**52 992**	**54 146**	**49 917**
1.1 - Council:Council's General		74 415	106 209	69 013	78 908	37 942	37 942	52 992	54 146	49 917
1.2 - Council:Mayors Office		–	–	–	–	–	–	–	–	–
1.3 - Council:Pensioners & Continued Members		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Vote 2 - Office of the Municipal Manager		**–**	**–**	**833**	**515**	**860**	**860**	**576**	**611**	**647**
2.1 - MM:Municipal Manager		–	–	–	–	–	–	–	–	–
2.2 - MM:Internal Audit		–	–	–	–	–	–	–	–	–
2.3 - MM:Strategic Support Services		–	–	833	515	515	515	477	506	536
2.4 - MM:Legal Services & Contract Management		–	–	–	–	345	345	99	105	111
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Vote 3 - Corporate Services		**1 496**	**1 492**	**122**	**1 274**	**1 774**	**1 774**	**1 057**	**1 120**	**1 188**
3.1 - Corp:Director:Corporate Services		1 496	1 492	–	0	0	0	–	–	–
3.2 - Corp:Risk Management		–	–	–	–	–	–	–	–	–
3.3 - Corp:Human Resources Management		–	–	1 184	1 272	1 272	1 272	1 054	1 118	1 185
3.4 - Corp:Info & Communication Technolgy		–	–	(1 065)	–	–	–	–	–	–
3.5 - Corp:Business Architecture & CRM		–	–	–	–	500	500	–	–	–
3.6 - Corp:Administrative Support Services		–	–	3	3	3	3	3	3	3
3.7 - Corp:Municipal Court		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Vote 4 - Financial Services		**370 122**	**436 859**	**475 912**	**477 666**	**490 666**	**490 666**	**516 406**	**543 396**	**571 894**
4.1 - Fin:Chief Financial Officer		370 122	436 859	–	–	–	–	–	–	–
4.2 - Fin:Financial Accounting		–	–	79 369	58 143	71 143	71 143	68 000	68 000	68 000
4.3 - Fin:Revenue Management		–	–	390 723	417 621	417 621	417 621	446 338	473 118	501 505
4.4 - Fin:Expenditure, Fleet & Asset Management		–	–	4 351	52	52	52	44	46	49
4.5 - Fin:Supply Chain Management		–	–	1 468	1 850	1 850	1 850	2 024	2 232	2 340
		–	–	–	–	–	–	–	–	–

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

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Vote 5 - Infrastructure Services		**1 102 798**	**1 275 677**	**1 373 260**	**1 419 613**	**1 450 527**	**1 450 527**	**1 530 590**	**1 603 952**	**1 711 884**
5.1 - Infra:Chief Engineer:Infrastructure Services		1 102 798	1 275 677	0	0	100	100	1	1	1
5.2 - Infra:Civil Infrastructure Planning, Project Management & Housing Development		–	–	98 490	68 342	88 613	88 613	9 977	33 867	40 335
5.3 - Infra:Waste Management		–	–	127 989	134 170	141 170	141 170	149 440	158 406	167 910
5.4 - Infra:Civil Engineering Services		–	–	13 440	130	130	130	140	8 908	8 908
5.5 - Infra:Water		–	–	225 223	254 990	262 490	262 490	272 479	260 998	279 658
5.6 - Infra:Sewerage		–	–	143 833	151 500	156 500	156 500	167 145	188 744	203 343
5.7 - Infra:Roads		–	–	3 116	6 300	6 344	6 344	20 559	10 050	9 344
5.8 - Infra:Stormwater		–	–	10 747	400	400	400	258	273	290
5.9 - Infra:Electricity		–	–	750 422	803 779	794 779	794 779	910 591	942 704	1 002 094
5.10 - Infra:Mechanical Workshop Fleet Management		–	–	–	–	–	–	–	–	–
Vote 6 - Community Services		**24 795**	**29 545**	**42 900**	**52 939**	**52 939**	**52 939**	**41 090**	**44 216**	**43 492**
6.1 - Comm:Director:Community Services		24 795	29 545	81	77	77	77	78	78	78
6.2 - Comm:Community Services		–	–	–	–	–	–	–	–	–
6.3 - Comm:Resorts		–	–	10 291	8 440	8 440	8 440	13 589	14 404	15 268
6.4 - Comm:Parks and Open Spaces & Cemetries		–	–	6 570	5 676	5 676	5 676	8 483	8 992	9 531
6.5 - Comm:Sportsfields		–	–	14 073	27 119	27 119	27 119	6 017	7 522	5 085
6.6 - Comm:Beaches & Slipways		–	–	1 639	1 468	1 468	1 468	1 930	2 046	2 169
6.7 - Comm:Refuse Removal & CBD Cleansing		–	–	0	–	–	–	–	–	–
6.8 - Comm:Intergrated Human Settlements & Development		–	–	483	418	418	418	570	589	610
6.9 - Comm:Library Services		–	–	8 842	8 881	8 881	8 881	9 428	9 529	9 632
6.10 - Comm:Halls,Facilities&Building Maintenance		–	–	921	860	860	860	996	1 056	1 119
Vote 7 - Municipal Public Safety		**76 056**	**(7 188)**	**29 217**	**71 012**	**60 132**	**60 132**	**62 292**	**62 400**	**63 603**
7.1 - MPS:Director: Municipal Public Safety		76 056	(7 188)	–	–	–	–	–	–	–
7.2 - MPS:Traffic Services		–	–	19 737	61 530	50 650	50 650	51 899	52 613	53 369
7.3 - MPS:Law Enforcement Services		–	–	8 662	8 867	8 867	8 867	9 110	9 513	9 943
7.4 - MPS:Fire & Rescue		–	–	818	615	615	615	1 284	274	291
7.5 - MPS:Disaster Management		–	–	–	–	–	–	–	–	–
7.6 - MPS:Safety,Security & CCTV		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Vote 8 - Planning and Development		**32 033**	**35 888**	**39 611**	**17 494**	**19 544**	**19 544**	**20 109**	**14 933**	**15 651**
8.1 - P&D:Director:Planning & Development		32 033	35 888	0	0	0	0	–	–	–
8.2 - P&D:Town Planning & Spatial Planning		–	–	3 868	2 366	2 366	2 366	4 006	4 246	4 501
8.3 - P&D:Environmental Management & Conservation		–	–	854	2 975	5 025	5 025	3 934	–	–

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

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
8.4 - P&D:Building Control		–	–	10 103	9 125	9 125	9 125	9 519	10 090	10 695
8.5 - P&D:Socio-Economic Programme		–	–	1 916	2 738	2 738	2 738	2 216	155	5
8.6 - P&D:Tourism		–	–	–	–	–	–	–	–	–
8.7 - P&D:Property Management		–	–	22 869	289	289	289	434	442	451
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
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 Revenue by Vote	2	**1 681 715**	**1 878 482**	**2 030 870**	**2 119 420**	**2 114 384**	**2 114 384**	**2 225 112**	**2 324 774**	**2 458 275**
Expenditure by Vote	1									
Vote 1 - Municipal Council		**46 177**	**41 353**	**45 672**	**55 516**	**53 635**	**53 635**	**57 064**	**50 823**	**53 213**
1.1 - Council:Council's General		46 177	41 353	44 708	54 310	52 443	52 443	55 820	49 523	51 855
1.2 - Council:Mayors Office		–	–	964	1 205	1 190	1 190	1 243	1 299	1 357
1.3 - Council:Pensioners & Continued Members		–	–	1	1	1	1	1	1	1
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Vote 2 - Office of the Municipal Manager		**9 709**	**14 201**	**20 551**	**33 702**	**29 173**	**29 173**	**36 841**	**38 672**	**40 608**
2.1 - MM:Municipal Manager		9 709	14 201	3 700	4 277	4 657	4 657	4 575	4 798	5 033
2.2 - MM:Internal Audit		–	–	3 956	4 863	5 023	5 023	5 129	5 390	5 666
2.3 - MM:Strategic Support Services		–	–	9 106	19 112	13 254	13 254	21 281	22 197	23 418
2.4 - MM:Legal Services & Contract Management		–	–	3 789	5 450	6 239	6 239	5 856	6 287	6 491
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
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		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Vote 3 - Corporate Services		**58 075**	**56 963**	**68 360**	**82 589**	**81 712**	**81 712**	**86 730**	**91 316**	**96 164**

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

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
3.1 - Corp:Director:Corporate Services		58 075	56 963	4 337	2 965	2 991	2 991	3 077	3 221	3 374
3.2 - Corp:Risk Management		–	–	1 180	1 547	1 715	1 715	1 625	1 710	1 801
3.3 - Corp:Human Resources Management		–	–	16 314	19 700	18 520	18 520	21 402	22 988	24 652
3.4 - Corp:Info & Communication Technolgy		–	–	28 085	33 664	33 295	33 295	34 559	35 996	37 518
3.5 - Corp:Business Architecture & CRM		–	–	9 624	14 364	13 711	13 711	14 449	15 232	16 063
3.6 - Corp:Administrative Support Services		–	–	5 407	6 226	7 338	7 338	7 075	7 418	7 788
3.7 - Corp:Municipal Court		–	–	3 414	4 123	4 140	4 140	4 543	4 750	4 968
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Vote 4 - Financial Services		**140 078**	**106 638**	**136 147**	**171 468**	**174 513**	**174 513**	**192 404**	**199 181**	**210 176**
4.1 - Fin:Chief Financial Officer		140 078	106 638	(260)	2 693	1 285	1 285	3 403	3 592	3 790
4.2 - Fin:Financial Accounting		–	–	8 459	10 735	10 994	10 994	11 131	11 683	12 273
4.3 - Fin:Revenue Management		–	–	55 775	73 960	70 901	70 901	78 734	78 817	82 827
4.4 - Fin:Expenditure, Fleet & Asset Management		–	–	51 457	55 343	70 720	70 720	68 956	73 079	77 449
4.5 - Fin:Supply Chain Management		–	–	20 716	28 737	20 613	20 613	30 179	32 011	33 837
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Vote 5 - Infrastructure Services		**943 253**	**1 189 410**	**1 179 782**	**1 293 520**	**1 299 399**	**1 299 399**	**1 319 177**	**1 427 221**	**1 566 544**
5.1 - Infra:Chief Engineer:Infrastructure Services		943 253	1 189 410	4 818	4 037	4 191	4 191	3 968	4 139	4 319
5.2 - Infra:Civil Infrastructure Planning, Project Management & Housing Development		–	–	216 381	195 507	201 732	201 732	167 223	174 709	182 105
5.3 - Infra:Waste Management		–	–	54 959	69 573	71 824	71 824	67 560	76 478	80 699
5.4 - Infra:Civil Engineering Services		–	–	67 423	68 309	67 446	67 446	73 338	87 384	91 457
5.5 - Infra:Water		–	–	66 312	69 627	70 085	70 085	67 492	72 645	124 690
5.6 - Infra:Sewerage		–	–	84 327	86 876	91 683	91 683	89 075	93 523	100 017
5.7 - Infra:Roads		–	–	81 424	102 911	100 443	100 443	108 520	114 500	120 811
5.8 - Infra:Stormwater		–	–	19 281	23 478	21 355	21 355	24 055	25 405	26 831
5.9 - Infra:Electricity		–	–	584 857	673 202	670 640	670 640	717 946	778 439	835 612
5.10 - Infra:Mechanical Workshop Fleet Management		–	–	0	–	–	–	–	–	–
Vote 6 - Community Services		**157 827**	**186 656**	**176 139**	**203 116**	**193 622**	**193 622**	**221 509**	**227 148**	**238 601**
6.1 - Comm:Director:Community Services		157 827	186 656	13 967	6 655	8 184	8 184	12 970	13 217	13 340
6.2 - Comm:Community Services		–	–	1 668	11 744	1 942	1 942	1 957	2 075	2 199
6.3 - Comm:Resorts		–	–	12 255	13 193	13 948	13 948	15 268	16 264	17 214
6.4 - Comm:Parks and Open Spaces & Cemetries		–	–	33 930	37 677	36 216	36 216	40 104	42 501	45 042
6.5 - Comm:Sportsfields		–	–	5 425	6 059	4 326	4 326	6 166	6 533	6 921
6.6 - Comm:Beaches & Slipways		–	–	10 312	11 534	14 147	14 147	15 616	16 541	17 527
6.7 - Comm:Refuse Removal & CBD Cleansing		–	–	36 448	43 766	43 512	43 512	47 129	49 909	52 854
6.8 - Comm:Intergrated Human Settlements & Development		–	–	7 199	9 199	8 022	8 022	10 088	10 655	11 257

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

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
6.9 - Comm:Library Services		–	–	10 754	11 369	11 369	11 369	11 939	12 153	12 376
6.10 - Comm:Halls,Facilities&Building Maintenance		–	–	44 182	51 920	51 957	51 957	60 272	57 300	59 869
Vote 7 - Municipal Public Safety		**153 723**	**94 947**	**135 700**	**201 555**	**205 522**	**205 522**	**207 166**	**217 730**	**229 089**
7.1 - MPS:Director: Municipal Public Safety		153 723	94 947	6 037	4 628	3 285	3 285	4 197	4 374	4 561
7.2 - MPS:Traffic Services		–	–	43 010	88 634	72 695	72 695	76 098	79 163	82 411
7.3 - MPS:Law Enforcement Services		–	–	43 020	52 527	54 518	54 518	60 827	64 543	68 662
7.4 - MPS:Fire & Rescue		–	–	34 872	39 673	58 340	58 340	49 285	52 082	55 027
7.5 - MPS:Disaster Management		–	–	2 851	7 189	6 301	6 301	7 695	8 014	8 353
7.6 - MPS:Safety,Security & CCTV		–	–	5 909	8 903	10 384	10 384	9 064	9 555	10 075
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Vote 8 - Planning and Development		**63 185**	**60 230**	**61 517**	**70 875**	**67 969**	**67 969**	**76 466**	**74 158**	**77 695**
8.1 - P&D:Director:Planning & Development		63 185	60 230	3 566	5 722	1 005	1 005	6 328	6 649	6 991
8.2 - P&D:Town Planning & Spatial Planning		–	–	12 194	14 569	14 491	14 491	15 959	16 936	17 968
8.3 - P&D:Environmental Management & Conservation		–	–	26 817	28 879	30 012	30 012	31 813	29 204	30 367
8.4 - P&D:Building Control		–	–	8 940	9 795	11 051	11 051	10 629	11 266	11 911
8.5 - P&D:Socio-Economic Programme		–	–	6 221	7 295	7 404	7 404	6 929	5 021	5 107
8.6 - P&D:Tourism		–	–	–	–	–	–	–	–	–
8.7 - P&D:Property Management		–	–	3 780	4 615	4 006	4 006	4 808	5 082	5 350
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
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	**1 572 027**	**1 750 397**	**1 823 868**	**2 112 340**	**2 105 545**	**2 105 545**	**2 197 357**	**2 326 250**	**2 512 089**
Surplus/(Deficit) for the year	2	**109 688**	**128 085**	**207 001**	**7 080**	**8 839**	**8 839**	**27 755**	**(1 476)**	**(53 814)**

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue										
Exchange Revenue										
Service charges - Electricity	2	495 999	607 344	680 585	745 540	718 135	718 135	822 903	871 718	923 997
Service charges - Water	2	158 070	179 935	200 340	209 109	208 803	208 803	225 950	239 494	253 864
Service charges - Waste Water Management	2	100 655	113 954	127 050	129 533	126 779	126 779	134 321	142 381	150 923
Service charges - Waste Management	2	85 923	97 574	108 353	115 444	115 444	115 444	121 971	129 289	137 046
Sale of Goods and Rendering of Services	2	80 448	131 093	106 778	63 725	73 387	73 387	29 014	30 755	32 600
Agency services	2	7 140	6 599	6 846	7 500	7 500	7 500	7 819	8 288	8 785
Interest		33	215	507	0	0	0	–	–	–
Interest earned from Receivables	2	5 796	10 299	11 703	12 500	12 500	12 500	12 500	13 250	14 045
Interest earned from Current and Non Current Assets	2	51 751	68 418	73 160	55 000	68 000	68 000	68 000	68 000	68 000
Dividends	2	-	–	–	–	–	–	–	–	–
Rent on Land	2	1 401	2 704	855	452	452	452	1 243	1 318	1 397
Rental from Fixed Assets	2	5 346	5 570	8 246	7 544	7 544	7 544	9 370	9 932	10 528
Licence and permits	2	1 143	923	1 116	780	780	780	1 481	1 570	1 664
Special rating levies	2	-	–	–	15 420	15 420	15 420	16 193	17 165	18 195
Construction Contract Revenue	2	-	–	–	–	–	–	1 847	–	–
Development Charges	2	-	–	–	–	–	–	3 599	3 815	4 044
Operational Revenue	2	10 988	11 090	16 233	5 554	5 620	5 620	8 812	9 341	9 901
Non-Exchange Revenue										
Property rates	2	297 101	339 224	367 109	383 977	383 977	383 977	405 548	429 881	455 674
Surcharges and Taxes	2	-	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	2	58 043	(22 970)	12 341	52 537	42 344	42 344	42 861	43 032	43 214
Licences or permits	2	1 834	2 008	1 858	2 000	2 000	2 000	2 186	2 317	2 456
Transfer and subsidies - Operational	2	172 163	191 359	199 017	205 957	207 587	207 587	215 312	228 047	232 891
Interest	2	1 294	2 186	2 027	2 300	2 300	2 300	2 300	2 438	2 584
Fuel Levy	2	-	–	–	–	–	–	–	–	–
Operational Revenue	2	-	–	–	–	–	–	–	–	–
Gains on disposal of Assets	2	904	–	13 632	–	–	–	–	–	–
Other Gains	2	14 279	16 679	16 121	3 000	3 000	3 000	300	300	300
Discontinued Operations		-	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		**1 550 312**	**1 764 206**	**1 953 878**	**2 017 871**	**2 001 572**	**2 001 572**	**2 133 528**	**2 252 329**	**2 372 107**
Expenditure										
Employee related costs	2	480 939	523 007	531 381	618 840	594 914	594 914	674 850	702 498	743 048
Remuneration of councillors	2	12 315	13 519	13 332	14 012	14 349	14 349	15 400	16 480	17 240
Bulk purchases - electricity	2	346 418	444 223	481 547	556 160	553 190	553 190	603 032	656 280	708 782
Inventory consumed	2,8	58 220	59 855	51 539	76 168	73 892	73 892	78 902	83 969	128 795
Debt impairment	2,3	52 100	(12 141)	12 698	70 770	25 001	25 001	38 593	38 593	38 593
Depreciation and amortisation	2	148 321	153 790	152 838	167 211	167 211	167 211	175 572	184 350	193 568
Interest	2	48 152	48 571	48 767	51 227	45 040	45 040	43 080	47 145	56 450
Contracted services	2	257 088	293 480	321 654	356 644	383 770	383 770	396 928	419 114	439 592
Transfers and subsidies	2	16 086	16 512	16 716	16 770	16 770	16 770	17 648	18 500	19 397
Irrecoverable debts written off	2	10 206	27 155	37 069	20 000	60 131	60 131	20 000	20 000	20 000
Operational costs	2	142 111	181 851	156 227	164 539	171 278	171 278	125 810	130 201	137 048
Losses on disposal of Assets	2	-	514	–	–	–	–	–	–	–
Other Losses	2	72	60	101	–	–	–	7 542	9 120	9 576
Total Expenditure		**1 572 027**	**1 750 397**	**1 823 868**	**2 112 340**	**2 105 545**	**2 105 545**	**2 197 357**	**2 326 250**	**2 512 089**
Surplus/(Deficit)		**(21 715)**	**13 809**	**130 010**	**(94 469)**	**(103 973)**	**(103 973)**	**(63 829)**	**(73 921)**	**(139 982)**
Transfers and subsidies - capital (monetary allocations)	6	125 273	92 977	72 989	101 549	112 768	112 768	91 584	72 445	86 168
Transfers and subsidies - capital (in-kind)	6	6 130	21 299	4 003	–	44	44	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**109 688**	128 085	207 001	**7 080**	**8 839**	**8 839**	**27 755**	**(1 476)**	**(53 814)**
Income Tax		–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax		**109 688**	128 085	207 001	7 080	8 839	8 839	27 755	(1 476)	(53 814)
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		**109 688**	128 085	207 001	7 080	8 839	8 839	27 755	(1 476)	(53 814)
Share of Surplus/Deficit attributable to Associate	7	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	1	**109 688**	**128 085**	**207 001**	**7 080**	**8 839**	**8 839**	**27 755**	**(1 476)**	**(53 814)**

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

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure - Vote										
Multi-year expenditure ***to be appropriated***	2									
Vote 1 - Municipal Council		–	–	–	–	–	–	–	–	–
Vote 2 - Office of the Municipal Manager		–	–	–	–	–	–	–	–	–
Vote 3 - Corporate Services		–	588	1 354	3 315	3 315	3 315	3 770	3 270	3 270
Vote 4 - Financial Services		–	10	2 015	8 420	8 263	8 263	5 640	8 640	4 790
Vote 5 - Infrastructure Services		4 059	170 843	143 031	215 840	221 888	221 888	204 445	255 695	269 418
Vote 6 - Community Services		–	–	596	2 925	1 325	1 325	3 592	5 320	5 320
Vote 7 - Municipal Public Safety		–	161	1 210	3 792	4 092	4 092	4 581	7 310	7 310
Vote 8 - Planning and Development		–	6 170	23	29	1 049	1 049	1 200	2 200	2 200
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		**4 059**	**177 772**	**148 229**	**234 321**	**239 932**	**239 932**	**223 229**	**282 435**	**292 308**
Single-year expenditure ***to be appropriated***	2									
Vote 1 - Municipal Council		–	–	–	–	–	–	–	–	–
Vote 2 - Office of the Municipal Manager		–	7	2	15	21	21	3 760	10	10
Vote 3 - Corporate Services		1 812	6 362	1 973	–	–	–	–	–	–
Vote 4 - Financial Services		57	–	18 384	16 060	15 711	15 711	11 500	11 500	15 350
Vote 5 - Infrastructure Services		163 637	115	17 537	7 950	12 267	12 267	500	500	500
Vote 6 - Community Services		5 007	7 112	5 129	–	1 777	1 777	–	–	–
Vote 7 - Municipal Public Safety		2 365	2 150	1 358	–	128	128	3 750	–	–
Vote 8 - Planning and Development		12 384	–	143	–	–	–	–	–	–
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		**185 262**	**15 746**	**44 526**	**24 025**	**29 904**	**29 904**	**19 510**	**12 010**	**15 860**
Total Capital Expenditure - Vote	3,7	**189 321**	**193 518**	**192 754**	**258 346**	**269 836**	**269 836**	**242 739**	**294 445**	**308 168**

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

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital Expenditure - Functional										
Governance and administration		**2 228**	**6 967**	**3 403**	**3 500**	**3 573**	**3 573**	**7 670**	**3 420**	**3 420**
Executive and council		5	7	48	70	76	76	3 800	50	50
Finance and administration		2 223	6 960	3 355	3 430	3 497	3 497	3 870	3 370	3 370
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		**40 838**	**43 100**	**42 468**	**72 520**	**83 107**	**83 107**	**42 120**	**65 112**	**74 230**
Community and social services		3 890	1 371	1 192	6 625	6 077	6 077	7 592	9 420	7 320
Sport and recreation		3 318	5 741	17 476	33 901	33 768	33 768	11 586	7 442	6 250
Public safety		5 007	2 310	6 181	7 452	8 521	8 521	15 831	14 710	20 660
Housing		28 623	33 678	17 619	24 542	34 741	34 741	7 110	33 540	40 000
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**20 518**	**17 926**	**4 948**	**18 954**	**21 785**	**21 785**	**32 414**	**21 550**	**16 921**
Planning and development		3 719	6 170	1 151	1 554	3 985	3 985	8 150	11 450	7 600
Road transport		16 799	11 755	3 797	17 400	17 800	17 800	24 264	10 100	9 321
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**125 737**	**125 525**	**141 935**	**163 372**	**161 371**	**161 371**	**160 536**	**204 363**	**213 597**
Energy sources		55 692	49 583	45 169	60 218	48 613	48 613	63 894	48 083	49 634
Water management		31 608	29 092	34 078	63 653	73 470	73 470	74 742	81 900	84 300
Waste water management		32 801	46 735	58 077	34 560	34 348	34 348	19 700	65 480	72 663
Waste management		5 637	115	4 612	4 940	4 940	4 940	2 200	8 900	7 000
Other		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Capital Expenditure - Functional	3,7	**189 321**	**193 518**	**192 754**	**258 346**	**269 836**	**269 836**	**242 739**	**294 445**	**308 168**
Funded by:										
National Government		81 741	59 150	54 164	76 207	76 207	76 207	82 749	38 905	46 168
Provincial Government		5 036	33 827	18 719	25 342	36 541	36 541	8 835	33 540	40 000
District Municipality		–		–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm		26 098	21 282	4 108	–	–	–	–	–	–
Transfers recognised - capital	4	**112 876**	**114 260**	**76 992**	**101 549**	**112 748**	**112 748**	**91 584**	**72 445**	**86 168**
Borrowing	6	34 249	66 513	77 047	106 337	104 918	104 918	101 155	172 000	172 000
Internally generated funds		42 197	12 745	38 716	50 460	52 170	52 170	50 000	50 000	50 000
Total Capital Funding	7	**189 321**	**193 518**	**192 754**	**258 346**	**269 836**	**269 836**	**242 739**	**294 445**	**308 168**

WC032 Overstrand - Table A6 Budgeted Financial Position

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
ASSETS											
Current assets											
Cash and cash equivalents	1	646 535	676 658	854 064	723 115	843 596	843 596	1 036 154	875 852	871 901	779 737
Short term Investments	2	–	–	–	–	–	–	–	–	–	–
Trade and other receivables from exchange transactions	3	86 305	116 416	136 299	110 653	90 021	90 021	118 434	85 085	80 763	77 914
Receivables from non-exchange transactions	3	37 804	36 449	32 716	35 577	43 097	43 097	40 795	49 162	55 608	62 459
Current portion of non-current receivables	4	–	–	–	–	–	–	–	–	–	–
Inventory	5	11 594	15 762	12 097	15 588	18 182	18 182	13 018	17 306	16 458	15 618
VAT	6	10 328	9 557	4 856	1 800	17 911	17 911	(858)	17 440	17 440	17 440
Other current assets	7	41 162	104 945	141 503	55 610	56 028	56 028	33 747	57 088	58 158	59 228
Total current assets		**833 727**	**959 788**	**1 181 533**	**942 343**	**1 068 835**	**1 068 835**	**1 241 290**	**1 101 933**	**1 100 329**	**1 012 398**
Non current assets											
Investments	8	68 211	31 415	7 315	8 400	8 456	8 456	8 971	–	–	–
Investment property	9	151 589	164 436	167 369	168 225	167 658	167 658	167 369	167 958	168 258	168 558
Property, plant and equipment	10	3 674 341	3 714 046	3 758 566	3 871 372	3 861 249	3 861 249	3 756 541	3 928 792	4 039 282	4 154 297
Biological assets	11	–	–	–	–	–	–	–	–	–	–
Living and non-living resources	12	542	415	681	980	913	913	681	842	767	689
Heritage assets	13	109 625	109 625	109 625	109 625	109 625	109 625	109 625	109 625	109 625	109 625
Intangible assets	14	8 687	8 050	7 585	7 488	7 295	7 295	7 585	6 990	6 670	6 334
Trade and other receivables from exchange transactions	15	–	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions	15	–	–	–	–	–	–	–	–	–	–
Other non-current assets	16	–	–	–	–	–	–	–	–	–	–
Total non current assets		**4 012 995**	**4 027 986**	**4 051 141**	**4 166 089**	**4 155 195**	**4 155 195**	**4 050 773**	**4 214 208**	**4 324 602**	**4 439 503**
TOTAL ASSETS		**4 846 722**	**4 987 774**	**5 232 674**	**5 108 433**	**5 224 031**	**5 224 031**	**5 292 063**	**5 316 141**	**5 424 931**	**5 451 900**
LIABILITIES											
Current liabilities											
Bank overdraft	17	–	–	–	–	–	–	–	–	–	–
Financial liabilities	18	57 949	50 444	150 929	61 383	61 471	61 471	22 832	78 879	93 722	80 407
Consumer deposits	19	65 804	69 338	63 274	69 665	68 474	68 474	63 858	66 524	64 574	62 624
Trade and other payables from exchange transactions	20	127 465	135 133	158 574	133 297	157 669	157 669	37 539	162 517	163 956	165 593
Trade and other payables from non-exchange transactio	21	6 206	5 342	3 012	–	–	–	48 323	–	–	–
Provision	22	40 983	42 076	37 797	45 206	35 147	35 147	33 282	47 840	64 824	59 499
VAT	23	–	–	–	6 076	1 581	1 581	18 134	(15)	(15)	(15)
Other current liabilities	24	8 465	10 266	9 559	11 002	10 105	10 105	–	12 466	11 000	11 000
Total current liabilities		**306 872**	**312 598**	**423 145**	**326 629**	**334 448**	**334 448**	**223 969**	**368 211**	**398 062**	**379 108**
Non current liabilities											
Financial liabilities	25	421 957	421 513	335 584	360 476	360 549	360 549	335 584	394 780	473 059	564 652
Provision	26	150 346	151 521	155 593	162 269	168 802	168 802	165 155	146 485	130 655	121 730
Long term portion of trade payables	27	–	–	–	–	–	–	–	–	–	–
Other non-current liabilities	28	134 757	140 834	150 043	170 424	162 356	162 356	12 405	173 657	180 603	186 241
Total non current liabilities		**707 060**	**713 869**	**641 220**	**693 169**	**691 707**	**691 707**	**513 143**	**714 922**	**784 317**	**872 623**
TOTAL LIABILITIES		**1 013 932**	**1 026 467**	**1 064 365**	**1 019 798**	**1 026 155**	**1 026 155**	**737 113**	**1 083 133**	**1 182 378**	**1 251 732**
NET ASSETS		**3 832 790**	**3 961 307**	**4 168 309**	**4 088 634**	**4 197 876**	**4 197 876**	**4 554 950**	**4 233 007**	**4 242 553**	**4 200 169**
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	29	3 829 562	3 958 079	4 165 081	4 085 404	4 194 647	4 194 647	4 288 542	4 229 777	4 239 322	4 196 937
Reserves and funds	30	3 228	3 228	3 228	3 231	3 229	3 229	3 228	3 230	3 231	3 232
Other	31	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	10	**3 832 790**	**3 961 307**	**4 168 309**	**4 088 634**	**4 197 876**	**4 197 876**	**4 291 771**	**4 233 007**	**4 242 553**	**4 200 169**

WC032 Overstrand - Table A7 Budgeted Cash Flows

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		292 203	331 408	365 875	395 671	380 865	380 865	417 681	442 741	469 306
Service charges		812 299	933 715	1 063 983	1 191 297	1 168 162	1 168 162	1 294 976	1 372 104	1 454 406
Other revenue		114 226	148 838	147 686	95 718	121 480	121 480	76 959	79 360	83 550
Transfers and Subsidies - Operational	1	172 032	186 843	197 257	205 957	207 587	207 587	215 312	228 047	232 891
Transfers and Subsidies - Capital	1	105 269	96 616	70 817	101 549	112 812	112 812	91 584	72 445	86 168
Interest		58 874	81 119	86 667	55 000	68 000	68 000	68 000	68 000	68 000
Dividends		–	–	–	–	–	–	–	–	–
Payments										
Suppliers and employees		(1 277 763)	(1 501 927)	(1 519 736)	(1 753 448)	(1 706 326)	(1 706 326)	(1 873 824)	(1 997 729)	(2 178 797)
Interest		(48 152)	(48 571)	(49 393)	(51 227)	(45 040)	(45 040)	(43 080)	(47 145)	(56 450)
Transfers and Subsidies	1	(14 865)	(16 590)	(16 803)	(16 770)	(16 770)	(16 770)	(17 648)	(18 500)	(19 397)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**214 123**	**211 450**	**346 352**	**223 747**	**290 768**	**290 768**	**229 960**	**199 323**	**139 676**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		3 676	302	16 293	–	–	–	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		(4 980)	(4 980)	(4 980)	30 167	30 112	30 112	8 456	–	–
Insurance Refund - Capital		–	–	–	–	–	–	–	–	–
Interest on Short Term Investment (Greater		–	–	–	–	–	–	–	–	–
Payments										
Capital assets		(183 191)	(172 235)	(188 752)	(258 346)	(269 836)	(269 836)	(242 739)	(294 445)	(308 168)
Retention (Capital)		–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**(184 495)**	**(176 913)**	**(177 438)**	**(228 178)**	**(239 724)**	**(239 724)**	**(234 284)**	**(294 445)**	**(308 168)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		50 000	50 000	65 000	90 000	90 000	90 000	100 000	172 000	172 000
Increase (decrease) in consumer deposits		1 122	3 535	(6 064)	5 200	2 819	2 819	(1 950)	(1 950)	(1 950)
Payments										
Repayment of borrowing		(50 494)	(57 949)	(50 444)	(154 654)	(154 332)	(154 332)	(61 471)	(78 879)	(93 722)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**628**	**(4 414)**	**8 492**	**(59 454)**	**(61 512)**	**(61 512)**	**36 579**	**91 171**	**76 328**
NET INCREASE/ (DECREASE) IN CASH HELD		**30 255**	**30 123**	**177 406**	**(63 885)**	**(10 468)**	**(10 468)**	**32 256**	**(3 951)**	**(92 164)**
Cash/cash equivalents at the year begin:	2	**616 280**	**646 535**	**676 658**	787 000	854 064	854 064	**843 596**	**875 852**	**871 901**
Cash/cash equivalents at the year end:	2	**646 535**	**676 658**	**854 064**	**723 115**	**843 596**	**843 596**	**875 852**	**871 901**	**779 737**

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Cash and investments available											
Cash/cash equivalents at the year end	1	646 535	676 658	854 064	723 115	843 596	843 596	(264 789)	875 852	871 901	779 737
Other current investments > 90 days		–	–	–	–	–	–	–	–	–	–
Non current Investments	1	68 211	31 415	7 315	8 400	8 456	8 456	8 971	–	–	–
Cash and investments available:		**714 746**	**708 073**	**861 379**	**731 515**	**852 052**	**852 052**	**(255 818)**	**875 852**	**871 901**	**779 737**
Application of cash and investments											
Trade payables from Non-exchange transactions: Unspent cond		6 206	5 342	3 012	–	–	–	48 323	–	–	–
Unspent borrowing		–	–	–	–	–	–		–	–	–
Statutory requirements	2	–	14 020	–	4 276	4 276	4 276	–	–	–	–
Other working capital requirements	3	–	–	–	–	–	–	–	–	–	–
Other provisions		13 315	(52 554)	–	56 208	46 677	46 677	–	–	–	–
Long term investments committed	4	68 211	31 415	7 315	8 400	8 456	8 456	8 971	–	–	–
Reserves to be backed by cash/investments	5	3 228	3 228	3 228	3 231	3 229	3 229	3 228	3 230	3 231	3 232
Total Application of cash and investments:		**90 960**	**1 450**	**13 555**	**72 115**	**62 637**	**62 637**	**60 523**	**3 230**	**3 231**	**3 232**
Surplus(shortfall) - Excluding Non-Current Creditors Trf to De		**623 786**	**706 622**	**847 823**	**659 400**	**789 415**	**789 415**	**(316 341)**	**872 621**	**868 670**	**776 505**
Creditors transferred to Debt Relief - Non-Current portion		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Surplus(shortfall) - Including Non-Current Creditors Trf to Del		**623 786**	**706 622**	**847 823**	**659 400**	**789 415**	**789 415**	**(316 341)**	**872 621**	**868 670**	**776 505**

WC032 Overstrand - Table A9 Asset Management

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CAPITAL EXPENDITURE										
Total New Assets	1	132 803	142 268	119 207	148 010	151 640	151 640	100 119	148 823	163 255
Roads Infrastructure		16 799	11 795	2 810	8 500	8 895	8 895	500	1 250	1 250
Storm water Infrastructure		1 113	5 968	11 607	6 200	5 988	5 988	–	2 500	–
Electrical Infrastructure		53 049	45 316	25 558	33 018	22 718	22 718	40 139	22 583	26 134
Water Supply Infrastructure		9 484	16 099	18 594	17 806	18 737	18 737	12 700	19 500	24 500
Sanitation Infrastructure		3 956	8 141	6 492	7 750	8 697	8 697	2 200	17 300	17 300
Solid Waste Infrastructure		1 226	50	1 004	4 940	4 940	4 940	–	6 400	7 000
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	377	–	–	–	–	–	–
Infrastructure		***85 627***	***87 369***	***66 442***	***78 215***	***69 975***	***69 975***	***55 539***	***69 533***	***76 184***
Community Facilities		2 674	797	2 244	1 950	4 574	4 574	10 945	19 040	22 071
Sport and Recreation Facilities		5 068	3 451	5 876	10 072	8 848	8 848	571	–	–
Community Assets		***7 742***	***4 248***	***8 120***	***12 022***	***13 422***	***13 422***	***11 516***	***19 040***	***22 071***
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		2 211	6 567	907	3 750	2 643	2 643	2 405	1 500	–
Housing		26 523	33 678	17 619	24 542	34 952	34 952	7 110	33 540	40 000
Other Assets		***28 734***	***40 245***	***18 526***	***28 292***	***37 595***	***37 595***	***9 515***	***35 040***	***40 000***
Biological or Cultivated Assets		**–**	**–**	**335**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	71	–	–	–	–	–	–	–
Intangible Assets		**–**	***71***	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment		**2 212**	**4 550**	**3 120**	**3 201**	**3 201**	**3 201**	**3 700**	**3 200**	**3 200**
Furniture and Office Equipment		**715**	**408**	**759**	**1 345**	**1 889**	**1 889**	**2 505**	**1 690**	**1 480**
Machinery and Equipment		**729**	**3 588**	**596**	**325**	**473**	**473**	**345**	**320**	**320**
Transport Assets		**7 043**	**1 787**	**21 309**	**24 310**	**24 786**	**24 786**	**17 000**	**20 000**	**20 000**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Mature		–	-	-	300	300	300	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		**-**	**-**	**-**	**300**	**300**	**300**	**-**	**-**	**-**
Total Renewal of Existing Assets	2	17 393	15 235	18 947	46 797	55 153	55 153	86 956	67 300	62 700
Roads Infrastructure		–	–	–	–	–	–	23 764	2 100	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		1 042	1 500	2 492	1 500	1 500	1 500	2 000	2 000	2 500
Water Supply Infrastructure		15 725	12 448	13 990	44 597	53 403	53 403	59 992	61 500	59 500
Sanitation Infrastructure		626	1 287	2 465	700	250	250	700	700	700
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***17 393***	***15 235***	***18 947***	***46 797***	***55 153***	***55 153***	***86 456***	***66 300***	***62 700***
Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		–	–	–	–	–	–	500	1 000	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		**–**	**–**	**–**	**–**	**–**	**–**	***500***	***1 000***	**–**
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Furniture and Office Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Machinery and Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Transport Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	6	39 125	36 015	54 600	63 539	63 042	63 042	55 665	78 322	82 213
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	1 000	1 000	1 000	2 000	5 750	7 000
Electrical Infrastructure		1 600	2 767	15 464	16 300	16 300	16 300	20 100	22 000	20 000
Water Supply Infrastructure		6 928	541	500	500	500	500	800	900	300
Sanitation Infrastructure		28 219	30 351	27 571	18 910	18 413	18 413	14 800	39 230	47 663
Solid Waste Infrastructure		1 859	65	–	–	–	–	2 200	2 500	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***38 606***	***33 725***	***43 535***	***36 710***	***36 213***	***36 213***	***39 900***	***70 380***	***74 963***
Community Facilities		319	–	–	4 000	4 000	4 000	3 750	–	–
Sport and Recreation Facilities		200	2 290	11 065	22 829	22 829	22 829	11 015	7 442	6 250
Community Assets		***519***	***2 290***	***11 065***	***26 829***	***26 829***	***26 829***	***14 765***	***7 442***	***6 250***
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	1 000	500	1 000
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	–	–	–	***1 000***	***500***	***1 000***
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	**189 321**	**193 518**	**192 754**	**258 346**	**269 836**	**269 836**	**242 739**	**294 445**	**308 168**
Roads Infrastructure		16 799	11 795	2 810	8 500	8 895	8 895	24 264	3 350	1 250
Storm water Infrastructure		1 113	5 968	11 607	7 200	6 988	6 988	2 000	8 250	7 000
Electrical Infrastructure		55 692	49 583	43 514	50 818	40 518	40 518	62 239	46 583	48 634
Water Supply Infrastructure		32 137	29 088	33 084	62 903	72 640	72 640	73 492	81 900	84 300
Sanitation Infrastructure		32 801	39 780	36 528	27 360	27 360	27 360	17 700	57 230	65 663
Solid Waste Infrastructure		3 085	115	1 004	4 940	4 940	4 940	2 200	8 900	7 000
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	377	–	–	–	–	–	–
Infrastructure		***141 626***	***136 329***	***128 924***	***161 722***	***161 341***	***161 341***	***181 895***	***206 213***	***213 847***
Community Facilities		2 994	797	2 244	5 950	8 574	8 574	14 695	19 040	22 071
Sport and Recreation Facilities		5 268	5 741	16 941	32 901	31 677	31 677	11 586	7 442	6 250
Community Assets		***8 261***	***6 538***	***19 185***	***38 851***	***40 251***	***40 251***	***26 280***	***26 482***	***28 321***
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		2 211	6 567	907	3 750	2 643	2 643	3 905	3 000	1 000
Housing		26 523	33 678	17 619	24 542	34 952	34 952	7 110	33 540	40 000
Other Assets		***28 734***	***40 245***	***18 526***	***28 292***	***37 595***	***37 595***	***11 015***	***36 540***	***41 000***
Biological or Cultivated Assets		–	–	**335**	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	71	–	–	–	–	–	–	–
Intangible Assets		–	***71***	–	–	–	–	–	–	–
Computer Equipment		**2 212**	**4 550**	**3 120**	**3 201**	**3 201**	**3 201**	**3 700**	**3 200**	**3 200**
Furniture and Office Equipment		**715**	**408**	**759**	**1 345**	**1 889**	**1 889**	**2 505**	**1 690**	**1 480**
Machinery and Equipment		**729**	**3 588**	**596**	**325**	**473**	**473**	**345**	**320**	**320**
Transport Assets		**7 043**	**1 787**	**21 309**	**24 310**	**24 786**	**24 786**	**17 000**	**20 000**	**20 000**
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	300	300	300	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	300	300	300	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		**189 321**	**193 518**	**192 754**	**258 346**	**269 836**	**269 836**	**242 739**	**294 445**	**308 168**
ASSET REGISTER SUMMARY - PPE (WDV)	5	3 944 784	3 996 571	4 043 826	4 157 689	4 146 740	4 146 740	4 214 208	4 324 602	4 439 503
Roads Infrastructure		1 030 337	1 025 787	1 001 574	916 446	916 446	916 446	888 530	837 091	780 812
Storm water Infrastructure		247 788	246 502	251 586	257 028	257 028	257 028	249 683	248 122	244 820
Electrical Infrastructure		533 170	555 186	570 984	540 688	540 688	540 688	573 320	588 817	604 810
Water Supply Infrastructure		512 678	520 541	532 132	611 871	611 871	611 871	658 008	711 186	765 328
Sanitation Infrastructure		468 023	487 367	504 246	507 626	507 626	507 626	501 621	533 960	573 487
Solid Waste Infrastructure		39 649	37 096	34 852	37 547	37 547	37 547	36 240	41 457	44 590
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***2 831 644***	***2 872 478***	***2 895 375***	***2 871 206***	***2 871 206***	***2 871 206***	***2 907 402***	***2 960 632***	***3 013 847***
Community Assets		233 953	229 978	234 346	275 192	275 192	275 192	285 514	295 240	305 966
Heritage Assets		109 625	109 625	109 625	109 625	109 625	109 625	109 625	109 625	109 625
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		151 589	164 436	167 369	168 225	167 658	167 658	167 958	168 258	168 558
Operational Buildings		–	–	–	–	–	–		–	–
Housing		–	–	–	–	–	–		–	–
Other Assets		81 149	81 243	78 407	139 372	128 229	128 229	135 529	168 168	205 072
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–		–	–
Licences and Rights		–	–	–	–	–	–		–	–
Intangible Assets		8 687	8 050	7 585	7 488	7 295	7 295	6 990	6 670	6 334
Computer Equipment		10 578	11 355	13 590	17 806	17 806	17 806	21 506	24 706	27 906
Furniture and Office Equipment		1 682	3 353	2 538	2 627	2 647	2 647	2 477	1 358	(112)
Machinery and Equipment		10 500	10 142	9 524	7 699	7 699	7 699	6 342	4 876	3 320
Transport Assets		99 145	95 012	109 936	146 984	147 984	147 984	159 538	173 818	187 813
Land		405 689	410 484	414 850	410 484	410 484	410 484	410 484	410 484	410 484
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Living Resources		542	415	681	980	913	913	842	767	689
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	3 944 784	3 996 571	4 043 826	4 157 689	4 146 740	4 146 740	4 214 208	4 324 602	4 439 503
EXPENDITURE OTHER ITEMS										
Depreciation	7	148 321	153 790	152 838	167 211	167 211	167 211	175 572	184 350	193 568
Repairs and Maintenance by Asset Class	3	249 505	280 465	269 443	318 818	328 242	328 242	352 543	378 124	440 121
Roads Infrastructure		54 418	74 585	78 823	85 143	82 665	82 665	93 111	109 049	116 410
Storm water Infrastructure		6 157	5 588	9 572	13 746	11 423	11 423	13 615	14 431	15 297
Electrical Infrastructure		35 380	38 864	36 881	49 278	44 748	44 748	51 844	55 986	58 764
Water Supply Infrastructure		20 432	19 038	17 591	20 984	22 295	22 295	24 096	25 500	67 487
Sanitation Infrastructure		12 634	12 280	10 134	12 419	11 133	11 133	11 936	12 652	13 411
Solid Waste Infrastructure		8 650	9 310	6 763	11 483	11 134	11 134	11 842	12 580	13 366
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***137 671***	***159 666***	***159 763***	***193 053***	***183 399***	***183 399***	***206 443***	***230 200***	***284 736***
Community Facilities		40 568	43 765	45 665	48 316	47 486	47 486	52 724	55 820	59 109
Sport and Recreation Facilities		12 919	12 021	13 936	15 437	14 551	14 551	16 005	17 057	18 065
Community Assets		***53 486***	***55 786***	***59 601***	***63 754***	***62 037***	***62 037***	***68 729***	***72 877***	***77 174***
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		16 833	12 818	6 204	18 955	18 739	18 739	23 244	17 915	17 997
Housing		–	–	–	–	–	–	–	–	–
Other Assets		***16 833***	***12 818***	***6 204***	***18 955***	***18 739***	***18 739***	***23 244***	***17 915***	***17 997***
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		6 829	7 777	7 842	10 661	11 811	11 811	11 057	11 648	12 275
Intangible Assets		***6 829***	***7 777***	***7 842***	***10 661***	***11 811***	***11 811***	***11 057***	***11 648***	***12 275***
Computer Equipment		2 157	1 898	1 292	2 546	2 546	2 546	2 546	2 546	2 546
Furniture and Office Equipment		8 206	12 316	996	1 704	1 655	1 655	1 737	1 781	1 858
Machinery and Equipment		4 163	6 749	1 723	5 807	5 797	5 797	6 009	6 415	6 708
Transport Assets		20 160	23 455	32 021	22 339	42 259	42 259	32 777	34 744	36 828
Libraries		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		397 826	434 255	422 281	486 029	495 453	495 453	528 114	562 475	633 689
Renewal and upgrading of Existing Assets as % of total capex		*29.9%*	*26.5%*	*38.2%*	*42.7%*	*43.8%*	*43.8%*	*58.8%*	*49.5%*	*47.0%*
Renewal and upgrading of Existing Assets as % of deprecn		*38.1%*	*33.3%*	*48.1%*	*66.0%*	*70.7%*	*70.7%*	*81.2%*	*79.0%*	*74.9%*
R&M as a % of PPE & Investment Property		*6.3%*	*7.0%*	*6.7%*	*7.6%*	*7.9%*	*7.9%*	*8.3%*	*8.7%*	*9.9%*
Renewal and upgrading and R&M as a % of PPE and Investment Prop		*7.8%*	*8.4%*	*8.5%*	*10.4%*	*10.8%*	*10.8%*	*11.8%*	*12.2%*	*13.2%*

WC032 Overstrand - Table A10 Basic service delivery measurement

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Household service targets	1									
Water:										
Piped water inside dwelling		31 829	32 887	33 753	32 888	32 888	32 888	35 114	35 465	35 820
Piped water inside yard (but not in dwelling)		–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	2	3 536	3 242	3 076	3 076	3 076	3 076	3 229	4 036	4 237
Other water supply (at least min.service level)	4	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		35 365	36 129	36 829	35 964	35 964	35 964	38 343	39 501	40 057
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	**35 365**	**36 129**	**36 829**	**35 964**	**35 964**	**35 964**	**38 343**	**39 501**	**40 057**
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		32 323	33 539	34 685	33 562	33 562	33 562	36 289	36 652	37 019
Flush toilet (with septic tank)		–	–	–	–	–	–	–	–	–
Chemical toilet		–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)		–	–	–	–	–	–	–	–	–
Other toilet provisions (> min.service level)		3 536	3 242	3 076	3 076	3 076	3 076	3 229	4 036	4 237
Minimum Service Level and Above sub-total		35 859	36 781	37 761	36 638	36 638	36 638	39 518	40 688	41 256
Bucket toilet		–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		–	–	–	–	–	–	–	–	–
No toilet provisions		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	**35 859**	**36 781**	**37 761**	**36 638**	**36 638**	**36 638**	**39 518**	**40 688**	**41 256**
Energy:										
Electricity (at least min.service level)		5 502	5 174	5 230	5 116	5 116	5 116	5 002	4 888	4 774
Electricity - prepaid (min.service level)		21 854	22 381	23 683	24 283	24 283	24 283	24 533	24 783	25 033
Minimum Service Level and Above sub-total		27 356	27 555	28 913	29 399	29 399	29 399	29 535	29 671	29 807
Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	**27 356**	**27 555**	**28 913**	**29 399**	**29 399**	**29 399**	**29 535**	**29 671**	**29 807**
Refuse:										
Removed at least once a week		35 601	36 662	37 594	37 532	37 532	37 532	37 780	38 913	40 080
Minimum Service Level and Above sub-total		35 601	36 662	37 594	37 532	37 532	37 532	37 780	38 913	40 080
Removed less frequently than once a week		–	–	–	–	–	–	–	–	–
Using communal refuse dump		–	–	–	–	–	–	–	–	–
Using own refuse dump		–	–	–	–	–	–	–	–	–
Other rubbish disposal		–	–	–	–	–	–	–	–	–
No rubbish disposal		–	–	–	–	–	–	–	–	–

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	**35 601**	**36 662**	**37 594**	**37 532**	**37 532**	**37 532**	**37 780**	**38 913**	**40 080**
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		7 278	7 400	4 800	5 800	7 800	7 800	7 800	7 800	7 800
Sanitation (free minimum level service)		7 400	7 400	4 800	5 800	7 800	7 800	7 800	7 800	7 800
Electricity/other energy (50kwh per household per month)		7 400	7 400	4 800	5 800	7 800	7 800	7 800	7 800	7 800
Refuse (removed at least once a week)		7 400	7 400	4 800	5 800	7 800	7 800	7 800	7 800	7 800
Informal Settlements		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per **indigent** household per month)		3 214	5 224	3 432	3 638	6 412	6 412	7 535	7 987	8 466
Sanitation (free sanitation service to **indigent households**)		6 729	9 814	7 330	7 770	11 277	11 277	13 255	14 050	14 893
Electricity/other energy (50kwh per **indigent** household per month)		7 509	7 509	8 077	8 562	13 107	13 107	16 196	17 492	18 891
Refuse (removed once a week **for indigent households**)		6 729	9 814	7 330	7 770	22 427	22 427	26 364	27 946	29 623
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	–	–	–	–	–	–	–
Total cost of FBS provided		**24 182**	**32 361**	**26 170**	**27 740**	**53 222**	**53 222**	**63 350**	**67 475**	**71 873**
Highest level of free service provided per household										
Property rates (R value threshold)		–	–	300 000	350 000	350 000	350 000	350 000	350 000	350 000
Water (kilolitres per household per month)		6	10	10	10	10	10	10	10	10
Sanitation (kilolitres per household per month)		4	7	7	7	7	7	7	7	7
Sanitation (Rand per household per month)		138	148	155	170	170	170	178	189	200
Electricity (kwh per household per month)		50	50	70	70	70	70	70	70	70
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**		–	–	–	–	–	–	–	–	–
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		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
REVENUE ITEMS:										
Exchange revenue										
Service charges - Electricity	6									
Appliance Maintenance		–	–	–	–	–	–	–	–	–
Availability Charges		11 754	12 749	14 423	15 469	15 469	15 469	14 436	15 302	16 220
Connection/Reconnection		2 145	2 279	3 429	2 500	2 500	2 500	3 370	3 043	3 225
Electricity Distribution Revenue for Services		1 247	1 566	747	402	402	402	414	414	414
Electricity Sales		480 853	590 751	661 986	727 169	699 764	699 764	804 682	852 959	904 138
Joint Pole Usage		–	–	–	–	–	–	–	–	–
Meter Compliance Testing		–	–	–	–	–	–	–	–	–
Meter Reading Fees		–	–	–	–	–	–	–	–	–
Notice Revenues		–	–	–	–	–	–	–	–	–
Temporary Service Plant		–	–	–	–	–	–	–	–	–
Total Service charges - Electricity		**495 999**	**607 344**	**680 585**	**745 540**	**718 135**	**718 135**	**822 903**	**871 718**	**923 997**
per indigent household per month)		–	–	–	–	–	–	–	–	–
Less Cost of Free Basis Services (50 kwh per		–	–	–	–	–	–	–	–	–
Net Service charges - Electricity		**495 999**	**607 344**	**680 585**	**745 540**	**718 135**	**718 135**	**822 903**	**871 718**	**923 997**
Service charges - Water	6									
Agricultural and Rural Water Service		–	–	–	–	–	–	–	–	–
Availability Charges		6 586	6 607	6 713	7 794	7 794	7 794	7 180	7 611	8 067
Connection/Disconnection		2 082	2 090	1 177	1 015	1 015	1 015	1 037	1 086	1 151
Industrial Water		283	676	4 581	4 300	4 300	4 300	4 047	4 290	4 547
Meter Reading Fees		–	–	–	–	–	–	–	–	–
Sale		149 119	170 563	187 869	196 000	195 694	195 694	213 687	226 508	240 098
Urban Higher Level Service		–	–	–	–	–	–	–	–	–
Total Service charges - Water		**158 070**	**179 935**	**200 340**	**209 109**	**208 803**	**208 803**	**225 950**	**239 494**	**253 864**
per indigent household per month)		–	–	–	–	–	–	–	–	–
Less Cost of Free Basis Services (6 kilolitres per		–	–	–	–	–	–	–	–	–
Net Service charges - Water		**158 070**	**179 935**	**200 340**	**209 109**	**208 803**	**208 803**	**225 950**	**239 494**	**253 864**
Service charges - Waste Water Management	6									
Agricultural and Rural		–	–	–	–	–	–	–	–	–
Availability Charges		5 714	5 723	5 422	69 162	6 000	6 000	5 709	6 052	6 415
Connection/Reconnection		–	–	1	0	0	0	–	–	–
Higher Level Service		–	–	–	–	–	–	–	–	–
Industrial Effluent		–	–	–	–	–	–	–	–	–
Industrial Waste Water		–	–	–	–	–	–	–	–	–
Pump/Removal of Waste Water		–	–	–	–	–	–	–	–	–
Sanitation Charges		94 941	108 231	121 627	60 371	120 779	120 779	128 612	136 329	144 508
Treatment of Effluent		–	–	–	–	–	–	–	–	–
Total Service charges - Waste Water Manager		**100 655**	**113 954**	**127 050**	**129 533**	**126 779**	**126 779**	**134 321**	**142 381**	**150 923**
Less Revenue Foregone (in excess of free sanitation service to indigent households)		–	–	–	–	–	–	–	–	–
Less Cost of Free Basis Services (free sanitation		–	–	–	–	–	–	–	–	–
Net Service charges - Waste Water Management		**100 655**	**113 954**	**127 050**	**129 533**	**126 779**	**126 779**	**134 321**	**142 381**	**150 923**
Service charges - Waste Management	6									
Availability Charges		5 158	5 279	5 567	5 729	5 729	5 729	5 996	6 356	6 737
Carrier Bags		–	–	–	–	–	–	–	–	–
Disposal Facilities		–	–	–	–	–	–	–	–	–
Refuse Bags		–	–	–	–	–	–	–	–	–
Refuse Removal		80 765	92 295	102 786	109 715	109 715	109 715	115 975	122 933	130 309
Skip		–	–	–	–	–	–	–	–	–
Waste Bins		–	–	–	–	–	–	–	–	–
Total refuse removal revenue		**85 923**	**97 574**	**108 353**	**115 444**	**115 444**	**115 444**	**121 971**	**129 289**	**137 046**
Less Revenue Foregone (in excess of one		–	–	–	–	–	–	–	–	–
Less Cost of Free Basis Services (removed		–	–	–	–	–	–	–	–	–
Net Service charges - Waste Management		**85 923**	**97 574**	**108 353**	**115 444**	**115 444**	**115 444**	**121 971**	**129 289**	**137 046**
Sales of Goods and Rendering of Services										
Academic Services		154	126	159	100	100	100	154	164	173
Advertisements		466	476	582	415	415	415	685	726	769
Amendment Fees		–	–	–	–	–	–	–	–	–
Application Fees for Land Usage		1 041	1 264	1 509	900	900	900	1 543	1 635	1 733
Building Plan Approval		10 724	10 303	9 920	9 000	9 000	9 000	9 355	9 916	10 511
Building Plan Clause Levy		–	–	–	–	–	–	–	–	–
Buyers Card		–	–	–	–	–	–	–	–	–
Camping Fees		7 907	8 408	10 121	8 300	8 300	8 300	13 336	14 136	14 984
Cemetery and Burial		330	375	374	260	260	260	461	489	518
Cleaning and Removal		138	232	53	20	20	20	104	110	116
Clearance Certificates		674	601	632	610	610	610	665	705	747
Computer Services		–	–	–	–	–	–	–	–	–
Day Care Fees		(1)	–	–	–	–	–	–	–	–

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Demolition Application Fees		55 457	104 289	79 443	42 790	52 107	52 107	–	–	–
Development Charges		–	–	–	–	–	–	–	–	–
Domestic Services		–	–	–	–	–	–	–	–	–
Drainage Fees		–	–	–	–	–	–	–	–	–
Encroachment Fees		–	–	–	–	–	–	–	–	–
Entrance Fees		85	97	128	121	121	121	198	210	223
Escort Fees		–	–	–	–	–	–	–	–	–
Exempted Parking		–	1 737	273	–	–	–	336	356	377
Fire Services		239	1 742	270	100	100	100	158	167	177
Health Services		–	–	–	–	–	–	–	–	–
Housing (Boarding Services)		–	–	–	0	0	0	–	–	–
Immunisation Fees		–	–	–	–	–	–	–	–	–
Laboratory Services		–	–	–	–	–	–	–	–	–
Legal Fees		234	323	861	450	795	795	1 286	1 363	1 444
Library Fees		1	2	3	2	2	2	5	6	6
Management Fees		814	736	626	412	412	412	252	267	283
Meal and Refreshment		–	–	–	–	–	–	–	–	–
Membership Fees		–	–	–	–	–	–	–	–	–
Objections and Appeals		3	5	5	0	0	0	3	3	3
Occupation Certificates		–	–	–	–	–	–	–	–	–
Parking Fees		118	144	139	85	85	85	150	159	168
Photo copies, Faxes and Telephone charges		48	52	40	17	17	17	82	87	92
Removal of Restrictions		–	–	–	–	–	–	–	–	–
Sale of Carbon Credits		–	–	–	–	–	–	–	–	–
Sale of Goods		66	88	64	57	57	57	135	143	152
Scrap, Waste & Other Goods		1 858	–	1 330	10	10	10	–	–	–
Shared Services		–	–	–	–	–	–	–	–	–
Squatter Re-allocation		–	–	–	–	–	–	–	–	–
Stone and Gravel		–	–	–	–	–	–	–	–	–
Streets/Street Markets (Informal Traders)		–	–	–	–	–	–	–	–	–
Town Planning and Servitudes		90	94	247	75	75	75	108	115	122
Traffic Control		–	–	–	–	–	–	–	–	–
Transport Fees		–	1	–	0	0	0	–	–	–
Valuation Services		–	–	–	–	–	–	–	–	–
Water Meter Protectors		–	–	–	–	–	–	–	–	–
Weighbridge Fees		–	–	–	–	–	–	–	–	–
Total Sales of Goods and Rendering of Services		**80 448**	**131 093**	**106 778**	**63 725**	**73 387**	**73 387**	**29 014**	**30 755**	**32 600**
Agency Services										
District Municipalities										
Eastern Cape		–	–	–	–	–	–	–	–	–
Free State		–	–	–	–	–	–	–	–	–
Gauteng		–	–	–	–	–	–	–	–	–
KwazuluNatal		–	–	–	–	–	–	–	–	–
Limpopo		–	–	–	–	–	–	–	–	–
Mpumalanga		–	–	–	–	–	–	–	–	–
Northern Cape		–	–	–	–	–	–	–	–	–
Northwest		–	–	–	–	–	–	–	–	–
Western Cape		–	–	–	–	–	–	–	–	–
Total District Municipalities		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
National										
AARTO		–	–	–	–	–	–	–	–	–
Department of Environmental Affairs		–	–	–	–	–	–	–	–	–
Total National		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Provincial										
Eastern Cape		–	–	–	–	–	–	–	–	–
Free State		–	–	–	–	–	–	–	–	–
Gauteng		–	–	–	–	–	–	–	–	–
KwazuluNatal		–	–	–	–	–	–	–	–	–
Limpopo		–	–	–	–	–	–	–	–	–
Mpumalanga		–	–	–	–	–	–	–	–	–
Northern Cape		–	–	–	–	–	–	–	–	–
Northwest		–	–	–	–	–	–	–	–	–
Western Cape		7 140	6 599	6 846	7 500	7 500	7 500	7 819	8 288	8 785
Total Provincial		**7 140**	**6 599**	**6 846**	**7 500**	**7 500**	**7 500**	**7 819**	**8 288**	**8 785**
Total Agency Services		**7 140**	**6 599**	**6 846**	**7 500**	**7 500**	**7 500**	**7 819**	**8 288**	**8 785**
Interest - Deemed Interest		33	215	507	0	0	0	–	–	–
Interest earned from Receivables										
Affiliates/Related Parties/Associated Companies										
Electricity		5 796	10 299	11 703	12 500	12 500	12 500	12 500	13 250	14 045
Housing		–	–	–	–	–	–	–	–	–
Housing Land Sales		–	–	–	–	–	–	–	–	–
Housing Selling Schemes		–	–	–	–	–	–	–	–	–
Merchandising, Jobbing and Contracts		–	–	–	–	–	–	–	–	–

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Property Rental Debtors		–	–	–	0	0	0	–	–	–
SARS		–	–	–	–	–	–	–	–	–
Service Charges		–	–	–	–	–	–	–	–	–
Sporting and Other Bodies		–	–	–	0	0	0	–	–	–
Staff		–	–	–	–	–	–	–	–	–
Waste Management		–	–	–	–	–	–	–	–	–
Waste Water Management		–	–	–	–	–	–	–	–	–
Water		–	–	–	–	–	–	–	–	–
Shared Services		–	–	–	–	–	–	–	–	–
Total Interest earned from Receivables		**5 796**	**10 299**	**11 703**	**12 500**	**12 500**	**12 500**	**12 500**	**13 250**	**14 045**
Interest earned from Current and Non Current As										
Bank Accounts		15 215	25 410	25 176	22 000	25 500	25 500	26 000	26 000	26 000
Financial Assets		–	–	–	–	–	–	–	–	–
Short Term Investments and Call Accounts		36 536	43 008	47 984	33 000	42 500	42 500	42 000	42 000	42 000
Total Interest earned from Current and Non Curre		**51 751**	**68 418**	**73 160**	**55 000**	**68 000**	**68 000**	**68 000**	**68 000**	**68 000**
Dividends										
External Investment		–	–	–	–	–	–	–	–	–
Municipal Entities		–	–	–	–	–	–	–	–	–
Total Dividends		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Rent on Land										
Land		1 401	2 704	855	452	452	452	1 243	1 318	1 397
Prospecting, Mining, Royalties		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Total Rent on Land		**1 401**	**2 704**	**855**	**452**	**452**	**452**	**1 243**	**1 318**	**1 397**
Rental from Fixed Assets										
Market Related										
Biological Assets		–	–	–	–	–	–	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Investment Property		1	26	44	27	27	27	47	50	53
Property Plant and Equipment		324	365	1 121	1 066	1 066	1 066	1 247	1 322	1 401
Total Market Related		**326**	**391**	**1 165**	**1 093**	**1 093**	**1 093**	**1 294**	**1 372**	**1 454**
Non-market Related										
Biological Assets		–	–	–	–	–	–	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Investment Property		4 324	4 466	313	320	320	320	320	339	360
Property Plant and Equipment		696	713	6 768	6 130	6 130	6 130	7 755	8 221	8 714
Total Non-market Related		**5 021**	**5 179**	**7 081**	**6 450**	**6 450**	**6 450**	**8 075**	**8 560**	**9 073**
Total Rental from Fixed Assets		**5 346**	**5 570**	**8 246**	**7 544**	**7 544**	**7 544**	**9 370**	**9 932**	**10 528**
Licences or Permits										
Angling/Fishing		–	–	–	–	–	–	–	–	–
Atmospheric Emissions		–	–	–	–	–	–	–	–	–
Boat		506	555	622	500	500	500	746	791	839
Dog		–	–	–	–	–	–	–	–	–
Fauna and Flora		–	–	–	–	–	–	–	–	–
Filming Fees		176	140	127	50	50	50	331	351	372
Game		–	–	–	–	–	–	–	–	–
Health Certificates		–	–	–	–	–	–	–	–	–
Hiking Trails		–	–	–	–	–	–	–	–	–
Hoarding (Collecting/Storing)		–	–	–	–	–	–	–	–	–
Market Porters		–	–	–	–	–	–	–	–	–
Road and Transport		188	186	235	150	150	150	306	325	344
Threatened and Protected Species		–	–	–	–	–	–	–	–	–
Trading		272	42	131	80	80	80	97	103	110
Total Licences or Permits		**1 143**	**923**	**1 116**	**780**	**780**	**780**	**1 481**	**1 570**	**1 664**
Special Rating Levies										
Agricultural Properties		–	–	–	–	–	–	–	–	–
Business and Commercial Properties		–	–	–	–	–	–	–	–	–
Industrial Properties		–	–	–	–	–	–	–	–	–
Mining Properties		–	–	–	–	–	–	–	–	–
Public Benefit Organisations		–	–	–	–	–	–	–	–	–
Public Service Infrastructure Properties		–	–	–	–	–	–	–	–	–
Public Service Purposes Properties		–	–	–	–	–	–	–	–	–
Residential Properties		–	–	–	15 420	15 420	15 420	16 193	17 165	18 195
Residential Sectional Title Garages		–	–	–	–	–	–	–	–	–
Sport Clubs and Fields		–	–	–	–	–	–	–	–	–
Vacant Land		–	–	–	–	–	–	–	–	–
Total Special Rating Levies		**-**	**-**	**-**	**15 420**	**15 420**	**15 420**	**16 193**	**17 165**	**18 195**
Construction Contract Revenue		–	–	–	–	–	–	1 847	–	–
Development Charges		–	–	–	–	–	–	3 599	3 815	4 044
Operational Revenue										
Administrative Handling Fees		3 096	4 927	6 318	517	517	517	6 014	6 374	6 757
Arbor City Awards Competition		400	–	–	–	–	–	–	–	–
Bad Debts Recovered		–	–	–	–	–	–	–	–	–

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Bontle Ke Botho Cleaning and Greening Award		3 113	2 731	5 162	2 450	2 450	2 450	–	–	–
Breakages and Losses Recovered		–	–	–	0	0	0	–	–	–
Bursary Repayment		–	–	–	–	–	–	–	–	–
Collection Charges		678	846	724	600	600	600	689	731	774
Commission		–	–	–	–	–	–	–	–	–
Discounts and Early Settlements		356	86	343	15	15	15	–	–	–
Incidental Cash Surpluses		(15)	30	19	10	10	10	13	14	15
Inspection Fees		–	–	–	–	–	–	–	–	–
Insurance Refund		1 633	547	1 892	25	92	92	152	161	171
Merchandising, Jobbing and Contracts		–	–	–	–	–	–	–	–	–
Recovery Maintenance		–	3	–	–	–	–	–	–	–
Registration Fees		730	758	896	880	880	880	979	1 038	1 100
Request for Information		65	36	42	40	40	40	31	33	34
Sale of Property		–	–	–	–	–	–	–	–	–
Skills Development Levy Refund		790	1 015	809	1 002	1 002	1 002	900	954	1 011
Staff and Councillors Recoveries		142	111	27	15	15	15	34	36	38
Total Operational Revenue		**10 988**	**11 090**	**16 233**	**5 554**	**5 620**	**5 620**	**8 812**	**9 341**	**9 901**
Non-Exchange revenue										
Property Rates										
Agricultural Properties		–	1 008	1 181	1 320	1 320	1 320	1 311	1 389	1 472
Business and Commercial Properties		–	45 331	49 483	54 138	54 138	54 138	53 499	56 709	60 111
Industrial Properties		–	–	–	–	–	–	–	–	–
Mining Properties		–	–	–	–	–	–	–	–	–
Public Benefit Organisations		–	–	–	–	–	–	–	–	–
Public Service Infrastructure Properties		–	–	–	–	–	–	–	–	–
Public Service Purposes Properties		–	4 136	4 624	5 000	5 000	5 000	5 777	6 124	6 491
Residential Properties		297 101	265 800	288 164	298 519	298 519	298 519	318 293	337 391	357 634
Residential Sectional Title Garages		–	–	–	–	–	–	–	–	–
Sport Clubs and Fields		–	–	–	–	–	–	–	–	–
Vacant Land		–	22 949	23 657	25 000	25 000	25 000	26 668	28 268	29 965
Total Property Rates		**297 101**	**339 224**	**367 109**	**383 977**	**383 977**	**383 977**	**405 548**	**429 881**	**455 674**
Less Revenue Foregone (exemptions, reductions and rebates and impermissable		–	–	–	–	–	–	–	–	–
Net Property Rates		**297 101**	**339 224**	**367 109**	**383 977**	**383 977**	**383 977**	**405 548**	**429 881**	**455 674**
Surcharges and Taxes										
Surcharges		–	–	–	–	–	–	–	–	–
Taxes		–	–	–	–	–	–	–	–	–
Total Surcharges and Taxes		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Fines, Penalties and Forfeits										
Fines		56 494	(25 933)	12 315	52 536	41 656	41 656	42 861	43 032	43 214
Forfeits		1 545	2 963	27	1	688	688	–	–	–
Penalties		4	–	–	0	0	0	–	–	–
Total Fines, Penalties and Forfeits		**58 043**	**(22 970)**	**12 341**	**52 537**	**42 344**	**42 344**	**42 861**	**43 032**	**43 214**
Licences or Permits										
Angling/Fishing		–	–	–	–	–	–	–	–	–
Atmospheric Emission		–	–	–	–	–	–	–	–	–
Boat		–	–	–	–	–	–	–	–	–
Dog		–	–	–	–	–	–	–	–	–
Fauna and Flora		–	–	–	–	–	–	–	–	–
Filming Fees		–	–	–	–	–	–	–	–	–
Game		–	–	–	–	–	–	–	–	–
Health Certificates		–	–	–	–	–	–	–	–	–
Hiking Trails		–	–	–	–	–	–	–	–	–
Hoarding (Collecting/Storing)		–	–	–	–	–	–	–	–	–
Market Porters		–	–	–	–	–	–	–	–	–
Road and Transport		1 834	2 008	1 858	2 000	2 000	2 000	2 186	2 317	2 456
Threatened and Protected Species		–	–	–	–	–	–	–	–	–
Trading		–	–	–	–	–	–	–	–	–
Total Licences or Permits		**1 834**	**2 008**	**1 858**	**2 000**	**2 000**	**2 000**	**2 186**	**2 317**	**2 456**
Transfer and subsidies - Operational										
Allocations In-kind										
Departmental Agencies and Accounts		33	5	–	–	–	–	–	–	–
District Municipalities		–	–	–	–	–	–	–	–	–
Foreign Government and International Organis		–	–	–	–	–	–	–	–	–
Higher Educational Institutions		–	–	–	–	–	–	–	–	–
Households		–	–	–	–	–	–	–	–	–
National Government		–	–	–	–	–	–	–	–	–
Non-Profit Institutions		–	–	–	–	–	–	–	–	–
Parent Municipality		–	–	–	–	–	–	–	–	–
Private Enterprises		–	9	–	–	–	–	–	–	–
Provincial Government		–	–	–	–	–	–	–	–	–
Public Corporations		–	–	–	–	–	–	–	–	–
Total Allocations In-kind		**33**	**14**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Monetary Allocations										
Departmental Agencies and Accounts		–	–	398	2 600	2 600	2 600	3 722	–	–
District Municipalities		35	–	–	–	–	–	–	–	–
Foreign Government and International Organis		–	–	456	375	1 405	1 405	212	–	–
Higher Educational Institutions		–	–	–	–	–	–	–	–	–
Households		–	–	–	–	–	–	–	–	–
National Governments		11 665	11 261	3 938	4 598	4 598	4 598	4 162	2 300	2 400
National Revenue Fund		141 896	157 935	168 794	179 268	179 268	179 268	188 321	197 595	201 973
Non-Profit Institutions		–	–	–	–	–	–	–	–	–
Parent Municipality		–	–	–	–	–	–	–	–	–
Private Enterprises		–	–	–	–	–	–	–	–	–
Provincial Government		18 535	22 150	25 431	19 116	19 716	19 716	18 895	28 152	28 518
Public Corporations		–	–	–	–	–	–	–	–	–
Total Monetary Allocations		**172 130**	**191 345**	**199 017**	**205 957**	**207 587**	**207 587**	**215 312**	**228 047**	**232 891**
Total Transfer and subsidies - Operational		**172 163**	**191 359**	**199 017**	**205 957**	**207 587**	**207 587**	**215 312**	**228 047**	**232 891**
Interest Receivables										
Property Rates		1 294	2 186	2 027	2 300	2 300	2 300	2 300	2 438	2 584
Service Charges										
Electricity		–	–	–	–	–	–	–	–	–
Waste Management		–	–	–	–	–	–	–	–	–
Waste Water Management		–	–	–	–	–	–	–	–	–
Water		–	–	–	–	–	–	–	–	–
Total Service Charges		-	-	-	-	-	-	-	-	-
Total Interest Receivables		**1 294**	**2 186**	**2 027**	**2 300**	**2 300**	**2 300**	**2 300**	**2 438**	**2 584**
Fuel Levy (RSC Replacement Grant)		–	–	–	–	–	–	–	–	–
Operational Revenue - Service Charges										
Electricity - Availability Charges		–	–	–	–	–	–	–	–	–
Waste Management - Availability Charges		–	–	–	–	–	–	–	–	–
Waste Water Management - Availability Charges		–	–	–	–	–	–	–	–	–
Water - Availability Charges		–	–	–	–	–	–	–	–	–
Total Operational Revenue - Service Charges		-	-	-	-	-	-	-	-	-
Gains on Disposal of Fixed and Intangible Assets										
Biological Assets		–	–	–	–	–	–	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Investment Property		–	–	–	–	–	–	–	–	–
Living resources		–	–	–	–	–	–	–	–	–
Property, Plant and Equipment		904	–	13 632	–	–	–	–	–	–
Total Disposal of Fixed and Intangible Assets		**904**	**-**	**13 632**	**-**	**-**	**-**	**-**	**-**	**-**
Other Gains										
Debt waived		–	–	–	–	–	–	–	–	–
Discontinued Operations and Disposals of No		–	–	–	–	–	–	–	–	–
Inventory										
Fair value assessment - Water stock		–	–	–	–	–	–	–	–	–
Increase to net-realisable Value		–	–	–	–	–	–	–	–	–
Total Inventory		-	-	-	-	-	-	-	-	-
Fair Value Adjustment										
Actuarial Assessments										
Leave Gratuity		–	–	–	–	–	–	–	–	–
Long Service Awards		–	–	–	–	–	–	–	–	–
Medical		–	–	–	–	–	–	–	–	–
Pension Funds		–	–	–	–	–	–	–	–	–
Total Actuarial Assessments		-	-	-	-	-	-	-	-	-
Biological Assets		–	–	–	–	–	–	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Interest rate Swaps		–	–	–	–	–	–	–	–	–
Investment Property		11 560	12 825	9 929	289	289	289	300	300	300
Investments		2 719	3 854	6 192	2 711	2 711	2 711	–	–	–
Living resources		–	–	–	–	–	–	–	–	–
Total Fair Value Adjustment		**14 279**	**16 679**	**16 121**	**3 000**	**3 000**	**3 000**	**300**	**300**	**300**
Foreign Exchange		–	–	–	–	–	–	–	–	–
Contributions to Provisions for landfill sites		–	–	–	–	–	–	–	–	–
Total Other Gains		**14 279**	**16 679**	**16 121**	**3 000**	**3 000**	**3 000**	**300**	**300**	**300**
Discontinued Operations										
Total Revenue		**1 550 312**	**1 764 206**	**1 953 878**	**2 017 871**	**2 001 572**	**2 001 572**	**2 133 528**	**2 252 329**	**2 372 107**
EXPENDITURE ITEMS:										
Employee related costs										
Salaries and Allowances										
Basic Salary	2	295 585	322 291	326 981	394 749	366 345	366 345	431 595	454 101	480 079
Bonuses		1 018	1 267	(243)	777	817	817	841	877	921
Allowance										
Accommodation, Travel and Incidental		–	–	–	–	–	–	–	–	–

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Cellular and Telephone		2 155	2 492	2 282	2 647	2 338	2 338	2 439	2 583	2 736
Housing Benefits		8 104	9 134	9 996	11 247	9 940	9 940	10 799	11 447	12 133
Non-pensionable		207	202	31	51	15	15	54	57	61
Travel or Motor Vehicle		7 976	7 726	7 411	8 438	7 540	7 540	7 652	8 111	8 598
Voluntary Work		–	–	–	–	–	–	–	–	–
Total Allowance		**18 443**	**19 554**	**19 720**	**22 382**	**19 833**	**19 833**	**20 945**	**22 199**	**23 528**
Service Related Benefits										
Acting		1 781	1 334	1 422	1 101	2 095	2 095	2 425	2 571	2 725
Bonus		20 905	22 202	22 625	25 197	24 201	24 201	25 559	27 060	28 654
Danger Allowance		–	–	–	–	–	–	–	–	–
Entertainment		–	–	–	–	–	–	–	–	–
Fire Brigade		–	–	–	–	–	–	–	–	–
In-kind Benefits		–	–	–	–	–	–	–	–	–
Leave Pay		–	–	–	–	–	–	–	–	–
Lifeguard/Duty Squads		–	–	–	–	–	–	–	–	–
Long Service Award		3 283	4 010	4 358	4 831	4 298	4 298	4 638	2 873	3 017
Overtime		42 829	43 751	42 008	42 318	53 145	53 145	53 191	56 382	59 765
Scarcity		3 796	4 103	3 900	4 295	3 973	3 973	4 691	4 973	5 271
Standby Allowance		17 650	17 536	17 374	16 972	18 982	18 982	19 006	20 146	21 355
Tools Allowance		–	–	–	–	–	–	–	–	–
Uniform-Special-Protective Clothing		–	–	–	–	–	–	–	–	–
Leave gratuity		2 875	1 665	3 539	2 123	3 440	3 440	3 648	3 857	4 050
Long Term Service Award		–	–	–	–	–	–	–	–	–
Total Service Related Benefits		**93 119**	**94 601**	**95 226**	**96 837**	**110 133**	**110 133**	**113 158**	**117 861**	**124 836**
Total Salaries and Allowances		**408 165**	**437 713**	**441 685**	**514 746**	**497 129**	**497 129**	**566 539**	**595 038**	**629 363**
Social Contributions										
Bargaining Council		171	214	167	174	175	175	202	213	226
Group Life Insurance		5 006	5 332	5 389	5 908	5 872	5 872	6 285	6 657	7 052
Medical		15 638	16 959	18 091	19 278	18 455	18 455	20 818	22 041	23 339
Pension		45 272	48 052	49 020	54 276	51 979	51 979	57 751	61 169	64 796
Unemployment Insurance		2 483	2 620	2 548	2 740	2 696	2 696	2 998	3 146	3 326
Total Social Contributions		**68 570**	**73 178**	**75 215**	**82 376**	**79 178**	**79 178**	**88 053**	**93 226**	**98 740**
Post-retirement Benefit										
Medical		4 204	12 116	14 482	21 718	18 607	18 607	20 258	14 234	14 945
Other Benefits		–	–	–	–	–	–	–	–	–
Pension		–	–	–	–	–	–	–	–	–
Total Post-retirement Benefit	4	**4 204**	**12 116**	**14 482**	**21 718**	**18 607**	**18 607**	**20 258**	**14 234**	**14 945**
Sub-Total		**480 939**	**523 007**	**531 381**	**618 840**	**594 914**	**594 914**	**674 850**	**702 498**	**743 048**
Less: Employees costs capitalised to PPE		–	–	–	–	–	–	–	–	–
Total Employee Related Cost	1,5	**480 939**	**523 007**	**531 381**	**618 840**	**594 914**	**594 914**	**674 850**	**702 498**	**743 048**
Remuneration of Councillors										
Allowances and Service Related Benefits										
Basic Salary		10 979	12 250	12 063	12 742	13 080	13 080	14 084	15 211	15 971
Cell phone Allowance		1 336	1 269	1 268	1 269	1 269	1 269	1 316	1 269	1 269
Housing Allowance		–	–	–	–	–	–	–	–	–
In-kind Benefits		–	–	–	–	–	–	–	–	–
Market Related Non-pensionable Allowance		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		–	–	–	–	–	–	–	–	–
Office-bearer Allowance		–	–	–	–	–	–	–	–	–
Out of pocket Expenses		–	–	–	–	–	–	–	–	–
Travelling Allowance		–	–	–	–	–	–	–	–	–
Use of Personal Facilities		–	–	–	–	–	–	–	–	–
Total Allowances and Service Related Benefits		**12 315**	**13 519**	**13 332**	**14 012**	**14 349**	**14 349**	**15 400**	**16 480**	**17 240**
Social Contributions										
Medial Aid Benefits		–	–	–	–	–	–	–	–	–
Pension Fund Contributions		–	–	–	–	–	–	–	–	–
Total Social Contributions		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Remuneration of Councillors	1,5	**12 315**	**13 519**	**13 332**	**14 012**	**14 349**	**14 349**	**15 400**	**16 480**	**17 240**
Bulk Purchases - Electricity										
ESKOM		346 243	443 959	480 935	556 089	551 089	551 089	600 742	653 788	706 091
Independent Power Producers										
Green Electricity										
Green Charges		–	–	–	–	–	–	–	–	–
Green Rights and Certificates		–	–	–	–	–	–	–	–	–
Total Green Electricity		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Renewable, Cogen, etc		–	–	–	–	–	–	–	–	–
Total Independent Power Producers		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Self Generation		175	265	612	71	2 101	2 101	2 290	2 492	2 692
Capitalisation Electricity Costs (Credit Account		–	–	–	–	–	–	–	–	–
Total Bulk Purchases - Electricity	1	**346 418**	**444 223**	**481 547**	**556 160**	**553 190**	**553 190**	**603 032**	**656 280**	**708 782**
Inventory Consumed										
Agricultural		–	–	–	–	–	–	–	–	–
Consumables		32 067	28 709	25 608	42 228	40 798	40 798	41 593	44 032	46 652

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Finished Goods		159	(54)	(61)	322	37	37	322	322	323
Housing Stock		44	343	46	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Materials and Supplies		25 950	30 857	25 946	33 619	33 057	33 057	36 987	39 615	41 320
Water		–	–	–	–	–	–	–	–	40 500
Sub-total		**58 220**	**59 855**	**51 539**	**76 168**	**73 892**	**73 892**	**78 902**	**83 969**	**128 795**
Less: Capitalisation of inventory consumed		–	–	–	–	–	–	–	–	–
Total Inventory Consumed	1	**58 220**	**59 855**	**51 539**	**76 168**	**73 892**	**73 892**	**78 902**	**83 969**	**128 795**
Debt Impairment										
Trade and Other Receivables from Exchange T										
Electricity		2 816	6 489	4 231	7 198	0	0	4 098	4 098	4 098
Shared Services		–	–	–	–	–	–	–	–	–
Waste Management		1 394	2 278	1 284	3 564	0	0	1 247	1 247	1 247
Waste Water Management		1 507	2 786	(297)	3 853	0	0	1 356	1 356	1 356
Water		1 809	5 477	1 921	4 623	0	0	2 271	2 271	2 271
Non Specific Accounts		(107)	1 909	1 464	228	0	0	228	228	228
Total Trade and Other Receivables from Excha		**7 419**	**18 939**	**8 603**	**19 466**	**1**	**1**	**9 199**	**9 199**	**9 199**
Other Receivables from Non-exchange Revenu										
Property Rates										
Property Rates General		–	–	–	–	–	–	–	–	–
Agricultural Properties		–	–	–	–	–	–	–	–	–
Business and Commercial Properties		2 654	3 283	407	6 784	0	0	4 395	4 395	4 395
Industrial Properties		–	–	–	–	–	–	–	–	–
Mining Properties		–	–	–	–	–	–	–	–	–
Public Benefit Organisations		–	–	–	–	–	–	–	–	–
Public Service Infrastructure Properties		–	–	–	–	–	–	–	–	–
Public Service Purposes Properties		–	–	–	–	–	–	–	–	–
Residential Properties		–	–	–	–	–	–	–	–	–
Residential Sectional Title Garages		–	–	–	–	–	–	–	–	–
Sport Clubs and Fields		–	–	–	–	–	–	–	–	–
Vacant Land		–	–	–	–	–	–	–	–	–
Total Property Rates		**2 654**	**3 283**	**407**	**6 784**	**0**	**0**	**4 395**	**4 395**	**4 395**
Service Charges										
Service Charges General		–	–	–	–	–	–	–	–	–
Electricity		–	–	–	–	–	–	–	–	–
Waste Management		–	–	–	–	–	–	–	–	–
Waste Water Management		–	–	–	–	–	–	–	–	–
Water		–	–	–	–	–	–	–	–	–
Total Service Charges		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Non Specific Accounts		42 027	(34 363)	3 687	44 520	25 000	25 000	25 000	25 000	25 000
Total Other Receivables from Non-exchange R		**44 681**	**(31 080)**	**4 095**	**51 304**	**25 000**	**25 000**	**29 395**	**29 395**	**29 395**
Total Debt Impairment	1	**52 100**	**(12 141)**	**12 698**	**70 770**	**25 001**	**25 001**	**38 593**	**38 593**	**38 593**
Depreciation, Amortisation and Impairment										
Amortisation										
Intangible Assets		253	708	464	290	290	290	305	320	336
Total Amortisation		**253**	**708**	**464**	**290**	**290**	**290**	**305**	**320**	**336**
Depreciation										
Biological or Cultivated Assets		68	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Community Assets		13 075	14 232	14 446	15 199	15 199	15 199	15 959	16 757	17 595
Computer Equipment		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		26 420	26 988	27 093	28 196	28 196	28 196	29 606	31 086	32 641
Furniture and Office Equipment		2 200	2 207	2 558	2 547	2 547	2 547	2 675	2 809	2 949
Heritage Assets		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Investment Property		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Libraries		–	–	–	–	–	–	–	–	–
Living resources		–	127	69	68	68	68	71	75	78
Machinery and Equipment		1 313	1 452	1 437	1 621	1 621	1 621	1 702	1 787	1 876
Other Assets		3 526	3 526	3 628	3 538	3 538	3 538	3 715	3 901	4 096
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Roads Infrastructure		39 206	40 379	41 228	49 695	49 695	49 695	52 180	54 789	57 529
Sanitation Infrastructure		20 389	21 049	19 563	22 577	22 577	22 577	23 706	24 891	26 136
Solid Waste Infrastructure		3 280	2 661	3 225	3 340	3 340	3 340	3 507	3 683	3 867
Storm water Infrastructure		8 446	8 695	8 794	8 899	8 899	8 899	9 344	9 812	10 302
Transport Assets		4 185	5 248	5 376	5 188	5 188	5 188	5 447	5 719	6 005
Water Supply Infrastructure		24 055	22 699	21 710	26 052	26 052	26 052	27 355	28 722	30 158
Zoo, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Depreciation		**146 163**	**149 263**	**149 127**	**166 921**	**166 921**	**166 921**	**175 267**	**184 030**	**193 232**
Capital Impairment Losses and Reversals										
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Construction Work-in-progress		–	–	–	–	–	–	–	–	–

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Heritage Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Investment Property		–	–	–	–	–	–	–	–	–
Living resources		–	–	–	–	–	–	–	–	–
Contributions to Provisions for landfill sites		–	–	–	–	–	–	–	–	–
Property, Plant and Equipment										
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Community Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		100	–	740	–	–	–	–	–	–
Electrical Infrastructure		503	579	622	–	–	–	–	–	–
Furniture and Office Equipment		7	181	(541)	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructu		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Machinery and Equipment		1	–	3	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	–	–	–	–	–	–
Rails Infrastructure		–	–	–	–	–	–	–	–	–
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		5	1 680	842	–	–	–	–	–	–
Solid Waste Infrastructure		54	8	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Transport Assets		885	872	996	–	–	–	–	–	–
Water Supply Infrastructure		349	499	584	–	–	–	–	–	–
Zoo, Marine and Non-biological Assets		–	–	–	–	–	–	–	–	–
Total Property, Plant and Equipment		**1 904**	**3 819**	**3 247**	**-**	**-**	**-**	**-**	**-**	**-**
Total Capital Impairment Losses and Reversal		**1 904**	**3 819**	**3 247**	**-**	**-**	**-**	**-**	**-**	**-**
Total Depreciation, Amortisation and Impairment	1	**148 321**	**153 790**	**152 838**	**167 211**	**167 211**	**167 211**	**175 572**	**184 350**	**193 568**
Interest, Dividends and Rent on Land										
Dividends Paid		–	–	–	–	–	–	–	–	–
Interest Paid		48 152	48 571	48 767	51 227	45 040	45 040	43 080	47 145	56 450
Rent on Land		–	–	–	–	–	–	–	–	–
Total Interest, Dividends and Rent on Land	1	**48 152**	**48 571**	**48 767**	**51 227**	**45 040**	**45 040**	**43 080**	**47 145**	**56 450**
Contracted Services										
Consultants and Professional Services		38 390	33 142	32 404	40 842	43 300	43 300	47 980	46 907	47 060
Contractors		92 930	116 090	136 227	138 341	161 850	161 850	169 838	180 322	190 859
Outsourced Services		125 768	144 248	153 023	177 462	178 621	178 621	179 110	191 885	201 673
Total Contracted Services	1	**257 088**	**293 480**	**321 654**	**356 644**	**383 770**	**383 770**	**396 928**	**419 114**	**439 592**
Transfers and Subsidies										
Capital										
Allocations In-kind		1 300	–	–	–	–	–	–	–	–
Monetary Allocations		–	–	–	–	–	–	–	–	–
Total Capital		**1 300**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Operational										
Allocations In-kind		–	–	–	–	–	–	–	–	–
Monetary Allocations		14 786	16 512	16 716	16 770	16 770	16 770	17 648	18 500	19 397
Total Operational		**14 786**	**16 512**	**16 716**	**16 770**	**16 770**	**16 770**	**17 648**	**18 500**	**19 397**
Total Transfers and Subsidies	1	**16 086**	**16 512**	**16 716**	**16 770**	**16 770**	**16 770**	**17 648**	**18 500**	**19 397**
Irrecoverable Debts Written Off										
Bad debt written off		–	–	–	–	–	–	–	–	–
Exchange										
Electricity		–	–	11 570	5 851	21 766	21 766	5 851	5 851	5 851
Non Specific Accounts		10 206	27 155	64	166	174	174	166	166	166
Waste Management		–	–	3 888	1 928	8 178	8 178	1 928	1 928	1 928
Waste Water Management		–	–	4 249	2 021	8 479	8 479	2 021	2 021	2 021
Water		–	–	13 673	9 052	15 354	15 354	9 052	9 052	9 052
Total Exchange		**10 206**	**27 155**	**33 444**	**19 019**	**53 950**	**53 950**	**19 019**	**19 019**	**19 019**
Non-exchange										
Non Specific Accounts		–	–	–	580	5 537	5 537	580	580	580
Property Rates		–	–	1 213	401	644	644	401	401	401
Service Charges		–	–	2 412	–	–	–	–	–	–
Total Non-exchange		**-**	**-**	**3 625**	**981**	**6 181**	**6 181**	**981**	**981**	**981**
Total Irrecoverable Debts Written Off	1	**10 206**	**27 155**	**37 069**	**20 000**	**60 131**	**60 131**	**20 000**	**20 000**	**20 000**
Operational Cost and Other Cost										
Operational Cost										
Achievements and Awards		–	8	–	5	5	5	5	5	5
Advertising, Publicity and Marketing		2 362	1 982	1 963	3 476	3 420	3 420	3 695	3 868	4 070
Assets less than the Capitalisation Threshold		1 532	1 060	1 619	2 915	3 512	3 512	3 251	3 570	3 595
Atmospheric Emission Licence		–	–	–	–	–	–	–	–	–
Bank Charges, Facility and Card Fees		1 257	1 385	1 271	1 559	2 624	2 624	1 918	2 033	2 155
Bargaining Council		–	–	–	–	–	–	–	–	–
Bond Issue Amortisation Costs		–	–	–	–	–	–	–	–	–
Brokers Fees		–	–	–	–	–	–	–	–	–

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Bursaries (Employees)		1 513	1 503	1 543	1 584	1 702	1 702	1 742	2 007	2 223
Cash Discount		–	–	–	–	–	–	–	–	–
Cleaning Services		1	2	–	25	25	25	20	25	25
Commission		4 915	5 787	6 508	9 610	9 610	9 610	9 701	10 186	10 695
Communication		4 822	4 526	4 273	5 936	6 206	6 206	6 738	6 969	7 332
Contribution to Provisions		13 315	1 140	(40)	10 575	10 491	10 491	–	–	–
Copy Right Fees		–	–	–	–	–	–	–	–	–
Cost relating to the Sale of Houses		55 457	104 289	79 443	42 790	52 107	52 107	1 847	–	–
Courier and Delivery Services		14	6	6	69	69	69	77	80	84
Deeds		173	213	186	302	302	302	320	336	353
Drivers Licences and Permits		39	30	61	93	95	95	96	100	105
Dumping Fees (District Council)		–	–	–	–	–	–	–	–	–
Electricity Compliance Certificate		–	–	–	10	10	10	10	10	10
Entertainment		9	12	6	15	9	9	15	15	15
Entrance Fees		–	–	–	–	–	–	–	–	–
Environmental Levy		–	–	–	–	–	–	–	–	–
Eskom Connection Fees		–	–	–	–	–	–	–	–	–
External Audit Fees		5 257	4 609	5 953	5 775	6 375	6 375	6 000	6 300	6 615
External Computer Service		11 680	13 446	14 290	21 209	22 338	22 338	25 010	26 133	27 318
Fines and Penalties		–	–	–	–	–	–	–	–	–
Firearm Handling Fees		–	–	–	–	–	–	–	–	–
Freight Services		–	–	–	–	–	–	–	–	–
Full Time Union Representative		139	73	–	204	204	204	507	538	570
Hire Charges		3 354	5 049	740	1 020	1 007	1 007	1 253	1 129	1 194
Honoraria (Voluntarily Workers)		–	–	–	–	–	–	–	–	–
Indigent Relief		79	78	87	88	88	88	88	88	88
Insurance Underwriting		5 946	5 998	4 359	5 950	5 935	5 935	6 295	6 673	7 073
Capitalisation of Wet Fuel Costs (Credit Accou		–	–	–	–	–	–	–	–	–
Land Alienation Costs		26	97	64	180	180	180	180	200	200
Learnerships and Internships		–	–	–	–	–	–	–	–	–
Levies Paid - Water Resource Management Cl		1 202	1 378	1 780	1 740	1 740	1 740	2 300	2 392	2 488
Licences		–	2	–	14	7	7	14	15	15
Management Fee		–	–	–	–	–	–	–	–	–
Municipal Services		8 356	9 399	11 738	14 640	14 916	14 916	15 735	16 917	18 192
Office Decorations		–	–	–	–	–	–	–	–	–
Parking Fees		–	–	–	–	–	–	–	–	–
Permits		–	–	–	–	–	–	–	–	–
Personnel Agency Fees [Personnel Recruitme		–	–	–	–	–	–	–	–	–
Printing, Publications and Books		754	427	625	1 363	1 294	1 294	1 431	1 492	1 564
Professional Bodies, Membership and Subscri		4 676	5 015	5 435	6 126	6 176	6 176	6 601	7 094	7 486
Registration Fees		187	153	163	569	606	606	538	531	535
Remuneration to Section 79 Committee Memb		–	–	–	–	–	–	–	–	–
Repayment of Forfeited Deposits		–	–	–	–	–	–	–	–	–
Resettlement Cost		–	–	–	–	–	–	–	–	–
Rewards Incentives		–	–	–	–	–	–	–	–	–
Road Worthy Test		–	–	–	–	–	–	–	–	–
Samples and Specimens		–	–	–	–	–	–	–	–	–
Search Fees		–	–	–	–	–	–	–	–	–
Seating Allowance for Traditional Leaders		–	–	–	–	–	–	–	–	–
Servitudes and Land Surveys		18	1	–	53	53	53	53	54	55
Signage		30	32	22	88	163	163	178	176	182
Skills Development Fund Levy		4 086	4 451	4 450	4 718	4 854	4 854	4 825	5 089	5 391
Small Differences Tolerances		–	–	–	–	–	–	–	–	–
Storage of Assets and Goods		–	–	–	–	–	–	–	–	–
Storage of Files (Archiving)		5	–	–	4	4	4	–	–	–
Supplier Development Programme		–	–	–	–	–	–	–	–	–
System Access and Information Fees		48	81	64	75	75	75	80	84	89
Taking over Contractual Obligations		–	–	–	–	–	–	–	–	–
Toll Gate Fees		–	–	–	–	–	–	–	–	–
Transport Provided as Part of Departmental Ac		129	23	19	132	132	132	132	132	132
Travel Agency and Visas		15	11	19	21	21	21	22	22	23
Travel and Subsistence		1 058	1 090	1 068	1 239	1 370	1 370	1 384	1 379	1 394
Uniform and Protective Clothing		5 429	4 956	4 811	6 975	8 471	8 471	8 370	8 665	8 995
Vehicle Tracking		412	653	687	1 180	1 180	1 180	700	742	787
Ward Committees		393	256	359	758	758	758	1 080	758	758
Warrantees and Guarantees		–	–	–	–	–	–	–	–	–
Wet Fuel		–	–	–	–	–	–	–	–	–
Witness Fees		–	–	–	–	–	–	–	–	–
Workmens Compensation Fund		2 262	2 539	2 546	3 084	3 084	3 084	2 667	2 821	2 983
Total Operational Cost		**140 949**	**181 754**	**156 119**	**156 169**	**171 219**	**171 219**	**114 877**	**118 627**	**124 794**
Operating Leases										
Biological Assets		–	–	–	–	–	–	–	–	–
Community Assets		1 043	18	19	33	33	33	33	33	33

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Computer Equipment		–	–	–	106	–	–	106	106	106
Furniture and Office Equipment		–	–	–	17	17	17	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Infrastructure		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Investment Properties		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Libraries		–	–	–	–	–	–	–	–	–
Machinery and Equipment		113	72	79	120	–	–	107	107	107
Other Assets		6	7	10	15	–	–	–	–	–
Transport Assets		–	–	–	8 080	9	9	10 687	11 328	12 008
Zoo, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Operational Leases		**1 162**	**97**	**108**	**8 370**	**59**	**59**	**10 933**	**11 574**	**12 254**
Discontinued Operations		–	–	–	–	–	–	–	–	–
Statutory Payments other than Income Taxes		–	–	–	–	–	–	–	–	–
Total Operational Cost and Other Cost	1	**142 111**	**181 851**	**156 227**	**164 539**	**171 278**	**171 278**	**125 810**	**130 201**	**137 048**
Disposal of Fixed and Intangible Assets										
Biological Assets		–	–	–	–	–	–	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Investment Property		–	–	–	–	–	–	–	–	–
Living resources		–	–	–	–	–	–	–	–	–
Property, Plant and Equipment		–	514	–	–	–	–	–	–	–
Total Disposal of Fixed and Intangible Assets	1	**-**	**514**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other Losses										
Inventory										
Decrease in net-realisable Value		72	60	101	–	–	–	–	–	–
Total Inventory		**72**	**60**	**101**	**-**	**-**	**-**	**-**	**-**	**-**
Water Losses										
Apparent Losses										
Customer Meter Inaccuracies		–	–	–	–	–	–	–	–	–
Unauthoried Consumption		–	–	–	–	–	–	–	–	–
Total Apparent Losses		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Data Transfer and Management Errors		–	–	–	–	–	–	–	–	–
Real Losses										
Leakage and Overflows at Storage Tanks/R		–	–	–	–	–	–	–	–	–
Leakage on Service Connections up to the		–	–	–	–	–	–	–	–	–
Leakage on Transmission and Distribution M		–	–	–	–	–	–	–	–	–
Total Real Losses		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Unavoidable Annual Real Losses		–	–	–	–	–	–	–	–	–
Total Water Losses		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Fair Value Adjustment										
Actuarial Assessments										
Leave Gratuity		–	–	–	–	–	–	–	–	–
Long Service Awards		–	–	–	–	–	–	–	–	–
Medical		–	–	–	–	–	–	–	–	–
Pension Funds		–	–	–	–	–	–	–	–	–
Total Actuarial Assessments		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Biological Assets		–	–	–	–	–	–	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Interest rate Swaps		–	–	–	–	–	–	–	–	–
Investment Property		–	–	–	–	–	–	–	–	–
Investments		–	–	–	–	–	–	–	–	–
Living resources		–	–	–	–	–	–	–	–	–
Total Fair Value Adjustment		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Foreign Exchange		–	–	–	–	–	–	–	–	–
Discontinued Operations and Disposals of No		–	–	–	–	–	–	–	–	–
Contributions to Provisions for landfill sites		–	–	–	–	–	–	7 542	9 120	9 576
Total Other Losses	1	**72**	**60**	**101**	**-**	**-**	**-**	**7 542**	**9 120**	**9 576**
Total Expenditure		**1 572 027**	**1 750 397**	**1 823 868**	**2 112 340**	**2 105 545**	**2 105 545**	**2 197 357**	**2 326 250**	**2 512 089**
Surplus/(Deficit)		**(21 715)**	**13 809**	**130 010**	**(94 469)**	**(103 973)**	**(103 973)**	**(63 829)**	**(73 921)**	**(139 982)**
Transfers and subsidies - capital (monetary alloc										
Departmental Agencies and Accounts		–	–	–	–	–	–	–	–	–
District Municipalities		–	–	–	–	–	–	–	–	–
Foreign Government and International Organisati		–	–	–	–	20	20	–	–	–
Higher Educational Institutions		–	–	–	–	–	–	–	–	–
Households		–	–	–	–	–	–	–	–	–
National Government		81 741	59 150	54 164	76 207	76 207	76 207	82 749	38 905	46 168
Non-Profit Institutions		–	–	–	–	–	–	–	–	–
Parent Municipality		–	–	–	–	–	–	–	–	–
Private Enterprises		–	–	–	–	–	–	–	–	–

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Provincial Governments		31 195	33 827	18 719	25 342	36 541	36 541	8 835	33 540	40 000
Public Corporations		12 337	–	105	–	–	–	–	–	–
Total Transfers and subsidies - capital (monetary		**125 273**	**92 977**	**72 989**	**101 549**	**112 768**	**112 768**	**91 584**	**72 445**	**86 168**
Transfers and subsidies - capital (in-kind)										
Departmental Agencies and Accounts		2 877	5 729	–	–	–	–	–	–	–
District Municipalities		–	–	–	–	–	–	–	–	–
Foreign Government and International Organisati		–	–	–	–	–	–	–	–	–
Higher Educational Institutions		–	–	–	–	–	–	–	–	–
Households		–	–	–	–	–	–	–	–	–
Local Municipalities		–	–	–	–	–	–	–	–	–
National Government		–	800	–	–	–	–	–	–	–
Non Profit Institutions		–	–	–	–	–	–	–	–	–
Parent Municipality		–	–	–	–	–	–	–	–	–
Private Enterprises		3 252	14 770	4 003	–	44	44	–	–	–
Provincial Governments		–	–	–	–	–	–	–	–	–
Public Corporations		–	–	–	–	–	–	–	–	–
Total Transfers and subsidies - capital (in-kind)		**6 130**	**21 299**	**4 003**	**-**	**44**	**44**	**-**	**-**	**-**
Surplus/(Deficit) after capital transfers and contri		**109 688**	**128 085**	**207 001**	**7 080**	**8 839**	**8 839**	**27 755**	**(1 476)**	**(53 814)**
Income Tax										
Continuing Operations		–	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–
Total Income Tax		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Surplus/(Deficit) after income tax		**109 688**	**128 085**	**207 001**	**7 080**	**8 839**	**8 839**	**27 755**	**(1 476)**	**(53 814)**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		**109 688**	**128 085**	**207 001**	**7 080**	**8 839**	**8 839**	**27 755**	**(1 476)**	**(53 814)**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–	–	–
Intercompany/Parent-subsidiary Transactions		–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		**109 688**	**128 085**	**207 001**	**7 080**	**8 839**	**8 839**	**27 755**	**(1 476)**	**(53 814)**
Repairs and Maintenance by Expenditure Item	8									
Employee related costs		116 569	122 183	131 702	149 107	139 203	139 203	154 307	163 565	173 379
Inventory Consumed (Project Maintenance)		23 186	28 196	20 960	27 014	26 492	26 492	31 096	33 549	75 585
Contracted Services		97 410	114 352	134 526	125 509	144 401	144 401	150 020	163 005	172 216
Operational Costs		12 340	15 734	13 679	17 189	18 146	18 146	17 120	18 005	18 942
Total Repairs and Maintenance Expenditure	9	**249 505**	**280 465**	**300 867**	**318 818**	**328 242**	**328 242**	**352 543**	**378 124**	**440 121**

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

R thousand	1	Vote 1 - Municipal Council	Vote 2 - Office of the Municipal Manager	Vote 3 - Corporate Services	Vote 4 - Financial Services	Vote 5 - Infrastructure Services	Vote 6 - Community Services	Vote 7 - Municipal Public Safety	Vote 8 - Planning and Development	Vote 9 - Costing Services	Vote 10 - Main Ledger Services	Total
Revenue												
Exchange Revenue												
Service charges - Electricity		–	–	–	1 370	821 532	–	–	–	–	–	**822 903**
Service charges - Water		–	–	–	22	225 928	–	–	–	–	–	**225 950**
Service charges - Waste Water Management		–	–	–	–	134 321	–	–	–	–	–	**134 321**
Service charges - Waste Management		–	–	–	–	121 971	–	–	–	–	–	**121 971**
Sale of Goods and Rendering of Services		–	143	154	1 978	339	14 214	259	11 926	–	–	**29 014**
Agency services		–	–	–	–	–	–	7 819	–	–	–	**7 819**
Interest		–	–	–	–	–	–	–	–	–	–	**–**
Interest earned from Receivables		–	–	–	12 500	–	–	–	–	–	–	**12 500**
Interest earned from Current and Non Current Assets		–	–	–	68 000	–	–	–	–	–	–	**68 000**
Dividends		–	–	–	–	–	–	–	–	–	–	**–**
Rent on Land		–	102	–	–	–	1 141	–	–	–	–	**1 243**
Rental from Fixed Assets		–	–	–	–	–	9 365	–	4	–	–	**9 370**
Licence and permits		–	331	–	–	–	746	404	–	–	–	**1 481**
Special rating levies		–			16 193				–	–	–	**16 193**
Construction Contract Revenue		–		–	–	1 847			–	–	–	**1 847**
Development Charges		–		–	–	3 599			–	–	–	**3 599**
Operational Revenue		34	–	903	6 595	124	16	979	162	–	–	**8 812**
Non-Exchange Revenue												
Property rates		–	–	–	405 548	–	–	–	–	–	–	**405 548**
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–	**–**
Fines, penalties and forfeits		–	–	–	–	609	50	40 632	1 570	–	–	**42 861**
Licences or permits		–	–	–	–	–	–	2 186	–	–	–	**2 186**
Transfer and subsidies - Operational		52 958	–	–	1 900	135 703	9 616	8 989	6 146	–	–	**215 312**
Interest		–	–	–	2 300	–	–	–	–	–	–	**2 300**
Fuel Levy		–	–	–	–	–	–	–	–	–	–	**–**
Service charges		–	–	–	–	–	–	–	–	–	–	**–**
Gains on disposal of Assets		–	–	–	–	–	–	–	–	–	–	**–**
Other Gains		–	–	–	–	–	–	–	300	–	–	**300**
Discontinued Operations		–	–	–	–	–	–	–	–	–	–	**–**
Total Revenue (excluding capital transfers and contributions		**52 992**	**576**	**1 057**	**516 406**	**1 445 972**	**35 149**	**61 267**	**20 109**	**–**	**–**	**2 133 528**
Expenditure												
Employee related costs		29 158	29 047	49 378	80 007	161 983	138 679	131 533	55 067	–	–	**674 850**
Remuneration of councillors		15 400	–	–	–	–	–	–	–	–	–	**15 400**
Bulk purchases - electricity		–	–	–	–	603 032	–	–	–	–	–	**603 032**
Inventory consumed		27	244	2 678	1 179	46 026	13 936	12 999	1 813	–	–	**78 902**
Debt impairment		–	–	–	4 496	8 971	–	25 071	127	–	–	**38 664**
Depreciation and amortisation		1	58	2 144	1 652	145 790	23 335	2 245	275	–	–	**175 500**
Interest		–	–	–	–	43 080	–	–	–	–	–	**43 080**
Contracted services		158	4 995	6 865	44 971	260 183	40 748	23 402	15 606	–	–	**396 928**
Transfers and subsidies		1 450	–	–	16 198	–	–	–	–	–	–	**17 648**
Irrecoverable debts written off		–	–	–	981	18 853	–	–	166	–	–	**20 000**
Operational costs		10 870	2 498	25 665	42 920	31 259	4 811	11 916	3 413	–	–	**133 352**
Losses on disposal of Assets		–	–	–	–	–	–	–	–	–	–	**–**
Other Losses		–	–	–	–	–	–	–	–	–	–	**–**
Total Expenditure		**57 064**	**36 841**	**86 730**	**192 404**	**1 319 177**	**221 509**	**207 166**	**76 466**	**–**	**–**	**2 197 357**
Surplus/(Deficit)		**(4 072)**	**(36 265)**	**(85 673)**	**324 002**	**126 796**	**(186 360)**	**(145 899)**	**(56 358)**	**–**	**–**	**(63 829)**
Transfers and subsidies - capital (monetary allocations)		–	–	–	–	**84 618**	**5 941**	**1 025**	–	–	–	**91 584**
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–	–	–	**–**
Surplus/(Deficit) after capital transfers & contributions		**(4 072)**	**(36 265)**	**(85 673)**	**324 002**	**211 414**	**(180 419)**	**(144 874)**	**(56 358)**	**–**	**–**	**27 755**

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
ASSETS											
Current Assets											
Cash and Cash Equivalents											
Call Deposits and Investments		410 280	410 281	510 271	460 000	510 271	510 271	710 215	510 271	510 271	510 271
Cash at Bank		236 232	266 355	343 767	263 101	333 299	333 299	325 922	365 555	361 604	269 441
Cash on Hand		23	22	25	14	25	25	17	25	25	25
Total Cash and Cash Equivalents		**646 535**	**676 658**	**854 064**	**723 115**	**843 596**	**843 596**	**1 036 154**	**875 852**	**871 901**	**779 737**
Short term Investments											
Deposit Taking Institutions		–	–	–	–	–	–	–	–	–	–
Trade and other receivables from exchange transactions											
Electricity		40 919	57 311	68 793	91 282	60 039	60 039	71 541	68 519	77 858	88 109
Waste Management		16 166	22 508	25 883	20 882	19 696	19 696	22 851	19 872	20 174	20 610
Waste Water Management		21 258	28 649	27 111	26 887	20 866	20 866	25 083	21 175	21 624	22 221
Water		32 760	44 764	51 482	32 955	39 720	39 720	51 201	34 571	29 656	24 990
Other trade receivables from exchange transactions		14 550	19 394	23 144	20 473	23 980	23 980	22 039	23 938	23 620	23 333
VAT Receivable Input Tax Accrual		3 260	8 178	14 168	–	–	–	–	489	508	529
Gross: Trade and other receivables from exchange transact		**128 913**	**180 803**	**210 579**	**192 479**	**164 302**	**164 302**	**192 715**	**168 564**	**173 441**	**179 791**
Less: Impairment for debt											
Impairment for Electricity		(13 688)	(21 151)	(26 017)	(26 943)	(26 017)	(26 017)	(26 017)	(30 115)	(34 212)	(38 310)
Impairment for Waste Management		(5 692)	(8 312)	(9 789)	(14 768)	(9 789)	(9 789)	(9 789)	(11 035)	(12 282)	(13 528)
Impairment for Waste Water Management		(7 186)	(10 594)	(10 253)	(15 213)	(10 253)	(10 253)	(10 253)	(11 609)	(12 965)	(14 321)
Impairment for Water		(11 167)	(17 261)	(19 470)	(17 272)	(19 470)	(19 470)	(19 470)	(21 740)	(24 011)	(26 281)
Impairment for other trade receivalbes from exchange transactio		(4 875)	(7 070)	(8 753)	(7 631)	(8 753)	(8 753)	(8 753)	(8 981)	(9 208)	(9 436)
Total Less: Impairment for debt		**(42 608)**	**(64 387)**	**(74 281)**	**(81 827)**	**(74 281)**	**(74 281)**	**(74 281)**	**(83 480)**	**(92 678)**	**(101 877)**
Total net Trade and other receivables from Exchange Transact		**86 305**	**116 416**	**136 299**	**110 653**	**90 021**	**90 021**	**118 434**	**85 085**	**80 763**	**77 914**
Receivables from non-exchange transactions											
Property rates											
Agricultural Properties		–	383	195	296	214	214	226	234	255	277
Business and Commercial Properties		1 053	9 020	7 228	7 252	6 842	6 842	7 974	7 644	8 495	9 397
Industrial Properties		–	–	–	–	–	–	–	–	–	–
Mining Properties		–	–	–	–	–	–	–	–	–	–
Public Benefit Organisations		–	–	–	–	–	–	–	–	–	–
Public Service Infrastructure Properties		418	(1 227)	(1 227)	–	–	–	(1 227)	–	–	–
Public Service Purposes Properties		73	3 335	3 733	903	2 581	2 581	4 209	2 668	2 760	2 857
Residential Properties		39 812	29 747	31 200	38 157	35 300	35 300	35 505	39 951	44 904	50 179
Residential Sectional Title Garages		–	–	–	–	–	–	–	–	–	–
Sports Clubs and Fields		–	(1 198)	(1 198)	–	–	–	(1 198)	–	–	–
Vacant Land		–	6 727	6 877	6 235	7 252	7 252	7 704	7 652	8 076	8 526
Property Rates General		–	–	–	–	–	–	–	–	–	–
Gross: Property rates		**41 355**	**46 787**	**46 808**	**52 843**	**52 190**	**52 190**	**53 194**	**58 149**	**64 490**	**71 236**
Less: Impairment of Property rates		(14 012)	(17 295)	(17 702)	(25 064)	(17 702)	(17 702)	(117 424)	(22 097)	(26 492)	(30 887)
Net Property rates		**27 342**	**29 492**	**29 106**	**27 779**	**34 488**	**34 488**	**(64 230)**	**36 052**	**37 998**	**40 349**
Other receivables from non-exchange transactions		124 091	86 225	86 564	173 985	116 564	116 564	105 025	146 064	175 564	205 064
Less:Impairment for other receivables from non-exchange transa		(113 630)	(79 267)	(82 955)	(166 187)	(107 955)	(107 955)	–	(132 955)	(157 955)	(182 955)
Net other receivables from non-exchange transactions		**10 461**	**6 958**	**3 610**	**7 798**	**8 610**	**8 610**	**105 025**	**13 110**	**17 610**	**22 110**
Total net Receivables from non-exchange transactions		**37 804**	**36 449**	**32 716**	**35 577**	**43 097**	**43 097**	**40 795**	**49 162**	**55 608**	**62 459**
Current Portion of Non-current Receivables											
Associates		–	–	–	–	–	–	–	–	–	–
Bursary Obligations		–	–	–	–	–	–	–	–	–	–
Car		–	–	–	–	–	–	–	–	–	–
Computer and Electronic Equipment		–	–	–	–	–	–	–	–	–	–
Employee Benefits		–	–	–	–	–	–	–	–	–	–
Finance Lease Receivable		–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–
Housing Land Sales		–	–	–	–	–	–	–	–	–	–
Housing Selling Schemes		–	–	–	–	–	–	–	–	–	–
Intercompany/Parent-subsidiary Transactions		–	–	–	–	–	–	–	–	–	–
Joint Ventures		–	–	–	–	–	–	–	–	–	–
Operating Lease		–	–	–	–	–	–	–	–	–	–
Public Organisation		–	–	–	–	–	–	–	–	–	–
Sporting and Other Bodies		–	–	–	–	–	–	–	–	–	–
Staff Loans/Recoveries		–	–	–	–	–	–	–	–	–	–
Subsidiaries		–	–	–	–	–	–	–	–	–	–
Total Current Portion of Non-current Receivables		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Inventory											
Agricultural		–	–	–	–	–	–	–	–	–	–
Consumables		10 113	14 519	10 884	14 498	17 001	17 001	11 806	16 175	15 378	14 588
Finished Goods		–	–	–	–	–	–	–	–	–	–
Housing Stock		1 167	875	758	720	658	658	758	608	558	508

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Land		–	–	–	–	–	–	–	–	–	–
Materials and Supplies		–	–	–	–	–	–	–	–	–	–
Water		314	368	454	370	523	523	454	523	522	522
Work-in-progress		–	–	–	–	–	–	–	–	–	–
Total Inventory		**11 594**	**15 762**	**12 097**	**15 588**	**18 182**	**18 182**	**13 018**	**17 306**	**16 458**	**15 618**
VAT Receivable											
Input Tax Capital		–	–	–	–	–	–	–	–	–	–
Input Tax General		–	–	–	2 933	13 055	13 055	(1 517)	12 584	12 584	12 584
VAT Control (Receivable)		10 328	9 557	4 856	(1 133)	4 856	4 856	659	4 856	4 856	4 856
Total VAT Receivable		**10 328**	**9 557**	**4 856**	**1 800**	**17 911**	**17 911**	**(858)**	**17 440**	**17 440**	**17 440**
Other current assets											
Construction Contracts and Receivables		–	–	–	–	–	–	–	–	–	–
Control, Clearing and Interface Accounts		39 559	95 688	131 657	43 955	46 133	46 133	23 902	47 133	48 133	49 133
Deposits		860	8 510	9 100	10 932	9 150	9 150	9 100	9 210	9 280	9 350
Fair Value Adjustments		–	–	–	–	–	–	–	–	–	–
Income Tax Receivable		–	–	–	–	–	–	–	–	–	–
Operating Lease - Straight Lining		743	746	746	723	746	746	746	746	746	746
Intercompany/Parent-subsidiary Transactions		–	–	–	–	–	–	–	–	–	–
Total Other current assets		**41 162**	**104 945**	**141 503**	**55 610**	**56 028**	**56 028**	**33 747**	**57 088**	**58 158**	**59 228**
Total Current Assets		**833 727**	**959 788**	**1 181 533**	**942 343**	**1 068 835**	**1 068 835**	**1 241 290**	**1 101 933**	**1 100 329**	**1 012 398**
Non-current Assets											
Investments											
Bank Repurchase Agreements		–	–	–	–	–	–	–	–	–	–
Bankers Acceptance Certificate		–	–	–	–	–	–	–	–	–	–
Deposit Taking Institutions		–	–	–	–	–	–	–	–	–	–
Derivative Financial Assets		–	–	–	–	–	–	–	–	–	–
Guaranteed Endowment Policies (Sinking)		68 211	31 415	7 315	8 400	8 456	8 456	8 971	–	–	–
Interest Rate Swaps		–	–	–	–	–	–	–	–	–	–
Listed/Unlisted Bonds and Stocks		–	–	–	–	–	–	–	–	–	–
Municipal Bonds		–	–	–	–	–	–	–	–	–	–
National Government Securities		–	–	–	–	–	–	–	–	–	–
Negotiable Certificate of Deposits		–	–	–	–	–	–	–	–	–	–
Unamortised Debt Expense		–	–	–	–	–	–	–	–	–	–
Unamortised Preference Share Expense		–	–	–	–	–	–	–	–	–	–
Total Investments		**68 211**	**31 415**	**7 315**	**8 400**	**8 456**	**8 456**	**8 971**	**-**	**-**	**-**
Investment Property											
Investment Property at Cost / Fair Value		151 589	164 436	167 369	168 225	167 658	167 658	167 369	167 958	168 258	168 558
Less: Accumulated Depreciation		–	–	–	–	–	–	–	–	–	–
Less: Accumulated Impairment		–	–	–	–	–	–	–	–	–	–
Total Investment Property		**151 589**	**164 436**	**167 369**	**168 225**	**167 658**	**167 658**	**167 369**	**167 958**	**168 258**	**168 558**
Property, Plant and Equipment											
Property, Plant and Equipment at Cost / Revaluation		6 356 889	6 459 284	6 691 035	6 716 723	6 745 461	6 745 461	6 727 933	6 691 035	6 691 035	6 691 035
Leases recognised as Property, Plant and Equipment	3	–	–	–	–	–	–	–	–	–	–
Less: Accumulated Depreciation		(2 790 322)	(2 932 882)	(3 065 289)	(3 257 837)	(3 232 142)	(3 232 142)	(3 176 763)	(3 407 337)	(3 591 293)	(3 784 446)
Less: Accumulated Impairment		(985)	(1 865)	(1 865)	(1 865)	(1 865)	(1 865)	(1 865)	(1 865)	(1 865)	(1 865)
Total Property, Plant and Equipment	**2**	**3 565 582**	**3 524 537**	**3 623 881**	**3 457 021**	**3 511 454**	**3 511 454**	**3 549 305**	**3 281 832**	**3 097 877**	**2 904 724**
Construction Work-in-progress											
Acquisitions		83 209	111 502	91 990	193 399	215 110	215 110	72 551	242 739	294 445	308 168
Opening Balance		75 058	108 759	189 509	220 952	134 685	134 685	134 685	404 221	646 960	941 405
Prior period corrections		–	–	–	–	–	–	–	–	–	–
Transfer to Heritage asset		–	–	–	–	–	–	–	–	–	–
Transfer to Intangible Assets		–	–	–	–	–	–	–	–	–	–
Transfer to Investment property		–	–	–	–	–	–	–	–	–	–
Transfer to PPE		(49 508)	(30 753)	(146 814)	–	–	–	–	–	–	–
Less: Accumulated Impairment		–	–	–	–	–	–	–	–	–	–
Total Construction Work-in-progress	**2**	**108 759**	**189 509**	**134 685**	**414 351**	**349 795**	**349 795**	**207 236**	**646 960**	**941 405**	**1 249 573**
Biological Assets											
Biological Assets at Cost / Fair Value		–	–	–	–	–	–	–	–	–	–
Less: Accumulated Depreciation		–	–	–	–	–	–	–	–	–	–
Less: Accumulated Impairment		–	–	–	–	–	–	–	–	–	–
Total Biological Assets		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Living resources											
Living resources at Cost / Revaluation		677	677	1 012	1 377	1 312	1 312	1 012	1 312	1 312	1 312
Less: Accumulated Depreciation		(135)	(262)	(331)	(398)	(399)	(399)	(331)	(470)	(545)	(623)
Less: Accumulated Impairment		–	–	–	–	–	–	–	–	–	–
Total Living resources		**542**	**415**	**681**	**980**	**913**	**913**	**681**	**842**	**767**	**689**
Heritage Assets											
Heritage Assets at Cost / Revaluation		118 875	118 875	118 875	118 875	118 875	118 875	118 875	118 875	118 875	118 875
Less: Accumulated Impairment		(9 250)	(9 250)	(9 250)	(9 250)	(9 250)	(9 250)	(9 250)	(9 250)	(9 250)	(9 250)

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Total Heritage Assets		**109 625**	**109 625**	**109 625**	**109 625**	**109 625**	**109 625**	**109 625**	**109 625**	**109 625**	**109 625**
Intangible Assets											
Heritage Assets at Cost / Revaluation		13 359	13 430	13 430	13 430	13 430	13 430	13 430	13 430	13 430	13 430
Less: Accumulated Amortisation		(4 673)	(5 381)	(5 845)	(5 943)	(6 135)	(6 135)	(5 845)	(6 440)	(6 760)	(7 097)
Less: Accumulated Impairment		–	–	–	–	–	–	–	–	–	–
Total Intangible Assets		**8 687**	**8 050**	**7 585**	**7 488**	**7 295**	**7 295**	**7 585**	**6 990**	**6 670**	**6 334**
Trade and other receivables from exchange transactions											
Electricity		–	–	–	–	–	–	–	–	–	–
Property Rental Debtors		–	–	–	–	–	–	–	–	–	–
Service Charges		–	–	–	–	–	–	–	–	–	–
Waste Management		–	–	–	–	–	–	–	–	–	–
Waste Water Management		–	–	–	–	–	–	–	–	–	–
Water		–	–	–	–	–	–	–	–	–	–
Total Trade and other Receivables from Exchange Transactior		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Non-current Receivables from Non-exchange Transactions											
Associates		–	–	–	–	–	–	–	–	–	–
Bursary Obligations		–	–	–	–	–	–	–	–	–	–
Car		–	–	–	–	–	–	–	–	–	–
Computer and Electronic Equipment		–	–	–	–	–	–	–	–	–	–
Employee Benefits		–	–	–	–	–	–	–	–	–	–
Finance Lease Receivable		–	–	–	–	–	–	–	–	–	–
Housing Land Sales		–	–	–	–	–	–	–	–	–	–
Housing Loans		–	–	–	–	–	–	–	–	–	–
Housing Selling Schemes		–	–	–	–	–	–	–	–	–	–
Intercompany/Parent-subsidiary Transactions		–	–	–	–	–	–	–	–	–	–
Joint Ventures		–	–	–	–	–	–	–	–	–	–
Operating Lease		–	–	–	–	–	–	–	–	–	–
Property Rates		–	–	–	–	–	–	–	–	–	–
Public Organisation		–	–	–	–	–	–	–	–	–	–
Sporting and Other Bodies		–	–	–	–	–	–	–	–	–	–
Staff Loans/Recoveries		–	–	–	–	–	–	–	–	–	–
Subsidiaries		–	–	–	–	–	–	–	–	–	–
Total Non-current Receivables from Non-exchange Transactio		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other non-current assets											
Deferred Tax Assets		–	–	–	–	–	–	–	–	–	–
Defined Benefit Asset		–	–	–	–	–	–	–	–	–	–
Intercompany/Parent-subsidiary Transactions		–	–	–	–	–	–	–	–	–	–
Investment in Associate		–	–	–	–	–	–	–	–	–	–
Investment in Joint Venture		–	–	–	–	–	–	–	–	–	–
Investment in Subsidiary		–	–	–	–	–	–	–	–	–	–
Operating Lease Receivable		–	–	–	–	–	–	–	–	–	–
Deposits		–	–	–	–	–	–	–	–	–	–
Total Other non-current assets		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Non Current Assets		**4 012 995**	**4 027 986**	**4 051 141**	**4 166 089**	**4 155 195**	**4 155 195**	**4 050 773**	**4 214 208**	**4 324 602**	**4 439 503**
TOTAL ASSETS		**4 846 722**	**4 987 774**	**5 232 674**	**5 108 433**	**5 224 031**	**5 224 031**	**5 292 063**	**5 316 141**	**5 424 931**	**5 451 900**
LIABILITIES											
Current Liabilities											
Bank Overdraft											
ABSA		–	–	–	–	–	–	–	–	–	–
First National Bank		–	–	–	–	–	–	–	–	–	–
Nedbank		–	–	–	–	–	–	–	–	–	–
Rand Merchant Bank		–	–	–	–	–	–	–	–	–	–
Standard Bank		–	–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	–	–	–	–	–	–
Total Bank Overdraft		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financial Liabilities											
Concessionary Loan		–	–	–	–	–	–	–	–	–	–
Short-term Borrowings		–	–	–	–	–	–	–	–	–	–
Current portion of Finance Lease Liabilities		–	–	–	–	–	–	–	–	–	–
Current portion of Non-current Borrowings		57 949	50 444	150 929	61 383	61 471	61 471	22 832	78 879	93 722	80 407
Current portion of Operating Lease Liabilities		–	–	–	–	–	–	–	–	–	–
Unamortised Premium on Long-term Debts		–	–	–	–	–	–	–	–	–	–
Total Financial Liabilities		**57 949**	**50 444**	**150 929**	**61 383**	**61 471**	**61 471**	**22 832**	**78 879**	**93 722**	**80 407**
Consumer Deposits											
Building Plans		14 659	13 437	1 661	18 566	1 661	1 661	1	1 661	1 661	1 661
Buying Card		–	–	–	–	–	–	–	–	–	–
Electricity		30 584	33 014	35 193	33 495	38 193	38 193	36 176	37 193	36 193	35 193
Hiring of Decorative Items		–	–	–	–	–	–	–	–	–	–
Library Books		–	–	–	–	–	–	–	–	–	–
Posters		–	11	–	7	22	22	–	–	–	–

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Refuse		–	–	–	–	–	–	–	–	–	–
Rental Properties		6 054	6 108	6 457	966	6 644	6 644	6 686	6 715	6 765	6 815
Sewer		–	–	–	–	–	–	–	–	–	–
Street Closure		–	9	9	–	–	–	9	–	–	–
Valuation Appeal		–	–	–	–	–	–	–	–	–	–
Water		14 506	16 758	19 955	16 631	21 955	21 955	20 986	20 955	19 955	18 955
Wayleave		–	–	–	–	–	–	–	–	–	–
Total Consumer Deposits		**65 804**	**69 338**	**63 274**	**69 665**	**68 474**	**68 474**	**63 858**	**66 524**	**64 574**	**62 624**
Trade and Other Payable Exchange Transactions											
Accrued Interest		2 579	1 833	1 207	5 500	1 207	1 207	(0)	1 207	1 207	1 207
Advance Payments		16 172	19 516	29 783	17 554	31 462	31 462	33 056	29 462	27 462	25 462
Affiliates, Related Parties and Associated Companies		–	–	–	–	–	–	–	–	–	–
Agency Fees Payable		–	–	–	–	–	–	–	–	–	–
Auditor-General of South Africa		–	–	–	–	–	–	–	–	–	–
Bonus		–	–	–	–	–	–	–	–	–	–
Compensation Commission (COID)		–	–	–	–	–	–	–	–	–	–
Control, Clearing and Interface Accounts		10 978	12 132	13 152	10 705	12 119	12 119	(11 064)	12 370	12 621	12 872
Deferred Revenue		2 383	1 127	679	–	–	–	–	–	–	–
Dividends Declared		–	–	–	–	–	–	–	–	–	–
Electricity Bulk Purchase		45 490	59 828	62 963	37 459	63 027	63 027	–	63 097	63 172	63 254
Fair Value Adjustment		–	–	–	–	–	–	–	–	–	–
Intercompany/Parent-subsidiary Transactions		–	–	–	–	–	–	–	–	–	–
Leave Accrual		–	–	–	–	–	–	–	–	–	–
Long Service Award		–	–	–	–	–	–	–	–	–	–
Municipal Debt Relief		–	–	–	–	–	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–	–	–
Payables and Accruals		33 639	27 925	38 119	53 800	38 182	38 182	(52)	38 251	38 324	38 401
PAYE Deductions		–	–	–	–	–	–	–	–	–	–
Pension and Retirement Contributions		–	–	–	–	–	–	–	–	–	–
Retentions		9 938	10 507	9 680	7 173	9 680	9 680	8 910	9 680	9 680	9 680
Standby		–	–	–	–	–	–	–	–	–	–
Tender documentation		–	–	–	–	–	–	–	–	–	–
Unallocated Deposits		6 287	2 265	2 991	1 107	1 991	1 991	6 690	3 891	3 791	3 691
Water Inventory Bulk Purchases		–	–	–	–	–	–	–	–	–	–
VAT Payables Output Tax Accrual		–	–	–	–	–	–	–	14 248	17 387	20 715
VAT Payables Output Tax Provision for Doubtful Debt Impairme		–	–	–	–	–	–	–	(9 689)	(9 689)	(9 689)
Total Trade and Other Payable Exchange Transactions	2, 5	**127 465**	**135 133**	**158 574**	**133 297**	**157 669**	**157 669**	**37 539**	**162 517**	**163 956**	**165 593**
Trade and Other Payable Non-exchange Transactions											
Transfers and Subsidies Payable											
Capital		–	–	–	–	–	–	–	–	–	–
Operational		–	–	–	–	–	–	–	–	–	–
Total Transfers and Subsidies Payable		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transfers and Subsidies Unspent											
Capital		674	4 344	1 917	–	–	–	38 324	–	–	–
Operational		5 532	998	1 095	–	–	–	9 999	–	–	–
Total Transfers and Subsidies Unspent		**6 206**	**5 342**	**3 012**	**-**	**-**	**-**	**48 323**	**-**	**-**	**-**
VAT Payables Output Tax Accrual		–	–	–	–	–	–	–	–	–	–
VAT Payables Output Tax Provision for Doubtful Debt Impairme		–	–	–	–	–	–	–	–	–	–
Total Trade and Other Payable Non-exchange Transactions	2	**6 206**	**5 342**	**3 012**	**-**	**-**	**-**	**48 323**	**-**	**-**	**-**
Provision											
Alien Vegetation		–	–	–	–	–	–	–	–	–	–
Bonus		14 252	15 313	14 720	16 494	15 309	15 309	13 368	15 921	16 558	17 227
Decommissioning, Restoration and Similar Liabilities		5 768	5 563	1 100	5 563	(2 578)	(2 578)	1 100	9 054	24 944	18 500
Ex-gratia Pension		–	–	–	–	–	–	–	–	–	–
Insurance Claims		–	–	–	–	–	–	(4 671)	–	–	–
Leave		20 963	21 199	21 976	23 150	22 416	22 416	23 274	22 864	23 321	23 772
Litigation		–	–	–	–	–	–	–	–	–	–
Pension Fund Investment Return Shortfall		–	–	–	–	–	–	–	–	–	–
Staff Parity		–	–	–	–	–	–	212	–	–	–
Impairment		–	–	–	–	–	–	–	–	–	–
Total Provision		**40 983**	**42 076**	**37 797**	**45 206**	**35 147**	**35 147**	**33 282**	**47 840**	**64 824**	**59 499**
VAT Payable											
VAT Payable: Output Tax		–	–	–	6 076	1 581	1 581	18 134	(15)	(15)	(15)
VAT Payable: VAT Control		–	–	–	–	–	–	–	–	–	–
Total VAT Payable		**-**	**-**	**-**	**6 076**	**1 581**	**1 581**	**18 134**	**(15)**	**(15)**	**(15)**
Other current liabilities											
Employee Benefits											
Post-employment Benefits		6 083	6 683	7 103	7 966	8 426	8 426	–	8 245	8 000	8 000
Other Long-Term Benefits		2 382	3 583	2 456	3 036	1 679	1 679	–	4 221	3 000	3 000
Termination Benefits		–	–	–	–	–	–	–	–	–	–

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Total Employee Benefits		**8 465**	**10 266**	**9 559**	**11 002**	**10 105**	**10 105**	**-**	**12 466**	**11 000**	**11 000**
Deferred Tax Liabilities		–	–	–	–	–	–	–	–	–	–
Income Tax Payable		–	–	–	–	–	–	–	–	–	–
Intercompany/Parent-subsidiary Transactions		–	–	–	–	–	–	–	–	–	–
Total Other current liabilities		**8 465**	**10 266**	**9 559**	**11 002**	**10 105**	**10 105**	**-**	**12 466**	**11 000**	**11 000**
Total Current Liabilities		**306 872**	**312 598**	**423 145**	**326 629**	**334 448**	**334 448**	**223 969**	**368 211**	**398 062**	**379 108**
Non-current Liabilities											
Financial Liabilities											
Borrowings											
Annuity and Bullet Loans		421 957	421 513	335 584	360 476	360 549	360 549	335 584	394 780	473 059	564 652
Bankers Acceptance Certificate		–	–	–	–	–	–	–	–	–	–
Concessionary Loan		–	–	–	–	–	–	–	–	–	–
Derivative Financial Liability		–	–	–	–	–	–	–	–	–	–
Finance Lease Liability		–	–	–	–	–	–	–	–	–	–
Government Loans		–	–	–	–	–	–	–	–	–	–
Intercompany/Parent-subsidiary Transactions		–	–	–	–	–	–	–	–	–	–
Local Registered Stock		–	–	–	–	–	–	–	–	–	–
Marketable Bonds		–	–	–	–	–	–	–	–	–	–
Non-annuity Loans		–	–	–	–	–	–	–	–	–	–
Non-marketable Bonds		–	–	–	–	–	–	–	–	–	–
PPP Liabilities		–	–	–	–	–	–	–	–	–	–
Securities		–	–	–	–	–	–	–	–	–	–
Interest Rate Swaps		–	–	–	–	–	–	–	–	–	–
Total Borrowings	4	**421 957**	**421 513**	**335 584**	**360 476**	**360 549**	**360 549**	**335 584**	**394 780**	**473 059**	**564 652**
Operating Lease Liability		–	–	–	–	–	–	–	–	–	–
Total Financial Liabilities		**421 957**	**421 513**	**335 584**	**360 476**	**360 549**	**360 549**	**335 584**	**394 780**	**473 059**	**564 652**
Provisions											
Alien Vegetation		–	–	–	–	–	–	–	–	–	–
Bonus		–	–	–	–	–	–	–	–	–	–
Decommissioning, Restoration and Similar Liabilities		150 133	151 340	155 420	162 088	168 639	168 639	162 340	146 317	130 492	121 568
Ex-gratia Pension		–	–	–	–	–	–	(51)	–	–	–
Impairment		–	–	–	–	–	–	–	–	–	–
Insurance Claims		–	–	–	–	–	–	–	–	–	–
Leave		–	–	–	–	–	–	2 865	–	–	–
Litigation		–	–	–	–	–	–	–	–	–	–
Pension Fund Investment Return Shortfall		–	–	–	–	–	–	–	–	–	–
Staff Parity		212	182	173	182	163	163	–	168	163	163
Total Provisions		**150 346**	**151 521**	**155 593**	**162 269**	**168 802**	**168 802**	**165 155**	**146 485**	**130 655**	**121 730**
Long term Trade and other Payables											
Bulk Water		–	–	–	–	–	–	–	–	–	–
Electricity Bulk Purchase		–	–	–	–	–	–	–	–	–	–
Municipal Debt Relief		–	–	–	–	–	–	–	–	–	–
Payables and Accruals		–	–	–	–	–	–	–	–	–	–
Total Long term Trade and other Payables		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other non-current liabilities											
Employee Benefits											
Post-employment Benefits		114 262	119 837	127 256	145 765	137 091	137 091	12 405	149 310	155 282	161 211
Other Long-Term Benefits		20 495	20 997	22 787	24 659	25 265	25 265	–	24 347	25 321	25 030
Termination Benefits		–	–	–	–	–	–	–	–	–	–
Total Employee Benefits		**134 757**	**140 834**	**150 043**	**170 424**	**162 356**	**162 356**	**12 405**	**173 657**	**180 603**	**186 241**
Deferred Tax Liabilities		–	–	–	–	–	–	–	–	–	–
Intercompany/Parent-subsidiary Transactions		–	–	–	–	–	–	–	–	–	–
Total Other non-current liabilities		**134 757**	**140 834**	**150 043**	**170 424**	**162 356**	**162 356**	**12 405**	**173 657**	**180 603**	**186 241**
Total non current liabilities		**707 060**	**713 869**	**641 220**	**693 169**	**691 707**	**691 707**	**513 143**	**714 922**	**784 317**	**872 623**
TOTAL LIABILITIES		**1 013 932**	**1 026 467**	**1 064 365**	**1 019 798**	**1 026 155**	**1 026 155**	**737 113**	**1 083 133**	**1 182 378**	**1 251 732**
CHANGES IN NET ASSETS		**3 832 790**	**3 961 307**	**4 168 309**	**4 088 634**	**4 197 876**	**4 197 876**	**4 554 950**	**4 233 007**	**4 242 553**	**4 200 169**
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)											
Changes in Accounting Policy		–	–	–	–	–	–	–	–	–	–
Correction of Prior Period Error		(1 078)	433	–	–	–	–	(4 174)	–	–	–
Depreciation Offsets		–	–	–	–	–	–	–	–	–	–
Opening Balance		3 720 953	3 829 562	3 958 079	4 059 867	4 165 081	4 165 081	4 138 947	4 194 647	4 229 777	4 239 322
Transfers to/from operating revenue and expenditure		109 688	128 085	207 001	7 080	8 839	8 839	153 769	27 755	(1 476)	(53 814)
Transfers to/from Reserves		(0)	(0)	(0)	18 457	20 728	20 728	–	7 376	11 020	11 429
Total Accumulated Surplus/(Deficit)	1	**3 829 562**	**3 958 079**	**4 165 081**	**4 085 404**	**4 194 647**	**4 194 647**	**4 288 542**	**4 229 777**	**4 239 322**	**4 196 937**
Reserves and Funds											
Capital Replacement Reserve		–	–	–	–	–	–	–	–	–	–
Capitalisation Reserve		–	–	–	–	–	–	–	–	–	–

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Compensation for Occupational Injuries and Diseases		–	–	–	–	–	–	–	–	–	–
Employee Benefit Reserve		–	–	–	–	–	–	–	–	–	–
Housing Development Fund		3 228	3 228	3 228	3 231	3 229	3 229	3 228	3 230	3 231	3 232
Investment in associate account		–	–	–	–	–	–	–	–	–	–
Non-current Provisions Reserve		–	–	–	–	–	–	–	–	–	–
Revaluation Reserve		–	–	–	–	–	–	–	–	–	–
Self Insurance Reserve		–	–	–	–	–	–	–	–	–	–
Valuation Reserve		–	–	–	–	–	–	–	–	–	–
Total Reserves and Funds	2	**3 228**	**3 228**	**3 228**	**3 231**	**3 229**	**3 229**	**3 228**	**3 230**	**3 231**	**3 232**
Other											
Equity											
Capital Contributed by Other Government Units		–	–	–	–	–	–	–	–	–	–
Ordinary Shares		–	–	–	–	–	–	–	–	–	–
Preference Shares		–	–	–	–	–	–	–	–	–	–
Share Premium		–	–	–	–	–	–	–	–	–	–
Total Equity		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Non-controlling Interest											
Opening Balance		–	–	–	–	–	–	–	–	–	–
Movement during the year		–	–	–	–	–	–	–	–	–	–
Total Non-controlling Interest		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Intercompany/Parent-subsidiary Transactions		–	–	–	–	–	–	–	–	–	–
Total Other	2	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL COMMUNITY WEALTH/EQUITY	2	**3 832 790**	**3 961 307**	**4 168 309**	**4 088 634**	**4 197 876**	**4 197 876**	**4 291 771**	**4 233 007**	**4 242 553**	**4 200 169**

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

R thousand			Ref	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
The provision of democratic,	Good Governance	1		462 263	564 280	568 499	558 698	531 677	531 677	571 597	599 850	624 235
The provision and maintenance of	Basic Service Delivery	2		1 002 939	1 121 669	1 264 341	1 344 840	1 355 407	1 355 407	1 500 033	1 551 252	1 653 431
The encouragement of structured	Good Governance	3										
The creation and maintenance of a	Safe and Healthy Environment	4		100 266	20 796	71 071	123 123	112 243	112 243	102 358	105 541	105 815
The promotion of tourism,	Economic Development and Social	5		116 248	171 737	126 959	92 760	115 057	115 057	51 124	68 130	74 795
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	**1 681 715**	**1 878 482**	**2 030 870**	**2 119 420**	**2 114 384**	**2 114 384**	**2 225 112**	**2 324 774**	**2 458 275**

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

R thousand			Ref	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
The provision of democratic,	Good Governance	1		279 682	290 570	298 443	238 998	240 458	240 458	402 943	411 006	431 841
The provision and maintenance of	Basic Service Delivery	2		810 879	958 821	995 836	1 259 762	1 266 990	1 266 990	1 193 181	1 286 070	1 416 825
The encouragement of structured	Good Governance	3		393	256	359	758	1 324	1 324	1 080	758	758
The creation and maintenance of a	Safe and Healthy Environment	4		237 750	186 507	230 021	317 594	300 244	300 244	320 937	331 978	349 335
The promotion of tourism,	Economic Development and Social	5		243 322	314 243	299 210	295 229	296 529	296 529	279 215	296 437	313 329
Allocations to other priorities												
Total Expenditure			1	**1 572 027**	**1 750 397**	**1 823 868**	**2 112 340**	**2 105 545**	**2 105 545**	**2 197 357**	**2 326 250**	**2 512 089**

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

R thousand			Ref	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
The provision of democratic,	Good Governance	1		2 228	6 967	3 403	3 500	3 573	3 573	7 670	3 420	3 420
The provision and maintenance of	Basic Service Delivery	2		125 737	125 525	141 935	158 072	156 636	156 636	156 786	204 363	213 597
The encouragement of structured	Good Governance	3					5 300	4 735	4 735	3 750		
The creation and maintenance of a	Safe and Healthy Environment	4		12 215	9 422	24 848	47 978	48 366	48 366	35 009	31 572	34 230
The promotion of tourism,	Economic Development and Social	5		49 141	51 604	22 568	43 496	56 527	56 527	39 524	55 090	56 921
Allocations to other priorities			3									
Total Capital Expenditure			1	**189 321**	**193 518**	**192 754**	**258 346**	**269 836**	**269 836**	**242 739**	**294 445**	**308 168**

WC032 Overstrand - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Council and Municipal Manager										
Office of the Municipal Manager										
Municipal Manager										
Submit four progress reports on the revision of the top 10 risks as a corrective action to the Top Management Team (1 previous financial year & 3 current financial year)	Number of progress reports submitted	3	4	4	4	4	4	4	4	4
veloped to address all the issues raised in the management letter of the Auditor General and s	Number of progress reports monitored and submitted to Executive Mayor	3	4	4	4	4	4	4	4	4
Sign section 56 performance agreements with all directors by the end of July 2026	Number of agreements signed	6	5	5	3	3	3	6	6	6
Bi-annual formal performance appraisals of the section 56 appointees for the previous financial period April to June 2026 to be completed by Sept 2026 and the current period October to December 2026 to be completed by February 2027	Number of appraisals	11	9	8	6	6	6	6	12	12
Draft the annual report and submit to the Auditor-General by end August 2026	Draft Annual Report submitted	1	1	1	1	1	1	1	1	1
Percentage of a municipality's capital budget actually spent on capital projects identified for the financial year 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)X100} (MPPMR Reg 10 (c))	% of the capital budget spent	89.21%	89.91%	86.35%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Ward committee meetings held to facilitate consistent and regular communication with residents	No of ward committee meetings per ward per annum	112	70	83	70	70	70	70	70	70
Prepare the final IDP for submission to Council by the end of May	Final IDP submitted	1	1	1	1	1	1	1	1	1
Submit the Final MTREF Budget by the end of May	Final Budget submitted	1	1	1	1	1	1	1	1	1
Corporate Services										
Director: Corporate Services										
Human Resources										
92% of the approved and funded organogram filled {(actual number of posts filled dived by the funded posts budgeted) x100}	% filled	91.0%	90.50%	82.19%	92.0%	92.0%	92.0%	92.0%	92.0%	92.0%
The percentage of a municipality's budget (training budget) actually spent on implementing its workplace skills plan (MPPMR Reg 10 (f))	% of the training budget spent on implementation of the WSP	99.99%	99.99%	99.92%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan (MPPMR Reg 10 (e))	The number of people from EE target groups employed	69	67	62	75	75	75	75	75	75
Community Services										
Director: Community Services										
Operational Conditional Grant										
100% 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%	92.29%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Refuse removal										
Provision of refuse removal, refuse dumps and solid waste disposal to all informal households at least once a week (MPPMR Reg 10 (a))	Number of formal households for which refuse is removed at least once a week	35 601	36 662	37 594	37 532	37 532	37 532	37 780	38 913	40 080
Provision of refuse removal, refuse dumps and solid waste disposal to all informal households at least once a week (MPPMR Reg 10 (a))	Number of weekly removal of refuse in informal households (once per week = 52 weeks per annum)	52	52	52	52	52	52	52	52	52
Infrastructure Services										
Chief Engineer: Infrastructure Services										
Roads maintenance										
m² of roads patched and resealed according to approved Pavement Management System within available budget	m² of roads patched and resealed	77 662	128 419	114 813	120 000	120 000	120 000	130 000	130 000	130 000
Water treatment										
Quality of effluent comply 75% with license and/or general limit in terms of the Water Act (Act 36 of 1998)	% compliance	75.5%	77.8%	78.3%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%
Quality of potable water comply 95% with SANS 241	% compliance with SANS 241	97.0%	97.0%	98.3%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Limit unaccounted water to less than 26% {(Number of kiloliter water purified - Number of kiloliter water sold)/Number of kiloliter purified x 100)}	% of water unaccounted for	24.5%	30.6%	31.2%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%
Report on the implementation of the Water Service Development plan annually by the end of October	Report submitted	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
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	6.4%	7.8%	7.1%	7.7%	7.7%	7.7%	765.0%	765.0%	765.0%
Provision of Electricity: Number of metered electrical connections in formal areas (Eskom Areas excluded) (Definition: Refers to residential households (RE) and pensioners (PR) as per Finance departments billed households) (MPPMR Reg 10 (a))	Number of formal households that meet agreed service standards	23 163	23 989	24 832	23 500	23 500	23 500	25 000	25 000	25 000
MIG										
100% of the Municipal Infrastructure Grant (MIG) spent by 30 June 2025 (Actual MIG expenditure/Allocation received)	% Expenditure of allocated funds	100.0%	86.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Water										
Provision of cleaned piped water to all formal households within 200 m from households (MPPMR Reg 10 (a))	No of formal households that meet agreed service standards for piped water	31 829	32 887	33 753	32 888	32 888	32 888	35 114	35 465	35 820
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)	658	718	396	262	262	262	262	262	262
Provision of water to informal households on invaded land with available funding	The number of taps installed for informal households on invaded land with available funding	99	81	81	80	80	80	80	80	80
("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).										
Sanitation provision										
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	32 323	33 539	34 685	33 562	33 562	33 562	36 289	36 652	37 019
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)	1 107	1 112	726	785	785	785	785	785	785
The provision of sanitation services to informal households on invaded land with available funding	The number of toilets provided for informal households on invaded land with available funding	171	133	133	105	105	105	105	105	105
("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).										
Director: Municipal Public Safety										
Municipal Public Safety										
Sub-function 1 - (name)										
Annually arrange public awareness sessions on Protection Services by 30 June	Number of sessions held	132	164	158	150	150	150	150	150	150
Collect R20 000 000 Public Safety Income by 30 June (Actual revenue, excluding the fine impairment amount)	R-value of public safety collected income (excluding fines impairment amount)	17 641 623	20 313 411	19 496 735	20 000 000	20 000 000	20 000 000	20 000 000	20 000 000	20 000 000
Disaster anf Fire Management										
Annually review and submit draft Disaster Management Plan to Council by the end of March	Reviewed plan submitted	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Finacial services										
Chief Financial Officer										
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	5.7%	5.14%	6.29%	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%
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	28.63%	32.45%	35.98%	1600.0%	1600.0%	1600.0%	1600.0%	1600.0%	1600.0%
Financial viability measured in terms of the outstanding service debtors (Total outstanding service debtors/ revenue received for services) (MPPR Reg 10 (g))	% achieved	13.61%	15.17%	14.84%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%
Submit a reviewed long term financial plan to the CFO by the end of October 2026	Reviewed long term financial plan submitted	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Financial statements submitted to the Auditor General by end August 2026	Financial statements submitted	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Provision of free basic electricity, refuse removal, sanitation and water in terms of the equitable share requirements (MPPMR Reg 10 (b))	Number of indgent households	1 491	4 715	5 646	5 800	5 800	5 800	7 800	7 800	780000.0%
Achieve a debt recovery rate not less than 98% (Receipts/total billed for 12 months period x 100)	% Recovered	98.96%	96.13%	98.11%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Report monthly to the MM on the status of 30/60/90 days debtor payments	Number of reports submitted	no target	12	12	12	12	12	12	12	1200.0%
Planning and Development										
Director: Plamning and Development										
Local Economic Development										
Support 180 SMME's in terms of the SMME Development Programme by 30 June EPWP	Number of SMME's supported	185	185	176	180	180	180	180	180	180
The number of job opportunities created through the EPWP programme and as per set targets (business plan as per grant agreement - FTE's, translates to 900 work opportunities)	Number of temporary jobs created	1 059	902	822	900	900	900	560	560	560
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	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Borrowing Management										
Credit Rating										
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	6.3%	6.1%	5.4%	9.7%	9.5%	9.5%	4.8%	5.4%	6.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	6.4%	6.0%	5.1%	10.2%	10.0%	10.0%	4.9%	5.6%	6.3%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	118.5%	392.3%	167.9%	178.4%	172.5%	172.5%	200.0%	344.0%	344.0%
Safety of Capital										
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity										
Current Ratio	Current assets/current liabilities	2.7	3.1	2.8	2.9	3.2	3.2	3.0	2.8	2.7
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2.7	3.1	2.8	2.9	3.2	3.2	3.0	2.8	2.7
Liquidity Ratio	Monetary Assets/Current Liabilities	2.4	2.5	2.3	2.6	2.8	2.8	2.6	2.4	2.3
Revenue Management										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	119.9%	112.0%	116.9%	125.6%	124.7%	-0.1%	128.4%	128.4%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		119.9%	112.0%	116.9%	125.6%	124.7%	124.7%	128.4%	128.4%	128.4%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	13.6%	12.8%	11.1%	11.0%	12.3%	12.3%	11.8%	11.4%	11.1%
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))	98.2%	99.0%	99.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		19.7%	20.0%	18.6%	18.4%	18.7%	18.7%	18.6%	18.8%	21.2%
Other Indicators										
Electricity Distribution Losses (2)	Total Volume Losses (kW) technical	18 502 897	11 109 039	11 855 448	14 834 382	14 834 382	14 834 382	14 734 382	14 634 382	14 634 382
	Total Volume Losses (kW) non technical		3 163 602	6 164 599						
	Total Cost of Losses (Rand '000)	19 835 602	16 846 054	24 800 795	20 484 237	20 484 237	20 484 237	23 315 792	24 547 004	24 547 004
	% Volume (units purchased and generated less units sold)/units purchased and generated	6.43%	7.60%	6.49%	6.49%	6.49%	6.49%	5.88%	5.87%	5.87%
Water Volumes :System input	Bulk Purchase									
	Water treatment works									
	Natural sources									
Water Distribution Losses (2)	Total Volume Losses (kℓ)	1 768	1 840 996	1 662 086	1 761 812	1 761 812	1 761 812	1 691 812	1 641 812	1 641 812

Description of financial indicator	Basis of calculation	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
	Total Cost of Losses (Rand '000)	3062156	4 637 635	3 245 885	4 404 529	4 404 529	4 404 529	4 229 529	4 104 529	4 104 529
	% Volume (units purchased and generated less units sold)/units purchased and generated	24.04%	24.47%	24.00%	25.04%	25.04%	25.04%	24.75%	24.30%	24.30%
Employee costs	Employee costs/(Total Revenue - capital revenue)	31.0%	29.6%	27.2%	30.7%	29.7%	29.7%	31.6%	31.2%	31.3%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	31.8%	30.4%	27.9%	31.4%	30.4%	30.4%	32.4%	31.9%	32.1%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	16.1%	15.9%	13.8%	15.8%	16.4%	16.4%	16.5%	16.8%	18.6%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	12.7%	11.5%	10.3%	10.8%	10.6%	10.6%	10.2%	10.3%	10.5%
IDP regulation financial viability indicators										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	11.1	12.9	9.3	9.1	9.0	18.0	14.5	13.9	–
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	6.4%	5.4%	4.0%	4.2%	6.3%	6.3%	6.3%	6.3%	6.3%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	5.1	4.8	5.8	4.4	5.3	5.3	4.9	4.7	3.9

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	2022/23	2023/24	2024/25	Current Year 2025/26	2026/27 Medium Term Revenue & Expenditure Framework		
						Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Demographics												
Population		0	55 735	74 547	80 432	110 856	132 495	136 338	139 474	148 547	151 976	155 928
Females aged 5 - 14		0	4 050	5 843	5 228	7 153	7 696	7 921	8 103	8 631	8 830	9 059
Males aged 5 - 14		0	4 055	5 894	5 278	7 222	7 587	7 812	7 992	8 512	8 708	8 935
Females aged 15 - 34		0	9 473	11 567	13 141	17 978	20 263	20 846	21 326	22 713	23 237	23 841
Males aged 15 - 34		0	9 520	11 230	13 648	18 674	19 840	20 410	20 879	22 237	22 751	23 342
Unemployment		0	5 165	8 099	4 237	5 797	26 583	19 590	20 041	21 344	21 837	22 405
Monthly household income (no. of households)	1, 12											
No income		0	2 214	2 551	3 251	3 051	6 969	7 171	7 336	7 813	7 993	8 201
R1 - R1 600		0	6 098	7 025	8 955	8 405	19 194	19 751	20 205	21 519	22 016	22 588
R1 601 - R3 200		0	3 766	4 339	5 530	5 191	11 854	12 198	12 478	13 290	13 597	13 950
R3 201 - R6 400		0	3 383	3 897	4 968	4 663	10 648	10 957	11 209	11 938	12 214	12 531
R6 401 - R12 800		0	2 306	2 657	3 386	3 178	7 258	7 469	7 641	8 138	8 325	8 542
R12 801 - R25 600		0	917	1 056	1 347	1 264	2 886	2 970	3 038	3 236	3 311	3 397
R25 601 - R51 200		0	209	241	307	288	658	677	692	738	755	774
R52 201 - R102 400		0	83	96	122	114	261	269	275	293	300	307
R102 401 - R204 800		0	44	51	65	61	138	143	146	155	159	163
R204 801 - R409 600		0	36	41	53	50	113	117	119	127	130	133
R409 601 - R819 200		0	–	–	–	–	–	–	–	–	–	–
> R819 200		0	–	–	–	–	–	–	–	–	–	–
Poverty profiles (no. of households)												
< R2 060 per household per month	13	0	9 393	10 821	9 393	12 947	29 565	30 382	31 063	32 918	33 660	34 506
	2	0	–	–	–	–	–	–	–	–	–	–
Household/demographics (000)												
Number of people in municipal area		0	55 735	75 014	80 358	110 856	132 495	136 338	139 474	148 547	151 976	155 928
Number of poor people in municipal area		0										
Number of households in municipal area		0	19 056	21 953	27 983	26 264	59 980	61 720	63 139	67 246	68 799	
Number of poor households in municipal area		0	–	–	–	–	–	–	–	–	–	–
Definition of poor household (R per month)		0	–	–	–	-	-	-	-	-	-	-
Housing statistics	3											
Formal		0	15 593	17 964	22 436	54 103	55 035	56 026	57 035	58 061	59 106	60 879
Informal		0	2 441	3 307	3 568	3 536	3 242	3 137	3 076	3 229	4 036	4 237
Total number of households			18 034	21 271	26 004	57 639	58 277	59 163	60 111	61 290	63 142	65 116
Dwellings provided by municipality	4	0	–	–	–	250	486	382	139	-	-	-

Dwellings provided by province/s		0	–	–	–	-	-	-	-	-	-	-	
Dwellings provided by private sector	5	0	–	–	–	-	-	-	-	-	-	-	
Total new housing dwellings			-	-	-	250	486	382	139	-	-	-	
Economic	6												
Inflation/inflation outlook (CPIX)						6.9%	5.9%	4.4%	3.3%	3.7%	3.3%	3.2%	
Interest rate - borrowing						11.4%	10.5%	10.0%	10.5%	11.0%	11.0%	11.0%	
Interest rate - investment						7.3%	9.0%	7.0%	7.5%	7.8%	7.8%	7.8%	
Remuneration increases						4.9%	5.4%	6.0%	5.0%	4.8%	5.8%	5.8%	
Consumption growth (electricity)						1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	
Consumption growth (water)						2.0%	2.0%	3.0%	4.0%	4.0%	4.0%	4.0%	
Collection rates	7												
Property tax/service charges						99.5%	100.0%	99.0%	99.0%	99.0%	99.0%	99.0%	
Rental of facilities & equipment						98.0%	97.5%	98.3%	98.0%	98.0%	98.0%	98.0%	
Interest - external investments						100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
Interest - debtors						97.1%	97.1%	98.7%	98.7%	98.7%	98.7%	98.7%	
Revenue from agency services						97.1%	97.1%	97.1%	97.1%	97.1%	97.1%	97.1%	

Detail on the provision of municipal services for A10

Total municipal services	Ref.		2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
		Household service targets (000)									
		Water:									
		Piped water inside dwelling	31 829	32 887	33 753	32 888	32 888	32 888	35 114	35 465	35 820
		Piped water inside yard (but not in dwelling)	–	–	–	–	–	–	–	–	–
	8	Using public tap (at least min.service level)	3 536	3 242	3 076	3 076	3 076	3 076	3 229	4 036	4 237
	10	Other water supply (at least min.service level)	–	–	–	–	–	–	–	–	–
		Minimum Service Level and Above sub-total	35 365	36 129	36 829	35 964	35 964	35 964	38 343	39 501	40 057
	9	Using public tap (< min.service level)	–	–	–	–	–	–	–	–	–
	10	Other water supply (< min.service level)	–	–	–	–	–	–	–	–	–
		No water supply	–	–	–	–	–	–	–	–	–
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	**35 365**	**36 129**	**36 829**	**35 964**	**35 964**	**35 964**	**38 343**	**39 501**	**40 057**
		Sanitation/sewerage:									
		Flush toilet (connected to sewerage)	32 323	33 539	34 685	33 562	33 562	33 562	36 289	36 652	37 019
		Flush toilet (with septic tank)	–	–	–	–	–	–	–	–	–
		Chemical toilet	–	–	–	–	–	–	–	–	–
		Pit toilet (ventilated)	–	–	–	–	–	–	–	–	–
		Other toilet provisions (> min.service level)	3 536	3 242	3 076	3 076	3 076	3 076	3 229	4 036	4 237
		Minimum Service Level and Above sub-total	35 859	36 781	37 761	36 638	36 638	36 638	39 518	40 688	41 256
		Bucket toilet	–	–	–	–	–	–	–	–	–

		Other toilet provisions (< min.service level)	–	–	–	–	–	–	–	–	–
		No toilet provisions	–	–	–	–	–	–	–	–	–
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	**35 859**	**36 781**	**37 761**	**36 638**	**36 638**	**36 638**	**39 518**	**40 688**	**41 256**
		Energy:									
		Electricity (at least min.service level)	5 502	5 174	5 230	5 116	5 116	5 116	5 002	4 888	4 774
		Electricity - prepaid (min.service level)	21 854	22 381	23 683	24 283	24 283	24 283	24 533	24 783	25 033
		Minimum Service Level and Above sub-total	27 356	27 555	28 913	29 399	29 399	29 399	29 535	29 671	29 807
		Electricity (< min.service level)	–	–	–	–	–	–	–	–	–
		Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–
		Other energy sources	–	–	–	–	–	–	–	–	–
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	**27 356**	**27 555**	**28 913**	**29 399**	**29 399**	**29 399**	**29 535**	**29 671**	**29 807**
		Refuse:									
		Removed at least once a week	35 601	36 662	37 594	37 532	37 532	37 532	37 780	38 913	40 080
		Minimum Service Level and Above sub-total	35 601	36 662	37 594	37 532	37 532	37 532	37 780	38 913	40 080
		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	**35 601**	**36 662**	**37 594**	**37 532**	**37 532**	**37 532**	**37 780**	**38 913**	**40 080**

Municipal in-house services	Ref.		**2022/23**	**2023/24**	**2024/25**	**Current Year 2025/26**			**2026/27 Medium Term Revenue & Expenditure Framework**		
			Outcome	**Outcome**	**Outcome**	**Original Budget**	**Adjusted Budget**	**Full Year Forecast**	**Budget Year 2026/27**	**Budget Year +1 2027/28**	**Budget Year +2 2028/29**
		Household service targets (000)									
		Water:									
		Piped water inside dwelling	31 829	32 887	33 753	32 888	32 888	32 888	35 114	35 465	35 820
		Piped water inside yard (but not in dwelling)	–	–	–	–	–	–	–	–	–
8		Using public tap (at least min.service level)	3 536	3 242	3 076	3 076	3 076	3 076	3 229	4 036	4 237
10		Other water supply (at least min.service level)	–	–	–	–	–	–	–	–	–
		Minimum Service Level and Above sub-total	35 365	36 129	36 829	35 964	35 964	35 964	38 343	39 501	40 057
9		Using public tap (< min.service level)	–	–	–	–	–	–	–	–	–
10		Other water supply (< min.service level)	–	–	–	–	–	–	–	–	–
		No water supply	–	–	–	–	–	–	–	–	–
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	**35 365**	**36 129**	**36 829**	**35 964**	**35 964**	**35 964**	**38 343**	**39 501**	**40 057**
		Sanitation/sewerage:									
		Flush toilet (connected to sewerage)	32 323	33 539	34 685	33 562	33 562	33 562	36 289	36 652	37 019
		Flush toilet (with septic tank)	–	–	–	–	–	–	–	–	–
		Chemical toilet	–	–	–	–	–	–	–	–	–

		Pit toilet (ventilated)	–	–	–	–	–	–	–	–	–
		Other toilet provisions (> min.service level)	3 536	3 242	3 076	3 076	3 076	3 076	3 229	4 036	4 237
		Minimum Service Level and Above sub-total	35 859	36 781	37 761	36 638	36 638	36 638	39 518	40 688	41 256
		Bucket toilet	–	–	–	–	–	–	–	–	–
		Other toilet provisions (< min.service level)	–	–	–	–	–	–	–	–	–
		No toilet provisions	–	–	–	–	–	–	–	–	–
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	**35 859**	**36 781**	**37 761**	**36 638**	**36 638**	**36 638**	**39 518**	**40 688**	**41 256**
		Energy:									
		Electricity (at least min.service level)	5 502	5 174	5 230	5 116	5 116	5 116	5 002	4 888	4 774
		Electricity - prepaid (min.service level)	21 854	22 381	23 683	24 283	24 283	24 283	24 533	24 783	25 033
		Minimum Service Level and Above sub-total	27 356	27 555	28 913	29 399	29 399	29 399	29 535	29 671	29 807
		Electricity (< min.service level)	–	–	–	–	–	–	–	–	–
		Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–
		Other energy sources	–	–	–	–	–	–	–	–	–
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	**27 356**	**27 555**	**28 913**	**29 399**	**29 399**	**29 399**	**29 535**	**29 671**	**29 807**
		Refuse:									
		Removed at least once a week	35 601	36 662	37 594	37 532	37 532	37 532	37 780	38 913	40 080
		Minimum Service Level and Above sub-total	35 601	36 662	37 594	37 532	37 532	37 532	37 780	38 913	40 080
		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	**35 601**	**36 662**	**37 594**	**37 532**	**37 532**	**37 532**	**37 780**	**38 913**	**40 080**

Municipal entity services	Ref.		2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
		Household service targets (000)									
Name of municipal entity		***Water:***									
		Piped water inside dwelling	–	–	–	–	–	–	–	–	–
		Piped water inside yard (but not in dwelling)	–	–	–	–	–	–	–	–	–
	8	Using public tap (at least min.service level)	–	–	–	–	–	–	–	–	–
	10	Other water supply (at least min.service level)	–	–	–	–	–	–	–	–	–
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
	9	Using public tap (< min.service level)	–	–	–	–	–	–	–	–	–
	10	Other water supply (< min.service level)	–	–	–	–	–	–	–	–	–
		No water supply	–	–	–	–	–	–	–	–	–
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Name of municipal entity		***Sanitation/sewerage:***									

		Flush toilet (connected to sewerage)	–	–	–	–	–	–	–	–	–
		Flush toilet (with septic tank)	–	–	–	–	–	–	–	–	–
		Chemical toilet	–	–	–	–	–	–	–	–	–
		Pit toilet (ventilated)	–	–	–	–	–	–	–	–	–
		Other toilet provisions (> min.service level)	–	–	–	–	–	–	–	–	–
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
		Bucket toilet	–	–	–	–	–	–	–	–	–
		Other toilet provisions (< min.service level)	–	–	–	–	–	–	–	–	–
		No toilet provisions	–	–	–	–	–	–	–	–	–
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Name of municipal entity		***Energy:***									
		Electricity (at least min.service level)	–	–	–	–	–	–	–	–	–
		Electricity - prepaid (min.service level)	–	–	–	–	–	–	–	–	–
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
		Electricity (< min.service level)	–	–	–	–	–	–	–	–	–
		Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–
		Other energy sources	–	–	–	–	–	–	–	–	–
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Name of municipal entity		***Refuse:***									
		Removed at least once a week	–	–	–	–	–	–	–	–	–
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
		Removed less frequently than once a week	–	–	–	–	–	–	–	–	–
		Using communal refuse dump	–	–	–	–	–	–	–	–	–
		Using own refuse dump	–	–	–	–	–	–	–	–	–
		Other rubbish disposal	–	–	–	–	–	–	–	–	–
		No rubbish disposal	–	–	–	–	–	–	–	–	–
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

Services provided by 'external mechanisms'	Ref.		2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
		Household service targets (000)									
Names of service providers		***Water:***									
		Piped water inside dwelling	–	–	–	–	–	–	–	–	–
		Piped water inside yard (but not in dwelling)	–	–	–	–	–	–	–	–	–
	8	Using public tap (at least min.service level)	–	–	–	–	–	–	–	–	–
	10	Other water supply (at least min.service level)	–	–	–	–	–	–	–	–	–
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
	9	Using public tap (< min.service level)	–	–	–	–	–	–	–	–	–
	10	Other water supply (< min.service level)	–	–	–	–	–	–	–	–	–
		No water supply	–	–	–	–	–	–	–	–	–

	Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–	
	Total number of households	–	–	–	–	–	–	–	–	–	
Names of service providers	***Sanitation/sewerage:***										
	Flush toilet (connected to sewerage)	–	–	–	–	–	–	–	–	–	
	Flush toilet (with septic tank)	–	–	–	–	–	–	–	–	–	
	Chemical toilet	–	–	–	–	–	–	–	–	–	
	Pit toilet (ventilated)	–	–	–	–	–	–	–	–	–	
	Other toilet provisions (> min.service level)	–	–	–	–	–	–	–	–	–	
	Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–	
	Bucket toilet	–	–	–	–	–	–	–	–	–	
	Other toilet provisions (< min.service level)	–	–	–	–	–	–	–	–	–	
	No toilet provisions	–	–	–	–	–	–	–	–	–	
	Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–	
	Total number of households	–	–	–	–	–	–	–	–	–	
Names of service providers	***Energy:***										
	Electricity (at least min.service level)	–	–	–	–	–	–	–	–	–	
	Electricity - prepaid (min.service level)	–	–	–	–	–	–	–	–	–	
	Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–	
	Electricity (< min.service level)	–	–	–	–	–	–	–	–	–	
	Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–	
	Other energy sources	–	–	–	–	–	–	–	–	–	
	Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–	
	Total number of households	–	–	–	–	–	–	–	–	–	
Names of service providers	***Refuse:***										
	Removed at least once a week	–	–	–	–	–	–	–	–	–	
	Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–	
	Removed less frequently than once a week	–	–	–	–	–	–	–	–	–	
	Using communal refuse dump	–	–	–	–	–	–	–	–	–	
	Using own refuse dump	–	–	–	–	–	–	–	–	–	
	Other rubbish disposal	–	–	–	–	–	–	–	–	–	
	No rubbish disposal	–	–	–	–	–	–	–	–	–	
	Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–	
	Total number of households	–	–	–	–	–	–	–	–	–	

Detail of Free Basic Services (FBS) provided			2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Electricity	Ref.	***Location of households for each type of FBS***									
List type of FBS service		**Formal settlements - (50 kwh per indigent household per month Rands)**	7 509 180	7 509 180	8 077 306	8 561 946	13 106 724	13 106 724	16 195 889	17 491 560	18 890 885
		Number of HH receiving this type of FBS	7 400	7 400	4 800	5 800	7 800	7 800	7 800	7 800	7 800

		Informal settlements (Rands)	–	–	–	–	–	–	–	–	–
		Number of HH receiving this type of	–	–	–	–	–	–	–	–	–
		Informal settlements targeted for upgrading (Rands)	–	–	–	–	–	–	–	–	–
		Number of HH receiving this type of	–	–	–	–	–	–	–	–	–
		Living in informal backyard rental agreement (Rands)	–	–	–	–	–	–	–	–	–
		Number of HH receiving this type of	–	–	–	–	–	–	–	–	–
		Other (Rands)	–	–	–	–	–	–	–	–	–
		Number of HH receiving this type of	–	–	–	–	–	–	–	–	–
		Total cost of FBS - Electricity for informal settlements	–	–	–	–	–	–	–	–	–
Water	Ref.	***Location of households for each type of FBS***									
List type of FBS service		**Formal settlements - (6 kilolitre per indigent household per month Rands)**	3 214 472	5 223 960	3 432 240	3 638 174	6 412 120	6 412 120	7 534 800	7 986 888	8 466 101
		Number of HH receiving this type of FBS	7 278	7 400	4 800	5 800	7 800	7 800	7 800	7 800	7 800
		Informal settlements (Rands)	–	–	–	–	–	–	–	–	–
		Number of HH receiving this type of FBS	–	–	–	–	–	–	–	–	–
		Informal settlements targeted for upgrading (Rands)	–	–	–	–	–	–	–	–	–
		Number of HH receiving this type of FBS	–	–	–	–	–	–	–	–	–
		Living in informal backyard rental agreement (Rands)	–	–	–	–	–	–	–	–	–
		Number of HH receiving this type of FBS	–	–	–	–	–	–	–	–	–
		Other (Rands)	–	–	–	–	–	–	–	–	–
		Number of HH receiving this type of FBS	–	–	–	–	–	–	–	–	–
		Total cost of FBS - Water for informal settlements	–	–	–	–	–	–	–	–	–
Sanitation	Ref.	***Location of households for each type of FBS***									
List type of FBS service		**Formal settlements - (free sanitation service to indigent households)**	6 729 408	9 813 720	7 330 176	7 769 987	11 276 804	11 276 804	13 254 696	14 049 978	14 892 976
		Number of HH receiving this type of FBS	7 400	7 400	4 800	5 800	7 800	7 800	7 800	7 800	7 800
		Informal settlements (Rands)	–	–	–	–	–	–	–	–	–
		Number of HH receiving this type of FBS	–	–	–	–	–	–	–	–	–
		Informal settlements targeted for upgrading (Rands)	–	–	–	–	–	–	–	–	–
		Number of HH receiving this type of FBS	–	–	–	–	–	–	–	–	–
		Living in informal backyard rental agreement (Rands)	–	–	–	–	–	–	–	–	–
		Number of HH receiving this type of FBS	–	–	–	–	–	–	–	–	–
		Other (Rands)	–	–	–	–	–	–	–	–	–
		Number of HH receiving this type of FBS	–	–	–	–	–	–	–	–	–

		Total cost of FBS - Sanitation for informal settlements	–	–	–	–	–	–	–	–	–
Refuse Removal	Ref.	***Location of households for each type of FBS***									
List type of FBS service		**Formal settlements - (removed once a week to indigent households)**	6 729 408	9 813 720	7 330 176	7 769 987	22 426 536	22 426 536	26 364 312	27 946 171	29 622 941
		Number of HH receiving this type of FBS	7 400	7 400	4 800	5 800	7 800	7 800	7 800	7 800	7 800
		Informal settlements (Rands)	–	–	–	–	–	–	–	–	–
		Number of HH receiving this type of FBS	–	–	–	–	–	–	–	–	–
		Informal settlements targeted for upgrading (Rands)	–	–	–	–	–	–	–	–	–
		Number of HH receiving this type of FBS	–	–	–	–	–	–	–	–	–
		Living in informal backyard rental agreement (Rands)	–	–	–	–	–	–	–	–	–
		Number of HH receiving this type of FBS	–	–	–	–	–	–	–	–	–
		Other (Rands)	–	–	–	–	–	–	–	–	–
		Number of HH receiving this type of FBS	–	–	–	–	–	–	–	–	–
		Total cost of FBS - Refuse Removal for informal settle	–	–	–	–	–	–	–	–	–

WC032 Overstrand Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Funding measures											
Cash/cash equivalents at the year end - R'000	18(1)b	1	646 535	676 658	854 064	723 115	843 596	843 596	875 852	871 901	779 737
Cash + investments at the yr end less applications - R'000	18(1)b	2	623 786	706 622	847 823	659 400	789 415	789 415	872 621	868 670	776 505
Cash year end/monthly employee/supplier payments	18(1)b	3	5.1	4.8	5.8	4.4	5.3	5.3	4.9	4.7	3.9
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	109 688	128 085	207 001	7 080	8 839	8 839	27 755	(1 476)	(53 814)
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	11.6%	4.9%	0.8%	(7.9%)	(6.0%)	4.1%	(0.0%)	(0.0%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	38.8%	45.3%	43.6%	42.7%	43.3%	43.3%	43.6%	43.7%	43.8%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	4.6%	(0.9%)	0.9%	4.5%	1.6%	1.6%	2.3%	2.1%	2.0%
Capital payments % of capital expenditure	18(1)c;19	8	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	65.4%	63.1%	56.1%	57.4%	57.3%	57.3%	66.2%	77.5%	77.5%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10							100.7%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	23.2%	10.6%	(13.5%)	(9.0%)	0.0%	0.8%	1.6%	2.9%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	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%	7.0%	6.7%	7.6%	7.9%	7.9%	8.7%	9.9%	0.0%
Asset renewal % of capital budget	20(1)(vi)	14	9.2%	7.9%	9.8%	18.1%	20.4%	20.4%	35.8%	22.9%	20.3%

WC032 Overstrand - Supporting Table SA11 Property rates summary

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Valuation:	1									
Date of valuation:		02/07/2015	02/07/2022	02/07/2022	02/07/2022					
Financial year valuation used		**2016/2017**	**2022/2023**	**2022/2023**	**2022/2023**			**2022/2023**		
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. 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)										
Implementation time of new valuation roll (mths)		60	12	24	36			48		
No. of properties	5	43 655	44 983	44 983	45 849			48 599		
No. of sectional title values	5	2 752	2 752	2 752	2 960			3 137		
No. of unreasonably difficult properties s7(2)		–	–	–	–			–		
No. of supplementary valuations		1	1	1	1			1		
No. of valuation roll amendments		15	–	–	–			–		
No. of objections by rate payers		–	1 888	1 888	–			–		
No. of appeals by rate payers		–	170	170	–			–		
No. of successful objections	8	–	1 203	1 203	–			–		
No. of successful objections > 10%	8	–	360	360	–			–		
Supplementary valuation		2 552	657	657	–			–		
Public service infrastructure value (Rm)	5	306	96	96	437			463		
Municipality owned property value (Rm)		928	1 160	1 160	661			700		
Valuation reductions:										
Valuation reductions-public infrastructure (Rm)		306	96	96	437	437	437	463	490	520
Valuation reductions-nature reserves/park (Rm)		436	680	680	619	619	619	656	656	656
Valuation reductions-mineral rights (Rm)		–	–	–	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)		505	511	511	539	539	539	572	572	572
Valuation reductions-public worship (Rm)		194	270	270	264	264	264	279	279	279
Valuation reductions-other (Rm)		1 169	1 185	1 185	15 832	15 832	15 832	16 782	16 782	16 782
Total valuation reductions:		**2 610**	**2 743**	**2 743**	**17 690**	**17 690**	**17 690**	**18 752**	**18 779**	**18 809**
Total value used for rating (Rm)	5	53 082	90 339	90 339	92 829	92 829	92 829	98 398	98 398	98 398
Total land value (Rm)	5	24 419	32 974	32 974	33 303	33 303	33 303	29 972	29 972	29 972
Total value of improvements (Rm)	5	31 099	57 365	57 365	59 526	59 526	59 526	63 098	63 098	63 098
Total market value (Rm)	5	53 458	92 914	92 914	92 829	92 829	92 829	98 398	98 398	98 398
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		
Special rating area used? (Y/N)		Yes	Yes	Yes	YES			Yes		
Phasing-in properties s21 (number)		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? (%)		0.0%	0.0%	0.0%	0.0%			0.0%		
Rate revenue:										
Rate revenue budget (R '000)	6	409 443	439 026	444 249	467 991	467 991	467 991	491 390	520 874	552 126
Rate revenue expected to collect (R'000)	6	409 443	439 026	442 472	467 991	467 991	467 991	496 070	525 834	557 384
Expected cash collection rate (%)		100.0%	100.0%	99.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Special rating areas (R'000)	7	13 345	14 443	14 915	15 020	15 020	15 020	16 193	17 165	18 195
Rebates, exemptions - indigent (R'000)		–	–	–	–	–	–	–	–	–
Rebates, exemptions - pensioners (R'000)		1 178	1 273	1 273	1 273	1 396	1 396	1 466	1 554	1 647
Rebates, exemptions - bona fide farm. (R'000)		–	–	–	–	–	–	–	–	–
Rebates, exemptions - other (R'000)		67 758	75 796	75 796	75 796	82 617	82 617	84 376	89 439	94 805
Phase-in reductions/discounts (R'000)		–	–	–	–	–	–	–	–	–

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

Description	Ref	Business and commercial properties	Industrial properties	Mining properties	Residential properties	Agricultural properties	Public benefit organisations	Public service purpose properties	Public service infrastructure properties	Vacant land	Sport Clubs and Fields (Bitou only)	Sectional Title Garages (Drakenstein only)	Sum
Current Year 2025/26													
Valuation:													
No. of properties		936	–	–	34 757	360	164	85	1 626	4 961	–	–	43
No. of sectional title property values		479	–	–	2 481	–	–	–	–	–	–	–	3
No. of unreasonably difficult properties s7(2)		–	–	–	–	–	–	–	–	–	–	–	–
No. of supplementary valuations		NOT RECEIVE	NOT RECEIVE	NOT RECEIVE	NOT RECEIVE	NOT RECEIVE	NOT RECEIVE	NOT RECEIVE	NOT RECEIVE	NOT RECEIVE	–	–	–
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		10	–	–	90	–	–		–	–	–	–	0
Years since last valuation **(select)**		3	3	3	3	3	3	3	3	3	0	0	
Frequency of valuation **(select)**		4	4	4	4	4	4	4	4	4	0	0	
Method of valuation used **(select)**		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			
Phasing-in properties s21 (number)		–	–	–	–	–	–	–	–	–			–
Combination of rating types used? (Y/N)													
Flat rate used? (Y/N)													
Is balance rated by uniform rate/variable rate?													
Valuation reductions:													
Valuation reductions-public infrastructure (Rm)		437	–	–	–	–	–	–	–	–	–	–	436 535
Valuation reductions-nature reserves/park (Rm)		619	–	–	–	–	–	–	–	–	–	–	618 546
Valuation reductions-mineral rights (Rm)		–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)		–	–	–	539	–	–	–	–	–	–	–	539 375
Valuation reductions-public worship (Rm)		264	–	–	–	–	–	–	–	–	–	–	263 806
Valuation reductions-other (Rm)	2	–	–	–	15 832					80			15 911 903
Total valuation reductions:													
Total value used for rating (Rm)	6	6 040	–	–	80 689	1 000	607	618	437	3 437	–	–	92 828 772
Total land value (Rm)	6	1 766	–	–	26 497	752	191	255	404	3 437	–	–	33 302 821
Total value of improvements (Rm)	6	4 274	–	–	54 192	248	416	363	33	–	–	–	59 525 950
Total market value (Rm)	6	6 040	–	–	80 689	1 000	607	618	437	3 437	–	–	92 828 772
Rating:													
Average rate	3												
Rate revenue budget (R '000)		51 444	–	–	384 574	1 203	–	4 572	–	26 197	–	–	467 991
Rate revenue expected to collect (R'000)		51 444	–	–	384 574	1 203	–	4 572	–	26 197	–	–	467 991
Expected cash collection rate (%)	4	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	0.0%	0.0%	0
Special rating areas (R'000)													–
Rebates, exemptions - indigent (R'000)		–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - pensioners (R'000)		–	–	–	1 396	–	–	–	–	–	–	–	1 396
Rebates, exemptions - bona fide farm. (R'000)		–	–	–	–	–	–	–	–	–		–	–
Rebates, exemptions - other (R'000)		–	–	–	82 617	–	–	–	–	–	–	–	82 617
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	Business and commercial properties	Industrial properties	Mining properties	Residential properties	Agricultural properties	Public benefit organisations	Public service purpose properties	Public service infrastructure properties	Vacant land	Sport Clubs and Fields (Bitou only)	Sectional Title Garages (Drakenstein only)	Sum
Budget Year 2026/27													
Valuation:													
No. of properties		992	–	–	36 842	196	173	90	1 723	5 258	–	–	45
No. of sectional title property values		507	–	–	2 629	–	–	–	–	–		–	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		10	–	–	90	–	–		–	–	–	–	0
Years since last valuation **(select)**		4	4	4	4	4	4	4	4	4	0	0	
Frequency of valuation **(select)**		4	4	4	4	4	4	4	4	4	0	0	
Method of valuation used **(select)**		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			
Phasing-in properties s21 (number)		–	–	–	–	–	–	–	–	–	–	–	–
Combination of rating types used? (Y/N)													
Flat rate used? (Y/N)													
Is balance rated by uniform rate/variable rate?													
Valuation reductions:													
Valuation reductions-public infrastructure (Rm)		463	–	–	–	–	–	–	–	–	–	–	462 727
Valuation reductions-nature reserves/park (Rm)		656	–	–	–	–	–	–	–	–	–	–	655 659
Valuation reductions-mineral rights (Rm)		–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)		–	–	–	572	–	–	–	–	–	–	–	571 526
Valuation reductions-public worship (Rm)		279	–	–	–	–	–	–	–	–	–	–	279 434
Valuation reductions-other (Rm)	2	–	–	–	16 782	–	–	–	–	84	–	–	16 866 617
Total valuation reductions:													
Total value used for rating (Rm)	6	6 402	–	–	85 530	1 060	644	655	463	3 644	–	–	98 398 498
Total land value (Rm)	6	187	–	–	28 087	797	203	270	428	–	–	–	29 972 150
Total value of improvements (Rm)	6	4 530	–	–	57 443	263	441	385	35	–	–	–	63 097 507
Total market value (Rm)	6	6 402	–	–	85 530	1 060	644	655	463	3 644	–	–	98 398 498
Rating:													
Average rate	3												
Rate revenue budget (R '000)		64 823	–	–	385 667	1 588	–	7 000	–	32 313	–	–	491 390
Rate revenue expected to collect (R'000)		64 823	–	–	385 667	1 588	–	7 000	–	32 313	–	–	491 390

Description	Ref	Business and commercial properties	Industrial properties	Mining properties	Residential properties	Agricultural properties	Public benefit organisations	Public service purpose properties	Public service infrastructure properties	Vacant land	Sport Clubs and Fields (Bitou only)	Sectional Title Garages (Drakenstein only)	Sum
Expected cash collection rate (%)	4	100.0%	100.0%	100.0%	100.0%	100.0%		100.0%		100.0%			0
Special rating areas (R'000)													–
Rebates, exemptions - indigent (R'000)													–
Rebates, exemptions - pensioners (R'000)					1 466								1 466
Rebates, exemptions - bona fide farm. (R'000)													–
Rebates, exemptions - other (R'000)					84 376								84 376
Phase-in reductions/discounts (R'000)													–
Total rebates,exemptns,reductns,discs (R'000)		–	–	–	85 842	–	–	–	–	–	–	–	85 842

WC032 Overstrand - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2022/23	2023/24	2024/25	Current Year 2025/26	2026/27 Medium Term Revenue & Expenditure Framework		
							Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Property rates *(rate in the Rand)*	1								
Residential properties									
Residential properties - vacant land									
Formal/informal settlements									
Small holdings									
Farm properties - used									
Farm properties - not used									
Industrial properties									
Business and commercial properties									
Communal land - residential									
Communal land - small holdings									
Communal land - farm property									
Communal land - business and commercial									
Communal land - other									
State-owned properties									
Municipal properties									
Public service infrastructure									
Privately owned towns serviced by the owner									
State trust land									
Restitution and redistribution properties									
Protected areas									
National monuments properties									
Property rates by usage									
Business and commercial properties			0.009940	0.007368	0.007957	0.008729	0.009165	0.009715	0.010298
Industrial properties									
Mining properties									
Residential properties			0.006570	0.004210	0.004547	0.004988	0.005237	0.005551	0.005884
Agricultural properties			0.001640	0.001053	0.001137	0.001248	0.001310	0.001389	0.001472
Public benefit organisations									
Public service purpose properties									
Public service infrastructure properties									
Vacant land			0.008990	0.006315	0.006820	0.007482	0.007856	0.008327	0.008827
Sport Clubs and Fields (Bitou only)									
Sectional Title Garages (Drakenstein only)									
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			35 000	35 000	35 000	35 000	35 000	35 000	35 000
Indigent rebate or exemption									
Pensioners/social grants rebate or exemption			40-100%	40-100%	40-100%	40-100%	40-100%	40-100%	40-100%
Temporary relief rebate or exemption									
Bona fide farmers rebate or exemption									
Other rebates or exemptions	2								
Water tariffs									
Domestic									
Basic charge/fixed fee *(Rands/month)*			156	166	176	187	196	208	220
Service point - vacant land *(Rands/month)*			156	166	176	187	196	208	220
Water usage - flat rate tariff *(c/kl)*									
Water usage - life line tariff		(describe structure)							
Water usage - Block 1 (c/kl)		0 - 6 kl	6	7	7	8	8	9	9
Water usage - Block 2 (c/kl)		7 - 18 kl	13	14	15	16	17	18	19
Water usage - Block 3 (c/kl)		19 - 45 kl	New	19	31	33	35	37	39
Water usage - Block 4 (c/kl)		46 - 60 kl	55	59	62	67	69	73	78
Water usage - Block 5 (c/kl)		> 60 kl	74	78	83	88	95	101	107
Water usage - Block 6 (c/kl)									
Other	2								
Waste water tariffs									
Domestic									
Basic charge/fixed fee *(Rands/month)*		Basic charge	138	148	161	170	179	189	201
Service point - vacant land *(Rands/month)*									
Waste water - flat rate tariff *(c/kl)*		70% of water usage	16	17	18	19	20	21	23

Description	Ref	Provide description of tariff structure where appropriate	2022/23	2023/24	2024/25	Current Year 2025/26	2026/27 Medium Term Revenue & Expenditure Framework		
							Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Volumetric charge - Block 1 (c/kl)		Basic charge pumps	93	99	108	115	120	128	135
Volumetric charge - Block 2 (c/kl)		Service per pump	636	677	738	782	821	870	922
Volumetric charge - Block 3 (c/kl)									
Volumetric charge - Block 4 (c/kl)									
Other	2								
Electricity tariffs									
Domestic									
Basic charge/fixed fee *(Rands/month)*		Basic	439	504	466	414	343	343	343
Service point - vacant land *(Rands/month)*			439	504	466	414	343	343	343
FBE		Capacity Charge	-	-	2	5	9	9	10
Life-line tariff - meter		FBE based on household							
Life-line tariff - prepaid		income							
Flat rate tariff - meter *(c/kwh)*		one-part (cents)	157	157	199	224	247	267	288
Flat rate tariff - prepaid *(c/kwh)*		Credit Meter							
Meter - IBT Block 1 (c/kwh)		0 - 350 kWh (cents)	168	194	213	233	252	277	305
Meter - IBT Block 2 (c/kwh)		351 - 600 kWh (cents)	247	285	274	288	282	276	271
Meter - IBT Block 3 (c/kwh)		> 600 kWh (cents)	304	350	385	327	303	279	257
Meter - IBT Block 4 (c/kwh)		Prepaid Meter							
Meter - IBT Block 5 (c/kwh)		0 - 350 kWh (cents)	155	179	200	224	247	272	299
Prepaid - IBT Block 1 (c/kwh)		351 - 600 kWh (cents)	233	268	274	278	276	275	274
Prepaid - IBT Block 2 (c/kwh)		> 600 kWh (cents)	292	336	370	319	299	280	262
Prepaid - IBT Block 3 (c/kwh)									
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			213	228	253	268	282	299	316
80l bin - once a week									
250l bin - once a week			213	228	253	268	282	299	316

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

Description	Ref	Provide description of tariff structure where appropriate	2022/23	2023/24	2024/25	Current Year 2025/26	2026/27 Medium Term Revenue & Expenditure Framework		
							Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Exemptions, reductions and rebates *(Rands)*									
R15 000 threshhold rebate			15 000	15 000	15 000	15 000	15 000	15 000	15 000
General residential rebate			35 000	35 000	35 000	35 000	35 000	35 000	35 000
Indigent rebate or exemption			-	-	-	-	-	-	-
Pensioners/social grants rebate or exemption			220 000	220 000	-	-	-	-	-
Residential Properties exemption (Residential Properties				40-100%	40-100%	40-100%	40-100%	40-100%	40-100%
Bona fide farmers rebate or exemption									
Other rebates or exemptions									
Water tariffs									
		Basic charge	156	166	176	187	196	208	220
		0 - 6 kl	6	7	7	8	8	9	9
		7 - 18 kl	13	14	15	16	17	18	19
		19 - 45 kl	New	19	31	33	35	37	39
		46 - 60 kl	55	59	62	66	69	73	78
		> 60 kl	74	78	83	88	95	101	107
Waste water tariffs									
		Basic charge	138	148	161	170	179	189	201
		70% of water usage	16	17	18	19	20	21	23
	2	Basic charge pumps	93	99	108	115	120	128	135
		Service per pump	636	677	738	782	821	870	922
Electricity tariffs									
		Basic	439	504	466	414	343	343	343
		Capacity Charge	-	-	149	329	536	568	602
		FBE based on household income							
		one-part (cents)	157	157	199	224	247	267	288
	2	Credit Meter							
		0 - 350 kWh (cents)	168	194	213	233	252	277	305
		351 - 600 kWh (cents)	247	285	274	288	282	276	271
		> 600 kWh (cents)	304	350	385	327	303	279	257
		Prepaid Meter							
		0 - 350 kWh (cents)	155	179	200	224	247	272	299
		351 - 600 kWh (cents)	233	268	274	278	276	275	274
		> 600 kWh (cents)	292	336	370	319	299	280	262

WC032 Overstrand - Supporting Table SA14 Household bills

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework			
Rand/cent		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27 % incr.	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		284.70	266.63	287.98	315.91	315.91	315.91	5.0%	331.68	312.91	331.68
Electricity: Basic levy		438.66	504.46	466.10	413.97	413.97	413.97	(17.3%)	342.56	342.56	342.56
Electricity: Capacity Charge (New)		–	–	149.90	328.80	328.80	328.80	63.0%	535.80	567.95	602.02
Electricity: Consumption		2 294.26	2 638.39	2 865.02	2 754.53	2 754.53	2 754.53	(0.1%)	2 751.25	2 916.33	3 091.30
Water: Basic levy		155.62	165.74	175.68	186.58	186.58	186.58	5.0%	195.91	207.66	220.12
Water: Consumption		449.88	559.86	593.52	630.25	630.25	630.25	5.0%	661.74	701.44	743.53
Sanitation		464.01	497.89	543.19	574.82	574.82	574.82	5.0%	603.49	639.70	678.08
Refuse removal		213.48	228.00	253.08	268.26	268.26	268.26	5.0%	281.67	298.57	316.48
Other		53.54	53.54	53.54	53.54	53.54	53.54	(77.0%)	12.34	12.34	12.34
sub-total		**53.54**	**53.54**	**5 388.01**	**5 526.66**	**5 526.66**	**5 526.66**	**3.4%**	**5 716.44**	**5 999.46**	**6 338.11**
VAT on Services		610.42	697.18	765.00	781.61	781.61	781.61		807.71	852.98	900.97
Total large household bill:		**663.96**	**750.72**	**6 153.01**	**6 308.27**	**6 308.27**	**6 308.27**	**3.4%**	**6 524.15**	**6 852.44**	**7 239.08**
% increase/-decrease			**13.1%**	**719.6%**	**2.5%**	**–**	**–**		**3.4%**	**5.0%**	**5.6%**
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		197.10	126.30	136.41	149.64	149.64	149.64	5.0%	157.11	166.54	176.53
Electricity: Basic levy		438.66	504.46	466.10	413.97	413.97	413.97	(17.3%)	342.56	342.56	342.56
Electricity: Capacity Charge (New)		–	–	74.70	164.40	164.40	164.40	63.0%	267.90	283.97	301.01
Electricity: Consumption		893.56	1 104.80	1 249.01	1 200.75	1 200.75	1 200.75	6.6%	1 279.84	1 356.63	1 438.03
Water: Basic levy		155.62	165.74	175.69	186.58	186.58	186.58	5.0%	195.91	207.66	220.12
Water: Consumption		343.78	413.46	438.32	465.50	465.50	465.50	5.0%	488.69	518.01	549.09
Sanitation		409.66	440.29	479.56	507.38	507.38	507.38	5.0%	532.69	564.65	598.53
Refuse removal		213.48	228.00	253.08	268.26	268.26	268.26	5.0%	281.67	298.57	316.48
Other		53.54	53.54	53.54	53.54	53.54	53.54	(77.0%)	12.34	12.34	12.34
sub-total		**2 705.40**	**3 036.59**	**3 326.41**	**3 410.02**	**3 410.02**	**3 410.02**	**4.4%**	**3 558.71**	**3 750.93**	**3 954.69**
VAT on Services		376.25	436.54	478.50	489.06	489.06	489.06	–	510.24	537.66	566.73
Total small household bill:		**3 081.65**	**3 473.13**	**3 804.91**	**3 899.08**	**3 899.08**	**3 899.08**	**4.4%**	**4 068.95**	**4 288.59**	**4 521.42**
% increase/-decrease			**12.7%**	**9.6%**	**2.5%**	**–**	**–**		**4.4%**	**5.4%**	**5.4%**
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		109.50	70.17	75.78	83.13	83.13	–		–	–	–
Electricity: Basic levy		438.66	504.46	466.10	413.97	413.97	413.97	(17.3%)	342.56	342.56	342.56
Electricity: Capacity Charge (New)		–	–	74.70	164.40	164.40	164.40	63.0%	267.90	283.97	301.01
Electricity: Consumption		544.15	678.02	701.15	783.90	783.90	783.90	10.4%	865.16	917.07	972.09
Water: Basic levy		155.62	165.74	175.68	186.58	186.58	186.58	5.0%	195.91	207.66	220.12
Water: Consumption		210.88	267.06	283.12	300.70	300.70	300.70	5.0%	315.64	334.58	354.65
Sanitation		355.99	381.06	415.93	439.93	439.93	439.93	5.0%	461.88	489.59	518.97
Refuse removal		213.48	228.00	253.08	268.26	268.26	268.26	5.0%	281.67	298.57	316.48
Other		(1 154.19)	(1 356.85)	(1 467.05)	(1 603.97)	(1 603.94)	(1 603.97)	4.3%	(1 673.67)	(1 774.09)	(1 880.54)
sub-total		**874.09**	**937.66**	**978.49**	**1 036.90**	**1 036.93**	**953.77**	**1.9%**	**1 057.05**	**1 099.91**	**1 145.34**
VAT on Services		114.69	130.12	135.41	143.07	143.07	143.07		158.56	164.99	171.80
Total small household bill:		**988.78**	**1 067.78**	**1 113.90**	**1 179.97**	**1 180.00**	**1 096.84**	**3.0%**	**1 215.61**	**1 264.90**	**1 317.14**
% increase/-decrease			**8.0%**	**4.3%**	**5.9%**	**0.0%**	**(7.0%)**		**10.8%**	**4.1%**	**4.1%**

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			01/09/2025	28 798 885	1 688 806	-31 487 691	1 000 000	
LIBERTY 21196964		14 Years	Policy	Yes	Variable	Fair Value Adjustment			30/06/2025	52 102 784	3 010 383	-57 193 167	2 080 000	
MOMENTUM 3853776		15 Years	Policy	Yes	Variable	Fair Value Adjustment			01/07/2026	7 315 011	780 620		360 000	**8 455 631.00**
Deposits - Bank			Bank investments	Yes	Fixed				30/06/2024	510 271 264	68 000 000	-1 268 000 000	1 200 000 000	**510 271 264.00**
-														
-														
-														
-														
-														
-														
-														
-														
-														
-														
Municipality sub-total										**598 487 944**		**-1 356 680 858**	**1 203 440 000**	**518 726 895.00**
TOTAL INVESTMENTS AND INTEREST	1									**598 487 944**		**-1 356 680 858**	**1 203 440 000**	**518 726 895.00**

WC032 Overstrand - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Borrowings										
Annuity and Bullet Loans										
Banks		181 361	199 290	241 803	275 477	275 550	275 550	341 959	455 749	558 576
Development Bank of South Africa		198 545	172 667	144 710	84 999	84 999	84 999	52 821	17 309	6 076
Foreign Government and International Organisati		–	–	–	–	–	–	–	–	–
General Public		–	–	–	–	–	–	–	–	–
Infrastructure Finance Corporation		–	–	–	–	–	–	–	–	–
Insurance Companies and Private Pension Funds		–	–	–	–	–	–	–	–	–
Municipal Pension Funds		–	–	–	–	–	–	–	–	–
Other Public Pension Funds		–	–	–	–	–	–	–	–	–
Private Enterprises		–	–	–	–	–	–	–	–	–
Public Corporations		–	–	–	–	–	–	–	–	–
Public Investments Commissioners		–	–	–	–	–	–	–	–	–
Total Annuity and Bullet Loans		**379 906**	**371 957**	**386 513**	**360 476**	**360 549**	**360 549**	**394 780**	**473 059**	**564 652**
Finance Lease Liability										
Banks		–	–	–	–	–	–	–	–	–
Development Bank of South Africa		–	–	–	–	–	–	–	–	–
Foreign Government and International Organisati		–	–	–	–	–	–	–	–	–
General Public		–	–	–	–	–	–	–	–	–
Infrastructure Finance Corporation		–	–	–	–	–	–	–	–	–
Insurance Companies and Private Pension Funds		–	–	–	–	–	–	–	–	–
Municipal Pension Funds		–	–	–	–	–	–	–	–	–
Other Public Pension Funds		–	–	–	–	–	–	–	–	–
Private Enterprises		–	–	–	–	–	–	–	–	–
Public Corporations		–	–	–	–	–	–	–	–	–
Public Investments Commissioners		–	–	–	–	–	–	–	–	–
Total Finance Lease Liability		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Non-annuity Loans										
Banks		–	–	–	–	–	–	–	–	–
Development Bank of South Africa		–	–	–	–	–	–	–	–	–
Foreign Government and International Organisati		–	–	–	–	–	–	–	–	–
General Public		–	–	–	–	–	–	–	–	–
Infrastructure Finance Corporation		–	–	–	–	–	–	–	–	–
Insurance Companies and Private Pension Funds		–	–	–	–	–	–	–	–	–
Municipal Pension Funds		–	–	–	–	–	–	–	–	–
Other Public Pension Funds		–	–	–	–	–	–	–	–	–
Private Enterprises		–	–	–	–	–	–	–	–	–
Public Corporations		–	–	–	–	–	–	–	–	–
Public Investments Commissioners		–	–	–	–	–	–	–	–	–
Total Non-annuity Loans		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Borrowings	1	**379 906**	**371 957**	**386 513**	**360 476**	**360 549**	**360 549**	**394 780**	**473 059**	**564 652**

WC032 Overstrand - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		**150 183**	**169 423**	**172 292**	**183 866**	**183 866**	**183 866**	**192 483**	**199 895**	**204 373**
Operational Revenue:General Revenue:Equitable Share		141 896	157 935	168 794	179 268	179 268	179 268	188 321	197 595	201 973
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]		3 000	4 200	–	–	–	–	–	–	–
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B		2 593	3 366	1 898	2 588	2 588	2 588	2 062	–	–
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	1 400	1 800	1 800	1 800	1 900	2 100	2 200
Mitchell's Plain Urban Renewal		–	–	–	–	–	–	–	–	–
Municipal Demarcation and Transition Grant [Schedule 5B]		–	–	–	–	–	–	–	–	–
Municipal Disaster Grant [Schedule 5B]		–	1 719	–	–	–	–	–	–	–
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		–	–	–	–	–	–	–	–	–
Terrestrial Invasive Alien Plants		–	–	–	–	–	–	–	–	–
Water Services Operating Subsidy Grant [Schedule 5B]		–	–	–	–	–	–	–	–	–
Health Hygiene in Informal Settlements		–	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant [Schedule 5B]		1 144	652	200	210	210	210	200	200	200
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		–	–	–	–	–	–	–	–	–
Integrated Urban Development Grant		–	–	–	–	–	–	–	–	–
Programme and Project Preparation Support Grant		–	–	–	–	–	–	–	–	–
Urban Development Financing Grant		–	–	–	–	–	–	–	–	–
Provincial Government:		**81 340**	**126 129**	**104 399**	**61 906**	**71 823**	**71 823**	**20 742**	**28 152**	**28 518**
Title Deeds Restoration Grant		–	362	174	97	97	97	250	250	250
Community Library Services Grant		8 258	8 398	8 608	8 824	8 824	8 824	9 288	9 381	9 475
Thusong Services Centres Grant		150			150	150	150	150	150	–
Resource funding for the establish & support of K9 Unit		2 420	3 345	4 172	4 350	4 350	4 350	4 473	4 666	4 876
Community Development Workers		75	76	76	76	76	76	78	78	78
Financial Management Capability Grant		450	200	260	672	672	672	–	–	–
Maintenance & Construction of Transport Infrastructure		140	400	7 440	130	130	130	140	8 908	8 908
Resource funding for the est of Law Enforcement Rural Safety Uni		2 958	4 065	4 223	4 317	4 317	4 317	4 516	4 719	4 931
Human Settlements Dev & Informal Settlement Upgrading Partnership Gran		58 189	108 411	79 446	42 790	52 107	52 107	1 847	–	–
Municipal Fire Service Capacity Support Grant		–	–		500	500	500	–	–	–
Municipal Service Delivery & Capacity Building Grant		1 550	500	–	–	600	600	–	–	–
Municipal Intervention Grant		450								
Library Service Replacement Funding		–	372	–	–	–	–	–	–	–
Emergency Municipal Load-shedding relief grant		6 700	–	–	–	–	–	–	–	–
District Municipality:		**35**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
All Grants		35	–	–	–	–	–	–	–	–
Other Grant Providers:		**–**	**–**	**1 602**	**2 975**	**3 424**	**3 424**	**3 934**	**–**	**–**
Departmental Agencies and Accounts		–	–	398	2 600	2 600	2 600	3 722	–	–
Foreign Government and International Organisations		–	–	1 204	375	824	824	212	–	–
Households		–	–	–	–	–	–	–	–	–
Non-profit Institutions		–	–	–	–	–	–	–	–	–
Private Enterprises		–	–	–	–	–	–	–	–	–
Public Corporations		–	–	–	–	–	–	–	–	–
Higher Educational Institutions		–	–	–	–	–	–	–	–	–
Parent Municipality / Entity		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	**231 558**	**295 551**	**278 293**	**248 747**	**259 113**	**259 113**	**217 159**	**228 047**	**232 891**
Capital Transfers and Grants										
National Government:		**78 254**	**62 835**	**50 491**	**76 207**	**76 207**	**76 207**	**82 749**	**38 905**	**46 168**

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B		27 331	24 380	19 334	13 908	13 908	13 908	30 139	9 983	13 434
Municipal Infrastructure Grant [Schedule 5B]		23 484	23 203	24 932	33 872	33 872	33 872	26 368	28 922	29 734
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]		–	–	300	–	–	–	–	–	–
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]		27 439	4 500	5 925	28 427	28 427	28 427	26 242	–	3 000
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		–	10 753	–	–	–	–	–	–	–
Municipal Emergency Housing Grant		–	–	–	–	–	–	–	–	–
Metro Informal Settlements Partnership Grant		–	–	–	–	–	–	–	–	–
Integrated Urban Development Grant		–	–	–	–	–	–	–	–	–
Urban Development Financing Grant		–	–	–	–	–	–	–	–	–
Provincial Government:		**27 266**	**33 650**	**20 636**	**25 342**	**36 541**	**36 541**	**8 835**	**33 540**	**40 000**
Capacity Building		–	–	–	–	–	–	–	–	–
Capacity Building and Other		–	–	–	–	–	–	–	–	–
Disaster and Emergency Services		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Human Settlements Dev & Informal Settlement Upgrading Partnership Grant		26 666	33 650	19 536	24 542	34 741	34 741	7 110	33 540	40 000
Regional Socio Economic Projects		–	–	–	800	800	800	700	–	–
Baboon Management		–	–	–	–	1 000	1 000	–	–	–
Municipal Fire Service Capacity Support Grant		–	–	–	–	–	–	1 025	–	–
Human Settlements Dev & Informal Settlement Upgrading Partnership Grant								–	–	–
Non-motorised Transport Infrastructure Grant		–	–	1 100	–	–	–	–	–	–
Sports and Recreation		–	–	–	–	–	–	–	–	–
Waste Water Infrastructure		600	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
All Grants		–	–	–	–	–	–	–	–	–
Other Grant Providers:		**–**	**–**	**–**	**–**	**20**	**20**	**–**	**–**	**–**
Departmental Agencies and Accounts		–	–	–	–	–	–	–	–	–
Foreign Government and International Organisations		–	–	–	–	20	20	–	–	–
Households		–	–	–	–	–	–	–	–	–
Non-Profit Institutions		–	–	–	–	–	–	–	–	–
Private Enterprises		–	–	–	–	–	–	–	–	–
Public Corporations		–	–	–	–	–	–	–	–	–
Higher Educational Institutions		–	–	–	–	–	–	–	–	–
Parent Municipality / Entity		–	–	–	–	–	–	–	–	–
Transfer from Operational Revenue		–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	**105 520**	**96 485**	**71 127**	**101 549**	**112 768**	**112 768**	**91 584**	**72 445**	**86 168**
TOTAL RECEIPTS OF TRANSFERS & GRANTS		**337 078**	**392 037**	**349 420**	**350 296**	**371 881**	**371 881**	**308 743**	**300 492**	**319 059**

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		**11 665**	**11 261**	**3 938**	**4 598**	**4 598**	**4 598**	**4 162**	**2 300**	**2 400**
Operational Revenue:General Revenue:Equitable Share		–	–	–	–	–	–	–	–	–
Operational:Revenue:General Revenue:Fuel Levy		–	–	–	–	–	–	–	–	–
2014 African Nations Championship Host City Operating Grant [Schedule 5B		–	–	–	–	–	–	–	–	–
Agriculture Research and Technology		–	–	–	–	–	–	–	–	–
Agriculture, Conservation and Environmenta		–	–	–	–	–	–	–	–	–
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]		2 799	4 401	–	–	–	–	–	–	–
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B		2 593	3 366	1 898	2 588	2 588	2 588	2 062	–	–
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	1 412	1 800	1 800	1 800	1 900	2 100	2 200
Mitchell's Plain Urban Renewal		–	–	–	–	–	–	–	–	–
Municipal Demarcation and Transition Grant [Schedule 5B]		–	–	–	–	–	–	–	–	–
Municipal Disaster Grant [Schedule 5B]		–	1 292	428	–	–	–	–	–	–
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		–	–	–	–	–	–	–	–	–
Terrestrial Invasive Alien Plants		–	–	–	–	–	–	–	–	–
Water Services Operating Subsidy Grant [Schedule 5B]		–	–	–	–	–	–	–	–	–
Health Hygiene in Informal Settlements		–	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant [Schedule 5B]		1 144	652	200	210	210	210	200	200	200
Water Services Infrastructure Grant		3 579	–	–	–	–	–	–	–	–
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		–	–	–	–	–	–	–	–	–
Integrated Urban Development Grant		–	–	–	–	–	–	–	–	–
Programme and Project Preparation Support Grant		–	–	–	–	–	–	–	–	–
Urban Development Financing Grant		–	–	–	–	–	–	–	–	–
Provincial Government:		**73 992**	**126 439**	**104 875**	**61 906**	**71 823**	**71 823**	**20 742**	**28 152**	**28 518**
Title Deeds Restoration Grant		–	362	174	97	97	97	250	250	250
Community Library Services Grant		8 258	8 398	8 608	8 824	8 824	8 824	9 288	9 381	9 475
Thusong Services Centres Grant		60	90		150	150	150	150	150	–
Resource funding for the establish & support of K9 Unit		2 420	3 345	4 172	4 350	4 350	4 350	4 473	4 666	4 876
Community Development Workers		75	76	76	76	76	76	78	78	78
Financial Management Capability Grant		474	139	99	672	672	672	–	–	–
Maintenance & Construction of Transport Infrastructure		140	400	7 440	130	130	130	140	8 908	8 908
Resource funding for the est of Law Enforcement Rural Safety Uni		4 745	4 282	4 223	4 317	4 317	4 317	4 516	4 719	4 931
Human Settlements Dev & Informal Settlement Upgrading Partnership Gran		55 457	104 289	79 443	42 790	52 107	52 107	1 847	–	–
Municipal Fire Service Capacity Support Grant		200			500	500	500	–	–	–
Municipal Service Delivery & Capacity Building Grant		121	179	500	–	600	600	–	–	–
Library Service Replacement Funding		–	219	139	–	–	–	–	–	–
Emergency Municipal Load-shedding relief grant		2 042	4 658		–	–	–	–	–	–
District Municipality:		**35**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
All Grants		35	–	–	–	–	–	–	–	–
Other Grant Providers:		**–**	**–**	**854**	**2 975**	**4 005**	**4 005**	**3 934**	**–**	**–**
Departmental Agencies and Accounts		–	–	398	2 600	2 600	2 600	3 722	–	–
Foreign Government and International Organisations		–	–	456	375	1 405	1 405	212	–	–
Households		–	–	–	–	–	–	–	–	–
Non-profit Institutions		–	–	–	–	–	–	–	–	–
Private Enterprises		–	–	–	–	–	–	–	–	–
Public Corporations		–	–	–	–	–	–	–	–	–
Higher Educational Institutions										
Parent Municipality / Entity		–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:		**85 692**	**137 699**	**109 666**	**69 479**	**80 425**	**80 425**	**28 838**	**30 452**	**30 918**
Capital expenditure of Transfers and Grants										
National Government:		**81 741**	**59 150**	**54 164**	**76 207**	**76 207**	**76 207**	**82 749**	**38 905**	**46 168**
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B		34 397	24 380	19 334	13 908	13 908	13 908	30 139	9 983	13 434

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Municipal Infrastructure Grant [Schedule 5B]		23 484	19 518	28 617	33 872	33 872	33 872	26 368	28 922	29 734
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]		–	–	288	–	–	–	–	–	–
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]		23 860	4 500	5 925	28 427	28 427	28 427	26 242	–	3 000
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		–	10 753	–	–	–	–	–	–	–
Municipal Emergency Housing Grant		–	–	–	–	–	–	–	–	–
Metro Informal Settlements Partnership Grant		–	–	–	–	–	–	–	–	–
Integrated Urban Development Grant		–	–	–	–	–	–	–	–	–
Urban Development Financing Grant		–	–	–	–	–	–	–	–	–
Provincial Government:		**31 195**	**33 827**	**18 719**	**25 342**	**36 541**	**36 541**	**8 835**	**33 540**	**40 000**
Capacity Building		–	–	–	–	–	–	–	–	–
Capacity Building and Other		–	–	–	–	–	–	–	–	–
Disaster and Emergency Services		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Human Settlements Dev & Informal Settlement Upgrading Partnership Gran		26 098	33 678	17 619	25 342	34 741	34 741	7 110	33 540	40 000
Non-motorised Transport Infrastructure Grant		–	–	1 100	–	–	–	–	–	–
Regional Socio Economic Projects		–	–	–	–	800	800	700	–	–
Baboon Management		–	–	–	–	1 000	1 000	–	–	–
Municipal Fire Service Capacity Support Grant								1 025		
Capacity Building and Other		1 194	56	–	–	–	–		–	–
Infrastructure		3 903	93	–						
Waste Water Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
All Grants		–	–	–	–	–	–	–	–	–
Other Grant Providers:		**–**	**–**	**105**	**–**	**20**	**20**	**–**	**–**	**–**
Departmental Agencies and Accounts		–	–	–	–	–	–	–	–	–
Foreign Government and International Organisations		–	–	–	–	20	20	–	–	–
Households		–	–	–	–	–	–	–	–	–
Non-Profit Institutions		–	–	–	–	–	–	–	–	–
Private Enterprises		–	–	–	–	–	–	–	–	–
Public Corporations		–	–	105	–	–	–	–	–	–
Higher Educational Institutions		–	–	–	–	–	–	–	–	–
Parent Municipality / Entity		–	–	–	–	–	–	–	–	–
Transfer from Operational Revenue		–	–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants		**112 936**	**92 977**	**72 989**	**101 549**	**112 768**	**112 768**	**91 584**	**72 445**	**86 168**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		**198 628**	**230 677**	**182 655**	**171 028**	**193 194**	**193 194**	**120 422**	**102 897**	**117 086**

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		(4 017)	(201)	(128)	–	–	–	–	–	–
Current year receipts		15 573	(9 896)	(3 498)	(4 598)	(4 598)	(4 598)	192 483	199 895	204 373
Conditions met - transferred to revenue		(15 774)	9 969	3 626	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		323	–	–	–	–	–	–	–	–
Closing Balance		(3 895)	(128)	–	(4 598)	(4 598)	(4 598)	192 483	199 895	204 373
Provincial Government:										
Balance unspent at beginning of the year		(5 552)	(4 745)	6 757	–	(161)	(161)	–	–	–
Current year receipts		(21 651)	(17 688)	(24 953)	(18 616)	(19 216)	(19 216)	20 742	28 152	28 518
Conditions met - transferred to revenue		18 395	21 750	17 975	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		3 663	–	61	–	161	161	–	–	–
Closing Balance		(5 145)	(683)	(161)	(18 616)	(19 216)	(19 216)	20 742	28 152	28 518
District Municipality:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		(35)	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		35	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Closing Balance		–	–	–	–	–	–	–	–	–
Other grant providers:										
Balance unspent at beginning of the year		(187)	(187)	(187)	–	(935)	(935)	–	–	–
Current year receipts		–	–	(1 602)	(2 975)	(3 424)	(3 424)	3 934	–	–
Conditions met - transferred to revenue		–	–	854	–	354	354	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Closing Balance		(187)	(187)	(935)	(2 975)	(4 005)	(4 005)	3 934	–	–
Total operating transfers and grants revenue		**2 655**	**31 719**	**22 455**	**–**	**354**	**354**	**–**	**–**	**–**
Total operating transfers and grants - CTBM	2	**3 986**	**–**	**61**	**–**	**161**	**161**	**–**	**–**	**–**
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		(7 066)	–	(3 985)	–	–	–	–	–	–
Current year receipts		(102 114)	(52 383)	(50 491)	(76 207)	(76 207)	(76 207)	82 749	38 905	46 168
Conditions met - transferred to revenue		109 180	48 398	54 476	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Closing Balance		–	(3 985)	–	(76 207)	(76 207)	(76 207)	82 749	38 905	46 168
Provincial Government:										
Balance unspent at beginning of the year		(600)	(569)	(254)	–	(1 917)	(1 917)	–	–	–
Current year receipts		(335 231)	(33 680)	(20 636)	(25 842)	(37 041)	(37 041)	8 835	33 540	40 000
Conditions met - transferred to revenue		338 562	33 827	18 736	–	1 917	1 917	–	–	–
Conditions still to be met - transferred to liabilities		(3 300)	168	238	–	–	–	–	–	–
Closing Balance		(569)	(254)	(1 917)	(25 842)	(37 041)	(37 041)	8 835	33 540	40 000
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		–	–	–	–	–	–	–	–	–
Closing Balance		–	–	–	–	–	–	–	–	–
Other grant providers:										
Balance unspent at beginning of the year		(12 442)	(105)	(105)	–	–	–	–	–	–
Current year receipts		–	–	–	–	(20)	(20)	–	–	–
Conditions met - transferred to revenue		12 337	–	105	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Closing Balance		(105)	(105)	–	–	(20)	(20)	–	–	–
Total capital transfers and grants revenue		**460 079**	**82 225**	**73 317**	**–**	**1 917**	**1 917**	**–**	**–**	**–**
Total capital transfers and grants - CTBM	2	**(674)**	**(4 344)**	**(1 917)**	**(102 049)**	**(113 268)**	**(113 268)**	**91 584**	**72 445**	**86 168**
TOTAL TRANSFERS AND GRANTS REVENUE		**462 734**	**113 943**	**95 772**	**–**	**2 271**	**2 271**	**–**	**–**	**–**
TOTAL TRANSFERS AND GRANTS - CTBM		**3 312**	**(4 344)**	**(1 856)**	**(102 049)**	**(113 107)**	**(113 107)**	**91 584**	**72 445**	**86 168**

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CASH TRANSFERS AND GRANTS											
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		500	530	–	–	–	–	–	–	–	–
Capital		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Organisations		**500**	**530**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Cash Transfers to Groups of Individuals											
Operational		14 286	15 982	16 716	16 770	16 770	16 770	12 786	17 648	18 500	19 397
Capital		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Groups Of Individuals:		**14 286**	**15 982**	**16 716**	**16 770**	**16 770**	**16 770**	**12 786**	**17 648**	**18 500**	**19 397**
TOTAL CASH TRANSFERS AND GRANTS	6	**14 786**	**16 512**	**16 716**	**16 770**	**16 770**	**16 770**	**12 786**	**17 648**	**18 500**	**19 397**
NON-CASH TRANSFERS AND GRANTS											
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		1 300	–	–	–	–	–	–	–	–	–
Total Non-Cash Grants To Groups Of Individuals:		**1 300**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL NON-CASH TRANSFERS AND GRANTS		**1 300**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL TRANSFERS AND GRANTS	6	**16 086**	**16 512**	**16 716**	**16 770**	**16 770**	**16 770**	**12 786**	**17 648**	**18 500**	**19 397**

WC032 Overstrand - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Allowances and Service Related Benefits										
Basic Salary		10 979	11 461	12 063	12 742	13 080	13 080	14 084	15 211	15 971
Cell phone Allowance		1 336	1 269	1 268	1 269	1 269	1 269	1 316	1 269	1 269
Housing Allowance		–	–	–	–	–	–	–	–	–
In-kind Benefits		–	–	–	–	–	–	–	–	–
Market Related Non-pensionable Allowance		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		–	–	–	–	–	–	–	–	–
Office-bearer Allowance		–	–	–	–	–	–	–	–	–
Out of pocket Expenses		–	–	–	–	–	–	–	–	–
Travelling Allowance		–	–	–	–	–	–	–	–	–
Use of Personal Facilities		–	–	–	–	–	–	–	–	–
Total Allowances and Service Related Benefits		**12 315**	**12 730**	**13 332**	**14 012**	**14 349**	**14 349**	**15 400**	**16 480**	**17 240**
Social Contributions										
Medial Aid Benefits		–	–	–	–	–	–	–	–	–
Pension Fund Contributions		–	–	–	–	–	–	–	–	–
Total Social Contributions		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Councillors		**12 315**	**12 730**	**13 332**	**14 012**	**14 349**	**14 349**	**15 400**	**16 480**	**17 240**
% increase	4		**3.4%**	**4.7%**	**5.1%**	**2.4%**	**–**	**7.3%**	**7.0%**	**4.6%**
Senior Managers of the Municipality	2									
Salaries and Allowances										
Basic Salary		12 034	12 340	9 800	12 377	7 786	7 786	13 340	14 007	14 707
Bonuses		162	205	288	229	229	229	229	240	252
Allowance										
Accommodation, Travel and Incidental		–	–	–	–	–	–	–	–	–
Cellular and Telephone	3	179	201	155	221	137	137	221	232	244
Housing Benefits	3	–	–	–	–	–	–	–	–	–
Non-pensionable		–	–	–	–	–	–	–	–	–
Travel or Motor Vehicle	3	–	–	–	–	–	–	–	–	–
Voluntary Work		–	–	–	–	–	–	–	–	–
Total Allowance		**179**	**201**	**155**	**221**	**137**	**137**	**221**	**232**	**244**
Service Related Benefits										
Acting	3	–	–	–	–	–	–	–	–	–
Bonus	3	–	–	–	–	–	–	–	–	–
Danger Allowance	3	–	–	–	–	–	–	–	–	–
Entertainment	3	–	–	–	–	–	–	–	–	–
Fire Brigade		–	–	–	–	–	–	–	–	–
In-kind Benefits	3	–	–	–	–	–	–	–	–	–
Leave Pay	3	–	–	–	–	–	–	–	–	–
Lifeguard/Duty Squads		–	–	–	–	–	–	–	–	–
Long Service Award		–	–	–	–	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–	–
Scarcity	3	–	–	–	–	–	–	–	–	–
Standby Allowance	3	–	–	–	–	–	–	–	–	–
Tools Allowance	3	–	–	–	–	–	–	–	–	–
Uniform/Special/Protective Clothing	3	–	–	–	–	–	–	–	–	–
Leave gratuity		–	–	–	–	–	–	–	–	–
Long Term Service Award		–	–	–	–	–	–	–	–	–
Total Service Related Benefits		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Salaries and Allowances		**12 376**	**12 746**	**10 243**	**12 827**	**8 151**	**8 151**	**13 789**	**14 479**	**15 203**
Social Contributions										
Bargaining Council		–	–	–	–	–	–	–	–	–
Group Life Insurance		–	–	–	–	–	–	–	–	–
Medical		–	–	–	–	–	–	–	–	–
Pension		–	–	–	–	–	–	–	–	–
Unemployment Insurance		–	–	–	–	–	–	–	–	–
Total Social Contributions		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Post-retirement Benefit	6									
Medical		–	–	–	–	–	–	–	–	–
Other Benefits		–	–	–	–	–	–	–	–	–
Pension		–	–	–	–	–	–	–	–	–
Total Post-retirement Benefit		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Costs Capitalised to PPE		–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		**12 376**	**12 746**	**10 243**	**12 827**	**8 151**	**8 151**	**13 789**	**14 479**	**15 203**
% increase	4		**3.0%**	**(19.6%)**	**25.2%**	**(36.5%)**	**–**	**69.2%**	**5.0%**	**5.0%**
Other Municipal Staff										
Salaries and Allowances										
Basic Salary		283 550	309 950	317 181	382 372	358 559	358 559	418 255	440 094	465 371
Bonuses		856	1 061	(531)	549	589	589	612	637	669
Allowance										

Summary of Employee and Councillor remuneration	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Accommodation, Travel and Incidental		–	–	–	–	–	–	–	–	–
Cellular and Telephone	3	1 976	2 291	2 127	2 426	2 202	2 202	2 218	2 351	2 492
Housing Benefits	3	8 104	9 134	9 996	11 247	9 940	9 940	10 799	11 447	12 133
Non-pensionable		207	202	31	51	15	15	54	57	61
Travel or Motor Vehicle	3	7 976	7 726	7 411	8 438	7 540	7 540	7 652	8 111	8 598
Voluntary Work		–	–	–	–	–	–	–	–	–
Total Allowance		**18 264**	**19 354**	**19 565**	**22 161**	**19 696**	**19 696**	**20 724**	**21 967**	**23 284**
Service Related Benefits										
Acting	3	1 781	1 334	1 422	1 101	2 095	2 095	2 425	2 571	2 725
Bonus	3	20 905	22 202	22 625	25 197	24 201	24 201	25 559	27 060	28 654
Danger Allowance	3	–	–	–	–	–	–	–	–	–
Entertainment	3	–	–	–	–	–	–	–	–	–
Fire Brigade		–	–	–	–	–	–	–	–	–
In-kind Benefits	3	–	–	–	–	–	–	–	–	–
Leave Pay	3	–	–	–	–	–	–	–	–	–
Lifeguard/Duty Squads		–	–	–	–	–	–	–	–	–
Long Service Award		3 283	4 010	4 358	4 831	4 298	4 298	4 638	2 873	3 017
Overtime		42 829	43 751	42 008	42 318	53 145	53 145	53 191	56 382	59 765
Scarcity	3	3 796	4 103	3 900	4 295	3 973	3 973	4 691	4 973	5 271
Standby Allowance	3	17 650	17 536	17 374	16 972	18 982	18 982	19 006	20 146	21 355
Tools Allowance	3	–	–	–	–	–	–	–	–	–
Uniform/Special/Protective Clothing	3	–	–	–	–	–	–	–	–	–
Leave gratuity		2 875	1 665	3 539	2 123	3 440	3 440	3 648	3 857	4 050
Long Term Service Award		–	–	–	–	–	–	–	–	–
Total Service Related Benefits		**93 119**	**94 601**	**95 226**	**96 837**	**110 133**	**110 133**	**113 158**	**117 861**	**124 836**
Total Salaries and Allowances		**395 789**	**424 967**	**431 442**	**501 919**	**488 978**	**488 978**	**552 750**	**580 559**	**614 161**
Social Contributions										
Bargaining Council		171	214	167	174	175	175	202	213	226
Group Life Insurance		5 006	5 332	5 389	5 908	5 872	5 872	6 285	6 657	7 052
Medical		15 638	16 959	18 091	19 278	18 455	18 455	20 818	22 041	23 339
Pension		45 272	48 052	49 020	54 276	51 979	51 979	57 751	61 169	64 796
Unemployment Insurance		2 483	2 620	2 548	2 740	2 696	2 696	2 998	3 146	3 326
Total Social Contributions		**68 570**	**73 178**	**75 215**	**82 376**	**79 178**	**79 178**	**88 053**	**93 226**	**98 740**
Post-retirement Benefit	6									
Medical		4 204	12 116	14 482	21 718	18 607	18 607	20 258	14 234	14 945
Other Benefits		–	–	–	–	–	–	–	–	–
Pension		–	–	–	–	–	–	–	–	–
Total Post-retirement Benefit		**4 204**	**12 116**	**14 482**	**21 718**	**18 607**	**18 607**	**20 258**	**14 234**	**14 945**
Costs Capitalised to PPE		–	–	–	–	–	–	–	–	–
Sub Total - Other Municipal Staff		**468 563**	**510 261**	**521 139**	**606 013**	**586 763**	**586 763**	**661 061**	**688 019**	**727 846**
% increase	4		**8.9%**	**2.1%**	**16.3%**	**(3.2%)**	**–**	**12.7%**	**4.1%**	**5.8%**
Total Parent Municipality		**493 254**	**535 737**	**544 713**	**632 851**	**609 263**	**609 263**	**690 250**	**718 978**	**760 289**
TOTAL SALARY, ALLOWANCES & BENEFITS		**493 254**	**535 737**	**544 713**	**632 851**	**609 263**	**609 263**	**690 250**	**718 978**	**760 289**
% increase	4		**8.6%**	**1.7%**	**16.2%**	**(3.7%)**	**–**	**13.3%**	**4.2%**	**5.7%**
TOTAL MANAGERS AND STAFF	5,7	**480 939**	**523 007**	**531 381**	**618 840**	**594 914**	**594 914**	**674 850**	**702 498**	**743 048**

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	882 245	–	47 004	–	–	929 249
Chief Whip		–	–	–	–	–	–	–
Executive Mayor		1	1 102 798	–	47 004	–	–	1 149 802
Deputy Executive Mayor		1	882 245	–	47 004	–	–	929 249
Executive Committee		5	4 137 383	–	235 020	–	–	4 372 403
Total for all other councillors		21	7 078 864	–	940 080	–	–	8 018 944
Section 79 committee chairperso		–	–	–	–	–	–	–
Total Councillors	8	**29**	**14 083 535**	**–**	**1 316 112**			**15 399 647**
Senior Managers of the Municipality	5							
Municipal Manager (MM)		1	2 490 994	–	47 004	–	228 518	2 766 516
Chief Finance Officer		1	1 555 566	–	28 980	–	–	1 584 546
Corporate Services		1	2 251 118	–	28 980	–	–	2 280 098
Infrastructure Services		1	2 375 597	–	28 980	–	–	2 404 577
Public Safety		1	1 555 566	–	28 980	–	–	1 584 546
Planning & development		1	1 555 566	–	28 980	–	–	1 584 546
List of each offical with packages >= senior manager								
Community Services		1	1 555 566	–	28 980	–	–	1 584 546
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
			–	–	–	–	–	–
			–	–	–	–	–	–
Total Senior Managers of the Municipality	8,10	**7**	**13 339 973**	**–**	**220 884**	**–**		**13 789 375**
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	**36**	**27 423 508**	**–**	**1 536 996**	**–**		**29 189 022**

WC032 Overstrand - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2024/25			Current Year 2025/26			Budget Year 2026/27		
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)		27	8	–	27	8	–	27	9	
Board Members of municipal entities	4			4			–			
Municipal employees	5									
Municipal Manager and Senior Managers	3	7	6	–	7	5	–	7	3	
Other Managers	7	53	47	–	52	44	–	53	50	
Professionals		*30*	*25*	*1*	*27*	*19*	*1*	*31*	*22*	–
Finance		24	21	1	20	15	1	24	18	
Spatial/town planning		2	2	–	2	2	–	2	2	
Information Technology		1	1	–	2	1	–	2	1	
Roads				–						
Electricity				–			–			
Water				–			–			
Sanitation				–			–			
Refuse				–			–			
Other		3	1	–	3	1		3	1	
Technicians		*197*	*181*	*1*	*218*	*170*	*1*	*217*	*176*	–
Finance				1			1			
Spatial/town planning		11	11	–	13	11	–	13	11	
Information Technology		6	4	–	7	6	–	7	6	
Roads		10	10	–	11	10	–	11	11	
Electricity		30	28	–	34	29	–	34	28	
Water		20	18	–	20	15	–	19	13	
Sanitation		1	1	–	1	1	–	1	1	
Refuse		5	5	–	6	5	–	6	5	
Other		114	104	–	126	93	–	126	101	
Clerks (Clerical and administrative)		279	250	5	295	235	15	307	239	
Service and sales workers		148	128	–	153	122	–	148	124	
Skilled agricultural and fishery workers				–			–			
Craft and related trades				–			–			
Plant and Machine Operators		62	56	–	78	73	–	78	69	
Elementary Occupations		424	402	–	427	385	–	426	368	
TOTAL PERSONNEL NUMBERS	9	**1 227**	**1 103**	**11**	**1 284**	**1 061**	**17**	**1 294**	**1 060**	**–**
% increase					4.6%	(3.8%)	54.5%	0.8%	(0.1%)	(100.0%)
Total municipal employees headcount	6, 10	**1 200**	**1 095**		**1 257**	**1 053**		**1 267**	**1 051**	
Finance personnel headcount	8, 10	114	**103**	**5**	**137**	**105**	**10**	**142**	**109**	
Human Resources personnel headcount	8, 10	**20**	**19**	**–**	**19**	**23**	**–**	**26**	**22**	**–**

WC032 Overstrand - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue																
Exchange Revenue																
Service charges - Electricity		68 575	68 575	68 575	68 575	68 575	68 575	68 575	68 575	68 575	68 575	68 575	68 575	822 903	871 718	923 997
Service charges - Water		18 829	18 829	18 829	18 829	18 829	18 829	18 829	18 829	18 829	18 829	18 829	18 829	225 950	239 494	253 864
Service charges - Waste Water Management		11 193	11 193	11 193	11 193	11 193	11 193	11 193	11 193	11 193	11 193	11 193	11 193	134 321	142 381	150 923
Service charges - Waste Management		10 164	10 164	10 164	10 164	10 164	10 164	10 164	10 164	10 164	10 164	10 164	10 164	121 971	129 289	137 046
Sale of Goods and Rendering of Services		2 418	2 418	2 418	2 418	2 418	2 418	2 418	2 418	2 418	2 418	2 418	2 418	29 014	30 755	32 600
Agency services		652	652	652	652	652	652	652	652	652	652	652	652	7 819	8 288	8 785
Interest		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest earned from Receivables		1 042	1 042	1 042	1 042	1 042	1 042	1 042	1 042	1 042	1 042	1 042	1 042	12 500	13 250	14 045
Interest earned from Current and Non Current Assets		5 667	5 667	5 667	5 667	5 667	5 667	5 667	5 667	5 667	5 667	5 667	5 667	68 000	68 000	68 000
Dividends		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rent on Land		104	104	104	104	104	104	104	104	104	104	104	104	1 243	1 318	1 397
Rental from Fixed Assets		781	781	781	781	781	781	781	781	781	781	781	781	9 370	9 932	10 528
Licence and permits		123	123	123	123	123	123	123	123	123	123	123	123	1 481	1 570	1 664
Special rating levies		1 349	1 349	1 349	1 349	1 349	1 349	1 349	1 349	1 349	1 349	1 349	1 349	16 193	17 165	18 195
Construction Contract Revenue		154	154	154	154	154	154	154	154	154	154	154	154	1 847	–	–
Development Charges		300	300	300	300	300	300	300	300	300	300	300	300	3 599	3 815	4 044
Operational Revenue		734	734	734	734	734	734	734	734	734	734	734	734	8 812	9 341	9 901
Non-Exchange Revenue																
Property rates		33 813	33 813	33 813	33 813	33 813	33 813	33 813	33 813	33 813	33 813	33 813	33 601	405 548	429 881	455 674
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		3 572	3 572	3 572	3 572	3 572	3 572	3 572	3 572	3 572	3 572	3 572	3 572	42 861	43 032	43 214
Licences or permits		182	182	182	182	182	182	182	182	182	182	182	182	2 186	2 317	2 456
Transfer and subsidies - Operational		17 925	17 925	17 925	17 925	17 925	17 925	17 925	17 925	17 925	17 925	17 925	18 137	215 312	228 047	232 891
Interest		192	192	192	192	192	192	192	192	192	192	192	192	2 300	2 438	2 584
Fuel Levy		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Gains		–	–	–	–	–	–	–	–	–	–	–	300	300	300	300
Discontinued Operations		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		**177 769**	**177 769**	**177 769**	**177 769**	**177 769**	**177 769**	**177 769**	**177 769**	**177 769**	**177 769**	**177 769**	**178 070**	**2 133 528**	**2 252 329**	**2 372 107**
Expenditure																
Employee related costs		56 238	56 238	56 238	56 238	56 238	56 238	56 238	56 238	56 238	56 238	56 238	56 237	674 850	702 498	743 048
Remuneration of councillors		1 283	1 283	1 283	1 283	1 283	1 283	1 283	1 283	1 283	1 283	1 283	1 283	15 400	16 480	17 240
Bulk purchases - electricity		50 253	50 253	50 253	50 253	50 253	50 253	50 253	50 253	50 253	50 253	50 253	50 253	603 032	656 280	708 782
Inventory consumed		6 575	6 575	6 575	6 575	6 575	6 575	6 575	6 575	6 575	6 575	6 575	6 576	78 902	83 969	128 795
Debt impairment		–	–	–	–	–	–	–	–	–	–	–	38 593	38 593	38 593	38 593
Depreciation and amortisation		14 631	14 631	14 631	14 631	14 631	14 631	14 631	14 631	14 631	14 631	14 631	14 632	175 572	184 350	193 568
Interest		3 590	3 590	3 590	3 590	3 590	3 590	3 590	3 590	3 590	3 590	3 590	3 590	43 080	47 145	56 450
Contracted services		33 077	33 077	33 077	33 077	33 077	33 077	33 077	33 077	33 077	33 077	33 077	33 079	396 928	419 114	439 592

Description	Ref	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Transfers and subsidies		1 471	1 471	1 471	1 471	1 471	1 471	1 471	1 471	1 471	1 471	1 471	1 471	17 648	18 500	19 397
Irrecoverable debts written off		1 667	1 667	1 667	1 667	1 667	1 667	1 667	1 667	1 667	1 667	1 667	1 667	20 000	20 000	20 000
Operational costs		10 484	10 484	10 484	10 484	10 484	10 484	10 484	10 484	10 484	10 484	10 484	10 486	125 810	130 201	137 048
Losses on disposal of Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Losses		3 820	3 820	3 820	3 820	3 820	3 820	3 820	3 820	3 820	3 820	3 820	(34 474)	7 542	9 120	9 576
Total Expenditure		**183 088**	**183 088**	**183 088**	**183 088**	**183 088**	**183 088**	**183 088**	**183 088**	**183 088**	**183 088**	**183 088**	**183 394**	**2 197 357**	**2 326 250**	**2 512 089**
Surplus/(Deficit)		**(5 319)**	**(5 319)**	**(5 319)**	**(5 319)**	**(5 319)**	**(5 319)**	**(5 319)**	**(5 319)**	**(5 319)**	**(5 319)**	**(5 319)**	**(5 324)**	**(63 829)**	**(73 921)**	**(139 982)**
Transfers and subsidies - capital (monetary allocations)		7 632	7 632	7 632	7 632	7 632	7 632	7 632	7 632	7 632	7 632	7 632	7 632	91 584	72 445	86 168
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 308**	**27 755**	**(1 476)**	**(53 814)**
Income Tax		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax		**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 308**	**27 755**	**(1 476)**	**(53 814)**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 308**	**27 755**	**(1 476)**	**(53 814)**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 308**	**27 755**	**(1 476)**	**(53 814)**

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

Description	Ref	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue by Vote																
Vote 1 - Municipal Council		4 416	4 416	4 416	4 416	4 416	4 416	4 416	4 416	4 416	4 416	4 416	4 416	52 992	54 146	49 917
Vote 2 - Office of the Municipal Manager		48	48	48	48	48	48	48	48	48	48	48	48	576	611	647
Vote 3 - Corporate Services		88	88	88	88	88	88	88	88	88	88	88	88	1 057	1 120	1 188
Vote 4 - Financial Services		43 034	43 034	43 034	43 034	43 034	43 034	43 034	43 034	43 034	43 034	43 034	43 034	516 406	543 396	571 894
Vote 5 - Infrastructure Services		127 549	127 549	127 549	127 549	127 549	127 549	127 549	127 549	127 549	127 549	127 549	127 549	1 530 590	1 603 952	1 711 884
Vote 6 - Community Services		3 424	3 424	3 424	3 424	3 424	3 424	3 424	3 424	3 424	3 424	3 424	3 424	41 090	44 216	43 492
Vote 7 - Municipal Public Safety		5 191	5 191	5 191	5 191	5 191	5 191	5 191	5 191	5 191	5 191	5 191	5 191	62 292	62 400	63 603
Vote 8 - Planning and Development		1 676	1 676	1 676	1 676	1 676	1 676	1 676	1 676	1 676	1 676	1 676	1 676	20 109	14 933	15 651
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		**185 426**	**185 426**	**185 426**	**185 426**	**185 426**	**185 426**	**185 426**	**185 426**	**185 426**	**185 426**	**185 426**	**185 427**	**2 225 112**	**2 324 774**	**2 458 275**
Expenditure by Vote to be appropriated																
Vote 1 - Municipal Council		4 755	4 755	4 755	4 755	4 755	4 755	4 755	4 755	4 755	4 755	4 755	4 755	57 064	50 823	53 213
Vote 2 - Office of the Municipal Manager		3 070	3 070	3 070	3 070	3 070	3 070	3 070	3 070	3 070	3 070	3 070	3 070	36 841	38 672	40 608
Vote 3 - Corporate Services		7 227	7 227	7 227	7 227	7 227	7 227	7 227	7 227	7 227	7 227	7 227	7 228	86 730	91 316	96 164
Vote 4 - Financial Services		16 034	16 034	16 034	16 034	16 034	16 034	16 034	16 034	16 034	16 034	16 034	16 034	192 404	199 181	210 176
Vote 5 - Infrastructure Services		109 931	109 931	109 931	109 931	109 931	109 931	109 931	109 931	109 931	109 931	109 931	109 933	1 319 177	1 427 221	1 566 544
Vote 6 - Community Services		18 459	18 459	18 459	18 459	18 459	18 459	18 459	18 459	18 459	18 459	18 459	18 460	221 509	227 148	238 601
Vote 7 - Municipal Public Safety		17 264	17 264	17 264	17 264	17 264	17 264	17 264	17 264	17 264	17 264	17 264	17 265	207 166	217 730	229 089
Vote 8 - Planning and Development		6 372	6 372	6 372	6 372	6 372	6 372	6 372	6 372	6 372	6 372	6 372	6 373	76 466	74 158	77 695
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		**183 113**	**183 113**	**183 113**	**183 113**	**183 113**	**183 113**	**183 113**	**183 113**	**183 113**	**183 113**	**183 113**	**183 119**	**2 197 357**	**2 326 250**	**2 512 089**
Surplus/(Deficit) before assoc.		**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 308**	**27 755**	**(1 476)**	**(53 814)**
Surplus/(Deficit) after income tax		–	–	–	–	–	–	–	–	–	–	–	27 755	27 755	(1 476)	(53 814)
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 308**	**27 755**	**(1 476)**	**(53 814)**

References

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

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

Description	Ref	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue - Functional																
Governance and administration		**47 633**	**47 633**	**47 633**	**47 633**	**47 633**	**47 633**	**47 633**	**47 633**	**47 633**	**47 633**	**47 633**	**47 633**	**571 597**	**599 850**	**624 235**
Executive and council		4 416	4 416	4 416	4 416	4 416	4 416	4 416	4 416	4 416	4 416	4 416	4 416	52 992	54 146	49 917
Finance and administration		43 217	43 217	43 217	43 217	43 217	43 217	43 217	43 217	43 217	43 217	43 217	43 217	518 605	545 704	574 317
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		**9 324**	**9 324**	**9 324**	**9 324**	**9 324**	**9 324**	**9 324**	**9 324**	**9 324**	**9 324**	**9 324**	**9 324**	**111 885**	**139 670**	**146 425**
Community and social services		876	876	876	876	876	876	876	876	876	876	876	876	10 509	10 666	10 678
Sport and recreation		2 463	2 463	2 463	2 463	2 463	2 463	2 463	2 463	2 463	2 463	2 463	2 463	29 557	32 475	31 535
Public safety		5 191	5 191	5 191	5 191	5 191	5 191	5 191	5 191	5 191	5 191	5 191	5 191	62 292	62 400	63 603
Housing		794	794	794	794	794	794	794	794	794	794	794	794	9 527	34 129	40 610
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**3 466**	**3 466**	**3 466**	**3 466**	**3 466**	**3 466**	**3 466**	**3 466**	**3 466**	**3 466**	**3 466**	**3 467**	**41 597**	**34 001**	**34 185**
Planning and development		1 414	1 414	1 414	1 414	1 414	1 414	1 414	1 414	1 414	1 414	1 414	1 414	16 965	15 043	15 933
Road transport		1 725	1 725	1 725	1 725	1 725	1 725	1 725	1 725	1 725	1 725	1 725	1 725	20 699	18 958	18 252
Environmental protection		328	328	328	328	328	328	328	328	328	328	328	328	3 934	–	–
Trading services		**125 003**	**125 003**	**125 003**	**125 003**	**125 003**	**125 003**	**125 003**	**125 003**	**125 003**	**125 003**	**125 003**	**125 003**	**1 500 033**	**1 551 252**	**1 653 431**
Energy sources		75 883	75 883	75 883	75 883	75 883	75 883	75 883	75 883	75 883	75 883	75 883	75 883	910 591	942 704	1 002 094
Water management		22 707	22 707	22 707	22 707	22 707	22 707	22 707	22 707	22 707	22 707	22 707	22 707	272 479	260 998	279 658
Waste water management		13 960	13 960	13 960	13 960	13 960	13 960	13 960	13 960	13 960	13 960	13 960	13 960	167 523	189 144	203 768
Waste management		12 453	12 453	12 453	12 453	12 453	12 453	12 453	12 453	12 453	12 453	12 453	12 453	149 440	158 406	167 910
Other		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Revenue - Functional		**185 426**	**185 426**	**185 426**	**185 426**	**185 426**	**185 426**	**185 426**	**185 426**	**185 426**	**185 426**	**185 426**	**185 427**	**2 225 112**	**2 324 774**	**2 458 275**
Expenditure - Functional																
Governance and administration		**33 668**	**33 668**	**33 668**	**33 668**	**33 668**	**33 668**	**33 668**	**33 668**	**33 668**	**33 668**	**33 668**	**(97 075)**	**273 277**	**270 780**	**277 101**
Executive and council		6 206	6 206	6 206	6 206	6 206	6 206	6 206	6 206	6 206	6 206	6 206	(13 802)	54 461	47 372	48 565
Finance and administration		27 035	27 035	27 035	27 035	27 035	27 035	27 035	27 035	27 035	27 035	27 035	(83 701)	213 688	218 019	222 869
Internal audit		427	427	427	427	427	427	427	427	427	427	427	427	5 129	5 390	5 666
Community and public safety		**27 463**	**27 463**	**27 463**	**27 463**	**27 463**	**27 463**	**27 463**	**27 463**	**27 463**	**27 463**	**27 463**	**24 323**	**326 411**	**335 728**	**353 128**
Community and social services		2 652	2 652	2 652	2 652	2 652	2 652	2 652	2 652	2 652	2 652	2 652	2 652	31 826	33 014	34 138
Sport and recreation		6 655	6 655	6 655	6 655	6 655	6 655	6 655	6 655	6 655	6 655	6 655	6 656	79 866	84 713	89 752
Public safety		17 437	17 437	17 437	17 437	17 437	17 437	17 437	17 437	17 437	17 437	17 437	14 296	206 104	210 863	221 709
Housing		718	718	718	718	718	718	718	718	718	718	718	718	8 615	7 138	7 529
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**21 937**	**21 937**	**21 937**	**21 937**	**21 937**	**21 937**	**21 937**	**21 937**	**21 937**	**21 937**	**21 937**	**16 332**	**257 640**	**275 515**	**290 985**
Planning and development		5 481	5 481	5 481	5 481	5 481	5 481	5 481	5 481	5 481	5 481	5 481	(125)	60 162	60 886	63 808
Road transport		13 805	13 805	13 805	13 805	13 805	13 805	13 805	13 805	13 805	13 805	13 805	13 806	165 665	185 425	196 809
Environmental protection		2 651	2 651	2 651	2 651	2 651	2 651	2 651	2 651	2 651	2 651	2 651	2 651	31 813	29 204	30 367
Trading services		**99 432**	**99 432**	**99 432**	**99 432**	**99 432**	**99 432**	**99 432**	**99 432**	**99 432**	**99 432**	**99 432**	**238 926**	**1 332 675**	**1 436 487**	**1 582 727**
Energy sources		60 008	60 008	60 008	60 008	60 008	60 008	60 008	60 008	60 008	60 008	60 008	146 104	806 195	874 013	938 151
Water management		15 727	15 727	15 727	15 727	15 727	15 727	15 727	15 727	15 727	15 727	15 727	38 375	211 378	224 459	286 160
Waste water management		13 837	13 837	13 837	13 837	13 837	13 837	13 837	13 837	13 837	13 837	13 837	30 392	182 605	192 172	204 290
Waste management		9 858	9 858	9 858	9 858	9 858	9 858	9 858	9 858	9 858	9 858	9 858	24 055	132 498	145 843	154 126
Other		**613**	**613**	**613**	**613**	**613**	**613**	613	613	613	613	613	613	7 354	7 739	8 149
Total Expenditure - Functional		**183 113**	**183 113**	**183 113**	**183 113**	**183 113**	**183 113**	**183 113**	**183 113**	**183 113**	**183 113**	**183 113**	**183 119**	**2 197 357**	**2 326 250**	**2 512 089**
Surplus/(Deficit) before assoc.		**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 308**	**27 755**	**(1 476)**	**(53 814)**
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 313**	**2 308**	**27 755**	**(1 476)**	**(53 814)**

References

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

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

Description	Ref	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Multi-year expenditure *to be appropriated*	1															
Vote 1 - Municipal Council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Office of the Municipal Manager		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 3 - Corporate Services		23	23	896	23	23	896	23	23	896	23	23	896	3 770	3 270	3 270
Vote 4 - Financial Services		–	–	35	–	–	2 785	–	–	35	–	–	2 785	5 640	8 640	4 790
Vote 5 - Infrastructure Services		3 942	6 442	11 479	8 942	5 942	32 108	3 942	8 942	13 979	4 592	4 942	99 190	204 445	255 695	269 418
Vote 6 - Community Services		–	–	–	–	–	1 796	–	–	–	–	–	1 796	3 592	5 320	5 320
Vote 7 - Municipal Public Safety		26	26	970	26	26	1 218	26	26	970	26	26	1 218	4 581	7 310	7 310
Vote 8 - Planning and Development		–	–	50	–	–	550	–	–	50	–	–	550	1 200	2 200	2 200
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	**3 992**	**6 492**	**13 430**	**8 992**	**5 992**	**39 353**	**3 992**	**8 992**	**15 930**	**4 642**	**4 992**	**106 435**	**223 229**	**282 435**	**292 308**
Single-year expenditure *to be appropriated*																
Vote 1 - Municipal Council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Office of the Municipal Manager		–	–	–	–	–	5	–	–	–	–	–	3 755	3 760	10	10
Vote 3 - Corporate Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 4 - Financial Services		–	–	1 000	–	–	4 750	–	–	1 000	–	–	4 750	11 500	11 500	15 350
Vote 5 - Infrastructure Services		–	–	125	–	–	125	–	–	125	–	–	125	500	500	500
Vote 6 - Community Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 7 - Municipal Public Safety		–	–	–	–	1 000	–	–	–	1 000	1 000	750	–	3 750	–	–
Vote 8 - Planning and Development		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
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	**–**	**–**	**1 125**	**–**	**1 000**	**4 880**	**–**	**–**	**2 125**	**1 000**	**750**	**8 630**	**19 510**	**12 010**	**15 860**
Total Capital Expenditure	2	**3 992**	**6 492**	**14 555**	**8 992**	**6 992**	**44 233**	**3 992**	**8 992**	**18 055**	**5 642**	**5 742**	**115 065**	**242 739**	**294 445**	**308 168**

References

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

2. Total Capital Expenditure must reconcile to Budgeted Capital Expenditure

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

Description	Ref	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital Expenditure - Functional	1															
Governance and administration		**23**	**23**	**931**	**23**	**23**	**936**	**23**	**23**	**931**	**23**	**23**	**4 686**	**7 670**	**3 420**	**3 420**
Executive and council		–	–	10	–	–	15	–	–	10	–	–	3 765	3 800	50	50
Finance and administration		23	23	921	23	23	921	23	23	921	23	23	921	3 870	3 370	3 370
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		**1 584**	**1 584**	**3 528**	**1 584**	**2 584**	**9 322**	**1 584**	**1 584**	**4 528**	**2 584**	**2 334**	**9 322**	**42 120**	**65 112**	**74 230**
Community and social services		–	–	1 000	–	–	2 796	–	–	1 000	–	–	2 796	7 592	9 420	7 320
Sport and recreation		965	965	965	965	965	965	965	965	965	965	965	965	11 586	7 442	6 250
Public safety		26	26	970	26	1 026	4 968	26	26	1 970	1 026	776	4 968	15 831	14 710	20 660
Housing		593	593	593	593	593	593	593	593	593	593	593	593	7 110	33 540	40 000
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**1 183**	**1 183**	**2 832**	**1 183**	**1 183**	**8 642**	**1 183**	**1 183**	**2 832**	**1 183**	**1 183**	**8 642**	**32 414**	**21 550**	**16 921**
Planning and development		121	121	171	121	121	3 421	121	121	171	121	121	3 421	8 150	11 450	7 600
Road transport		1 062	1 062	2 661	1 062	1 062	5 221	1 062	1 062	2 661	1 062	1 062	5 221	24 264	10 100	9 321
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		**1 201**	**3 701**	**7 264**	**6 201**	**3 201**	**25 333**	**1 201**	**6 201**	**9 764**	**1 851**	**2 201**	**92 415**	**160 536**	**204 363**	**213 597**
Energy sources		930	930	1 555	930	930	16 624	930	930	1 555	930	930	36 724	63 894	48 083	49 634
Water management		–	2 500	4 338	5 000	2 000	5 588	–	5 000	6 838	650	1 000	41 830	74 742	81 900	84 300
Waste water management		272	272	822	272	272	2 572	272	272	822	272	272	13 312	19 700	65 480	72 663
Waste management		–	–	550	–	–	550	–	–	550	–	–	550	2 200	8 900	7 000
Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	2	**3 992**	**6 492**	**14 555**	**8 992**	**6 992**	**44 233**	**3 992**	**8 992**	**18 055**	**5 642**	**5 742**	**115 065**	**242 739**	**294 445**	**308 168**
Funded by:																
National Government		1 473	1 473	2 947	1 473	1 473	19 414	1 473	1 473	2 947	1 473	1 473	**45 656**	**82 749**	**38 905**	**46 168**
Provincial Government		651	651	907	651	651	907	651	651	907	651	651	907	8 835	33 540	40 000
District Municipality		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other transfers and grants		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital		**2 124**	**2 124**	**3 854**	**2 124**	**2 124**	**20 321**	**2 124**	**2 124**	**3 854**	**2 124**	**2 124**	**46 563**	**91 584**	**72 445**	**86 168**
Public contributions & donations		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing		1 118	3 618	6 680	6 118	3 118	9 680	1 118	6 118	9 180	1 768	2 118	50 520	101 155	172 000	172 000
Internally generated funds		750	750	4 020	750	1 750	14 231	750	750	5 020	1 750	1 500	17 981	50 000	50 000	50 000
Total Capital Funding		**3 992**	**6 492**	**14 555**	**8 992**	**6 992**	**44 233**	**3 992**	**8 992**	**18 055**	**5 642**	5 742	115 065	242 739	294 445	308 168

References

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

2. Total Capital Expenditure must reconcile to Budgeted Capital Expenditure

WC032 Overstrand - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Cash Receipts By Source													1		
Property rates	34 824	34 824	34 824	34 824	34 824	34 824	34 824	34 824	34 824	34 824	34 824	34 612	417 681	442 741	469 306
Service charges - electricity revenue	68 423	68 423	68 423	68 423	68 423	68 423	68 423	68 423	68 423	68 423	68 423	68 423	821 071	869 778	921 941
Service charges - water revenue	18 504	18 504	18 504	18 504	18 504	18 504	18 504	18 504	18 504	18 504	18 504	18 504	222 047	235 357	249 479
Service charges - sanitation revenue	10 999	10 999	10 999	10 999	10 999	10 999	10 999	10 999	10 999	10 999	10 999	10 999	131 991	139 948	148 357
Service charges - refuse revenue	9 989	9 989	9 989	9 989	9 989	9 989	9 989	9 989	9 989	9 989	9 989	9 989	119 867	127 021	134 630
Rental of facilities and equipment	884	884	884	884	884	884	884	884	884	884	884	884	10 613	11 250	11 925
Interest earned - external investments	5 667	5 667	5 667	5 667	5 667	5 667	5 667	5 667	5 667	5 667	5 667	5 667	68 000	68 000	68 000
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	1 488	1 488	1 488	1 488	1 488	1 488	1 488	1 488	1 488	1 488	1 488	1 488	17 861	18 044	18 238
Licences and permits	306	306	306	306	306	306	306	306	306	306	306	306	3 667	3 887	4 120
Agency services	652	652	652	652	652	652	652	652	652	652	652	652	7 819	8 288	8 785
Transfers and Subsidies - Operational	17 925	17 925	17 925	17 925	17 925	17 925	17 925	17 925	17 925	17 925	17 925	18 137	215 312	228 047	232 891
Other revenue	3 083	3 083	3 083	3 083	3 083	3 083	3 083	3 083	3 083	3 083	3 083	3 084	37 001	37 892	40 482
Cash Receipts by Source	**172 744**	**172 744**	**172 744**	**172 744**	**172 744**	**172 744**	**172 744**	**172 744**	**172 744**	**172 744**	**172 744**	**172 745**	**2 072 928**	**2 190 252**	**2 308 153**
Other Cash Flows by Source															
(National / Provincial and District)	7 632	7 632	7 632	7 632	7 632	7 632	7 632	7 632	7 632	7 632	7 632	7 632	91 584	72 445	86 168
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on Disposal of Fixed and Intangible Assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Short term loans	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–	–	–	–	–	–	–	100 000	100 000	172 000	172 000
Increase (decrease) in consumer deposits	(163)	(163)	(163)	(163)	(163)	(163)	(163)	(163)	(163)	(163)	(163)	(163)	(1 950)	(1 950)	(1 950)
Vat Control (receipts)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	705	705	705	705	705	705	705	705	705	705	705	705	8 456	–	–
Insurance Refund - Capital	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest on Short Term Investment (> 90 days) and Long Term	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Receipts by Source	**180 918**	**180 918**	**180 918**	**180 918**	**180 918**	**180 918**	**180 918**	**180 918**	**180 918**	**180 918**	**180 918**	**280 919**	**2 271 018**	**2 432 747**	**2 564 371**
Cash Payments by Type															
Employee related costs	(55 099)	(55 099)	(55 099)	(55 099)	(55 099)	(55 099)	(55 099)	(55 099)	(55 099)	(55 099)	(55 099)	(55 099)	(661 188)	(697 018)	(737 410)
Remuneration of councillors	(1 283)	(1 283)	(1 283)	(1 283)	(1 283)	(1 283)	(1 283)	(1 283)	(1 283)	(1 283)	(1 283)	(1 283)	(15 400)	(16 480)	(17 240)
Finance charges	(3 590)	(3 590)	(3 590)	(3 590)	(3 590)	(3 590)	(3 590)	(3 590)	(3 590)	(3 590)	(3 590)	(3 590)	(43 080)	(47 145)	(56 450)
Bulk purchases - Electricity	(50 253)	(50 253)	(50 253)	(50 253)	(50 253)	(50 253)	(50 253)	(50 253)	(50 253)	(50 253)	(50 253)	(50 253)	(603 032)	(656 280)	(708 782)
Bulk purchases - Water & Sewer												–	–		
Other materials	(6 575)	(6 575)	(6 575)	(6 575)	(6 575)	(6 575)	(6 575)	(6 575)	(6 575)	(6 575)	(6 575)	(6 576)	(78 902)	(83 969)	(128 795)
Contracted services	(33 077)	(33 077)	(33 077)	(33 077)	(33 077)	(33 077)	(33 077)	(33 077)	(33 077)	(33 077)	(33 077)	(33 079)	(396 928)	(419 114)	(439 592)
Transfers and grants - other municipalities												–	–		
Transfers and grants - other	(1 471)	(1 471)	(1 471)	(1 471)	(1 471)	(1 471)	(1 471)	(1 471)	(1 471)	(1 471)	(1 471)	(1 471)	(17 648)	(18 500)	(19 397)
Other expenditure	(9 864)	(9 864)	(9 864)	(9 864)	(9 864)	(9 864)	(9 864)	(9 864)	(9 864)	(9 864)	(9 864)	(9 866)	(118 373)	(124 868)	(146 978)
Cash Payments by Type	**(161 212)**	**(161 212)**	**(161 212)**	**(161 212)**	**(161 212)**	**(161 212)**	**(161 212)**	**(161 212)**	**(161 212)**	**(161 212)**	**(161 212)**	**(161 217)**	**(1 934 552)**	**(2 063 374)**	**(2 254 645)**
Other Cash Flows/Payments by Type															
Capital assets	(3 992)	(6 492)	(14 555)	(8 992)	(6 992)	(44 233)	(3 992)	(8 992)	(18 055)	(5 642)	(5 742)	(115 065)	(242 739)	(294 445)	(308 168)
Retention (Capital)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Repayment of borrowing	–	(1 535)	(1 987)	–	(1 637)	(20 046)	–	–	(3 711)	–	(1 717)	(30 838)	(61 471)	(78 879)	(93 722)
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type	**(165 204)**	**(169 239)**	**(177 754)**	**(170 204)**	**(169 841)**	**(225 491)**	**(165 204)**	**(170 204)**	**(182 978)**	**(166 854)**	**(168 670)**	**(307 120)**	**(2 238 762)**	**(2 436 698)**	**(2 656 534)**
NET INCREASE/(DECREASE) IN CASH HELD	**15 714**	**11 679**	**3 164**	**10 714**	**11 077**	**(44 573)**	**15 714**	**10 714**	**(2 060)**	**14 064**	**12 248**	**(26 201)**	**32 256**	**(3 951)**	**(92 164)**
Cash/cash equivalents at the month/year begin:	843 596	859 310	870 989	874 153	884 868	895 945	851 372	867 086	877 801	875 741	889 805	902 053	843 596	875 852	871 901
Cash/cash equivalents at the month/year end:	859 310	870 989	874 153	884 868	895 945	851 372	867 086	877 801	875 741	889 805	902 053	875 852	875 852	871 901	779 737

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	1 693 083
Outsourcing of sub function operation of landfil site	Yrs	13	Outsourcing of sub function operation of landfil site	30 November 2032	108 587
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 2025/26	2026/27 Medium Term Revenue & Expenditure Framework			Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Forecast 2032/33	Forecast 2033/34	Forecast 2034/35	Forecast 2035/36	Total Contract Value
R thousand	1,3	Total	Original Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29	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														–
Total Operating Revenue Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Expenditure Obligation By Contract	2													
Contract 1: SC1890/2018: WATER & WASTE WATER TREATMENT OPERATIONS MANAGEMENT CONTRACT.		481 175	114 552	124 171	131 373	138 993	147 054	155 584	164 607	174 155	61 419			1 693 083
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		35 011	8 196	8 726	9 276	9 863	10 390	10 872	11 419	4 834				108 587
Contract 3														–
Contract 4														–
Contract 5														–
Total Operating Expenditure Implication		516 186	122 748	132 898	140 649	148 855	157 444	166 455	176 027	178 989	61 419	–	–	1 801 670
Capital Expenditure Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3														–
Contract 4														–
Contract 5														–
Total Capital Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Total Parent Expenditure Implication		**516 186**	**122 748**	**132 898**	**140 649**	**148 855**	**157 444**	**166 455**	**176 027**	**178 989**	**61 419**	**–**	**–**	1 801 670

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		**85 627**	**87 369**	**66 442**	**78 215**	**69 975**	**69 975**	**55 539**	**69 533**	**76 184**
Roads Infrastructure		16 799	11 795	2 810	8 500	8 895	8 895	500	1 250	1 250
Roads		16 799	4 760	2 810	8 500	8 895	8 895	500	1 250	1 250
Road Structures		–	7 035	–	–	–	–	–	–	–
Road Furniture		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		1 113	5 968	11 607	6 200	5 988	5 988	–	2 500	–
Drainage Collection		–	2 280	–	–	100	100	–	–	–
Storm water Conveyance		1 113	3 687	11 607	6 200	5 888	5 888	–	2 500	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		53 049	45 316	25 558	33 018	22 718	22 718	40 139	22 583	26 134
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations		–	–	–	–	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	–	–	–
MV Substations		32 685	17 417	2 032	10 000	–	–	10 000	10 000	10 000
MV Switching Stations		–	519	–	–	–	–	–	–	–
MV Networks		20 365	27 380	23 525	20 018	19 718	19 718	30 139	11 083	14 634
LV Networks		–	–	–	3 000	3 000	3 000	–	1 500	1 500
Capital Spares		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		9 484	16 099	18 594	17 806	18 737	18 737	12 700	19 500	24 500
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		3 961	7 027	8 972	5 273	6 486	6 486	6 000	4 000	–
Reservoirs		–	360	–	–	–	–	3 000	13 500	15 500
Pump Stations		5 431	–	–	–	–	–	–	1 000	7 000
Water Treatment Works		–	2 775	3 623	8 983	8 701	8 701	–	1 000	2 000
Bulk Mains		–	–	–	–	–	–	700	–	–
Distribution		92	5 937	6 000	3 550	3 550	3 550	3 000	–	–
Distribution Points		–	–	–	–	–	–	–	–	–
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		3 956	8 141	6 492	7 750	8 697	8 697	2 200	17 300	17 300
Pump Station		–	–	–	–	–	–	–	–	–
Reticulation		3 956	7 094	492	950	1 897	1 897	2 200	17 300	17 300
Waste Water Treatment Works		–	1 047	6 000	6 800	6 800	6 800	–	–	–
Outfall Sewers		–		–	–	–	–	–	–	–
Toilet Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		1 226	50	1 004	4 940	4 940	4 940	–	6 400	7 000
Landfill Sites		–	–	–	–	–	–	–	–	–
Waste Transfer Stations		1 226	50	981	3 300	2 900	2 900	–	5 000	6 000
Waste Processing Facilities		–	–	–	840	1 140	1 140	–	1 400	1 000
Waste Drop-off Points		–	–	–	800	900	900	–	–	–
Waste Separation Facilities		–	–	–	–	–	–	–	–	–
Electricity Generation Facilities		–	–	22	–	–	–	–	–	–
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		–	–	377	–	–	–	–	–	–
Data Centres		–	–	377	–	–	–	–	–	–
Core Layers		–	–	–	–	–	–	–	–	–
Distribution Layers		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Community Assets		**7 742**	**4 248**	**8 120**	**12 022**	**13 422**	**13 422**	**11 516**	**19 040**	**22 071**
Community Facilities		2 674	797	2 244	1 950	4 574	4 574	10 945	19 040	22 071
Halls		–	–	580	–	60	60	3 750	–	–
Centres		–	–	–	–	–	–	–	–	–
Crèches		–	–	–	–	1 411	1 411	–	–	–
Clinics/Care Centres		–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations		–	–	–	–	–	–	–	2 245	3 500
Testing Stations		–	–	–	–	–	–	3 247	3 500	3 500
Museums		–	–	–	–	–	–	–	–	–
Galleries		–	–	–	–	–	–	–	–	–
Theatres		–	–	–	–	–	–	–	–	–
Libraries		914	96	–	–	–	–	–	–	–
Cemeteries/Crematoria		–	–	–	–	10	10	–	–	–
Police		–	–	–	200	60	60	–	1 045	–
Parks		86	106	534	300	901	901	3 248	5 000	5 000
Public Open Space		1 079	–	143	–	424	424	–	500	2 000
Nature Reserves		–		–	–	–	–	–	–	–
Public Ablution Facilities		595	595	–	–	78	78	–	–	–
Markets		–	–	–	–	–	–	–	–	–
Stalls		–	–	–	800	800	800	700	–	–
Abattoirs		–	–	–	–	–	–	–	–	–
Airports		–	–	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals		–	–	987	650	830	830	–	6 750	8 071
Capital Spares		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		5 068	3 451	5 876	10 072	8 848	8 848	571	–	–
Indoor Facilities		–	–	–	–	–	–	–	–	–
Outdoor Facilities		5 068	3 451	5 876	10 072	8 848	8 848	571	–	–
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		**28 734**	**40 245**	**18 526**	**28 292**	**37 595**	**37 595**	**9 515**	**35 040**	**40 000**
Operational Buildings		2 211	6 567	907	3 750	2 643	2 643	2 405	1 500	–
Municipal Offices		2 211	934	907	–	–	–	–	1 500	–
Pay/Enquiry Points		–		–	–	–	–	–	–	–
Building Plan Offices		–	–	–	–	–	–	–	–	–
Workshops		–	5 633	–	3 750	2 595	2 595	2 405	–	–
Yards		–	–	–	–	49	49	–	–	–
Stores		–	–	–	–	–	–	–	–	–
Laboratories		–	–	–	–	–	–	–	–	–
Training Centres		–	–	–	–	–	–	–	–	–
Manufacturing Plant		–	–	–	–	–	–	–	–	–
Depots		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Housing		26 523	33 678	17 619	24 542	34 952	34 952	7 110	33 540	40 000
Staff Housing		–	–	–	–	211	211	–	–	–
Social Housing		26 523	33 678	17 619	24 542	34 741	34 741	7 110	33 540	40 000
Capital Spares		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	335	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	335	–	–	–	–	–	–
Intangible Assets		–	71	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	71	–	–	–	–	–	–	–
Water Rights		–	–	–	–	–	–	–	–	–
Effluent Licenses		–	–	–	–	–	–	–	–	–
Solid Waste Licenses		–	–	–	–	–	–	–	–	–

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Computer Software and Applications		–	71	–	–	–	–	–	–	–
Load Settlement Software Applications		–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	–	–	–	–	–
Computer Equipment		2 212	4 550	3 120	3 201	3 201	3 201	3 700	3 200	3 200
Computer Equipment		2 212	4 550	3 120	3 201	3 201	3 201	3 700	3 200	3 200
Furniture and Office Equipment		715	408	759	1 345	1 889	1 889	2 505	1 690	1 480
Furniture and Office Equipment		715	408	759	1 345	1 889	1 889	2 505	1 690	1 480
Machinery and Equipment		729	3 588	596	325	473	473	345	320	320
Machinery and Equipment		729	3 588	596	325	473	473	345	320	320
Transport Assets		7 043	1 787	21 309	24 310	24 786	24 786	17 000	20 000	20 000
Transport Assets		7 043	1 787	21 309	24 310	24 786	24 786	17 000	20 000	20 000
Land		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Living resources		**-**	**-**	**-**	**300**	**300**	**300**	**-**	**-**	**-**
Mature		-	-	-	300	300	300	-	-	-
Policing and Protection		–	–	–	300	300	300	–	–	–
Zoological plants and animals		–	–	–	–	–	–	–	–	–
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection		–	–	–	–	–	–	–	–	–
Zoological plants and animals		–	–	–	–	–	–	–	–	–
Total Capital Expenditure on new assets	1	**132 803**	**142 268**	**119 207**	**148 010**	**151 640**	**151 640**	**100 119**	**148 823**	**163 255**

References

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

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		**17 393**	**15 235**	**18 947**	**46 797**	**55 153**	**55 153**	**86 456**	**66 300**	**62 700**
Roads Infrastructure		–	–	–	–	–	–	23 764	2 100	–
Roads		–	–	–	–	–	–	23 764	2 100	–
Road Structures		–	–	–	–	–	–	–	–	–
Road Furniture		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		1 042	1 500	2 492	1 500	1 500	1 500	2 000	2 000	2 500
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations		–	–	–	–	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
MV Switching Stations		1 042	1 500	2 492	1 500	1 500	1 500	2 000	2 000	2 500
MV Networks		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		15 725	12 448	13 990	44 597	53 403	53 403	59 992	61 500	59 500
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		–	–	–	–	–	–	–	–	–
Reservoirs		–	–	–	–	–	–	–	–	–
Pump Stations		1 262	403	500	500	500	500	500	500	500
Water Treatment Works		–	–	–	–	–	–	–	–	–
Bulk Mains		–	–	–	–	–	–	–	–	–
Distribution		14 462	12 045	13 490	44 097	52 903	52 903	59 492	61 000	59 000
Distribution Points		–	–	–	–	–	–	–	–	–
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		626	1 287	2 465	700	250	250	700	700	700
Pump Station		626	1 287	571	700	250	250	700	700	700
Reticulation		–	–	–	–	–	–	–	–	–
Waste Water Treatment Works		–	–	1 894	–	–	–	–	–	–
Outfall Sewers		–	–	–	–	–	–	–	–	–
Toilet Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Landfill Sites		–	–	–	–	–	–	–	–	–
Waste Transfer Stations		–	–	–	–	–	–	–	–	–
Waste Processing Facilities		–	–	–	–	–	–	–	–	–
Waste Drop-off Points		–	–	–	–	–	–	–	–	–
Waste Separation Facilities		–	–	–	–	–	–	–	–	–
Electricity Generation Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines		–	–	–	–	–	–	–	–	–
Rail Structures		–	–	–	–	–	–	–	–	–
Rail Furniture		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps		–	–	–	–	–	–	–	–	–
Piers		–	–	–	–	–	–	–	–	–
Revetments		–	–	–	–	–	–	–	–	–
Promenades		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Data Centres		–	–	–	–	–	–	–	–	–
Core Layers		–	–	–	–	–	–	–	–	–
Distribution Layers		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
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		–	–	–	–	–	–	–	–	–
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		–	–	–	–	–	–	**500**	**1 000**	–
Operational Buildings		–	–	–	–	–	–	500	1 000	–
Municipal Offices		–	–	–	–	–	–	–	–	–
Pay/Enquiry Points		–	–	–	–	–	–	–	–	–
Building Plan Offices		–	–	–	–	–	–	–	–	–
Workshops		–	–	–	–	–	–	–	–	–
Yards		–	–	–	–	–	–	–	–	–
Stores		–	–	–	–	–	–	–	–	–
Laboratories		–	–	–	–	–	–	–	–	–
Training Centres		–	–	–	–	–	–	–	–	–
Manufacturing Plant		–	–	–	–	–	–	–	–	–
Depots		–	–	–	–	–	–	500	1 000	–
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		–	–	–	–	–	–	–	–	–

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Computer Software and Applications		–	–	–	–	–	–	–	–	–
Load Settlement Software Applications		–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Living resources		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Policing and Protection		–	–	–	–	–	–	–	–	–
Zoological plants and animals		–	–	–	–	–	–	–	–	–
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection		–	–	–	–	–	–	–	–	–
Zoological plants and animals		–	–	–	–	–	–	–	–	–
Total Capital Expenditure on renewal of existing assets	1	**17 393**	**15 235**	**18 947**	**46 797**	**55 153**	**55 153**	**86 956**	**67 300**	**62 700**
Renewal of Existing Assets as % of total capex		*44.5%*	*7.9%*	*9.8%*	*18.1%*	*20.4%*	*20.4%*	*35.8%*	*22.9%*	*20.3%*
Renewal of Existing Assets as % of deprecn"		*11.7%*	*9.9%*	*12.4%*	*28.0%*	*33.0%*	*33.0%*	*49.5%*	*36.5%*	*32.4%*

References

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

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		**137 671**	**159 666**	**159 763**	**193 053**	**183 399**	**183 399**	**206 443**	**230 200**	**284 736**
Roads Infrastructure		54 418	74 585	78 823	85 143	82 665	82 665	93 111	109 049	116 410
Roads		54 418	74 585	78 823	85 143	82 665	82 665	93 111	109 049	116 410
Road Structures		–	–	–	–	–	–	–	–	–
Road Furniture		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		6 157	5 588	9 572	13 746	11 423	11 423	13 615	14 431	15 297
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		6 157	5 588	9 572	13 746	11 423	11 423	13 615	14 431	15 297
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		35 380	38 864	36 881	49 278	44 748	44 748	51 844	55 986	58 764
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations		–	–	–	–	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		–	–	–	–	–	–	–	–	–
LV Networks		35 380	38 864	36 881	49 278	44 748	44 748	51 844	55 986	58 764
Capital Spares		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		20 432	19 038	17 591	20 984	22 295	22 295	24 096	25 500	67 487
Dams and Weirs		–	–		–	–	–	–	–	–
Boreholes		–	–		–	–	–	–	–	–
Reservoirs		–	–		–	–	–	–	–	–
Pump Stations		–	–		–	–	–	–	–	–
Water Treatment Works		33	–		–	–	–	–	–	–
Bulk Mains		–	–		–	–	–	–	–	–
Distribution		18 708	17 457	17 590	19 901	21 311	21 311	22 947	24 283	66 197
Distribution Points		1 691	1 581	1	1 083	985	985	1 148	1 217	1 290
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		12 634	12 280	10 134	12 419	11 133	11 133	11 936	12 652	13 411
Pump Station		–	–	–	–	–	–	–	–	–
Reticulation		6 759	6 576	10 134	8 521	8 704	8 704	9 338	9 898	10 492
Waste Water Treatment Works		5 875	5 703		3 898	2 429	2 429	2 598	2 754	2 919
Outfall Sewers		–	–	–	–	–	–	–	–	–
Toilet Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		8 650	9 310	6 763	11 483	11 134	11 134	11 842	12 580	13 366
Landfill Sites		–	–	–	–	–	–	–	–	–
Waste Transfer Stations		–	–	–	–	–	–	–	–	–
Waste Processing Facilities		2 662	3 003	331	3 100	3 060	3 060	3 274	3 503	3 749
Waste Drop-off Points		5 988	6 307	6 432	8 383	8 074	8 074	8 568	9 077	9 617
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	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Community Assets		**53 486**	**55 786**	**59 601**	**63 754**	**62 037**	**62 037**	**68 729**	**72 877**	**77 174**
Community Facilities		40 568	43 765	45 665	48 316	47 486	47 486	52 724	55 820	59 109
Halls		5 950	5 954	6 030	5 464	5 584	5 584	6 387	6 711	7 056
Centres		–	–	–	–	–	–	–	–	–
Crèches		–	–	–	–	–	–	–	–	–
Clinics/Care Centres		–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations		–	–	–	–	–	–	–	–	–
Testing Stations		–	–	–	–	–	–	–	–	–
Museums		–	–	–	–	–	–	–	–	–
Galleries		–	–	–	–	–	–	–	–	–
Theatres		–	–	–	–	–	–	–	–	–
Libraries		14	72	–	–	–	–	–	–	–
Cemeteries/Crematoria		943	978	2 111	3 111	2 561	2 561	3 686	3 906	4 139
Police		–	–	–	–	–	–	–	–	–
Parks		28 619	31 644	29 319	31 742	30 981	30 981	33 466	35 474	37 602
Public Open Space		4 553	4 667	6 115	4 186	5 681	5 681	5 145	5 446	5 772
Nature Reserves		–	–	–	–	–	–	–	–	–
Public Ablution Facilities		488	450	2 090	3 812	2 679	2 679	4 040	4 283	4 540
Markets		–	–	–	–	–	–	–	–	–
Stalls		–	–	–	–	–	–	–	–	–
Abattoirs		–	–	–	–	–	–	–	–	–
Airports		–	–	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		12 919	12 021	13 936	15 437	14 551	14 551	16 005	17 057	18 065
Indoor Facilities		–	–	–	–	–	–	–	–	–
Outdoor Facilities		12 919	12 021	13 936	15 437	14 551	14 551	16 005	17 057	18 065
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		**16 833**	**12 818**	**6 204**	**18 955**	**18 739**	**18 739**	**23 244**	**17 915**	**17 997**
Operational Buildings		16 833	12 818	6 204	18 955	18 739	18 739	23 244	17 915	17 997
Municipal Offices		16 773	12 726	6 204	18 955	18 739	18 739	23 244	17 915	17 997
Pay/Enquiry Points		–	–	–	–	–	–	–	–	–
Building Plan Offices		25	59	–	–	–	–	–	–	–
Workshops		–	–	–	–	–	–	–	–	–
Yards		–	–	–	–	–	–	–	–	–
Stores		–	–	–	–	–	–	–	–	–
Laboratories		–	–	–	–	–	–	–	–	–
Training Centres		–	–	–	–	–	–	–	–	–
Manufacturing Plant		–	–	–	–	–	–	–	–	–
Depots		34	33	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Staff Housing		–	–	–	–	–	–	–	–	–
Social Housing		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		6 829	7 777	7 842	10 661	11 811	11 811	11 057	11 648	12 275
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		6 829	7 777	7 842	10 661	11 811	11 811	11 057	11 648	12 275
Water Rights		–	–	–	–	–	–	–	–	–
Effluent Licenses		–	–	–	–	–	–	–	–	–
Solid Waste Licenses		–	–	–	–	–	–	–	–	–

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Computer Software and Applications		6 829	7 777	7 842	10 661	11 811	11 811	11 057	11 648	12 275
Load Settlement Software Applications		–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	–	–	–	–	–
Computer Equipment		2 157	1 898	1 292	2 546	2 546	2 546	2 546	2 546	2 546
Computer Equipment		2 157	1 898	1 292	2 546	2 546	2 546	2 546	2 546	2 546
Furniture and Office Equipment		8 206	12 316	996	1 704	1 655	1 655	1 737	1 781	1 858
Furniture and Office Equipment		8 206	12 316	996	1 704	1 655	1 655	1 737	1 781	1 858
Machinery and Equipment		4 163	6 749	1 723	5 807	5 797	5 797	6 009	6 415	6 708
Machinery and Equipment		4 163	6 749	1 723	5 807	5 797	5 797	6 009	6 415	6 708
Transport Assets		20 160	23 455	32 021	22 339	42 259	42 259	32 777	34 744	36 828
Transport Assets		20 160	23 455	32 021	22 339	42 259	42 259	32 777	34 744	36 828
Land		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Living resources		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Policing and Protection		–	–	–	–	–	–	–	–	–
Zoological plants and animals		–	–	–	–	–	–	–	–	–
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection		–	–	–	–	–	–	–	–	–
Zoological plants and animals		–	–	–	–	–	–	–	–	–
Total Repairs and Maintenance Expenditure	1	**249 505**	**280 465**	**269 443**	**318 818**	**328 242**	**328 242**	**352 543**	**378 124**	**440 121**
R&M as a % of PPE		*6.8%*	*7.6%*	*7.2%*	*8.2%*	*8.5%*	*8.5%*	*9.0%*	*9.4%*	*10.6%*
R&M as % Operating Expenditure		*15.9%*	*16.0%*	*14.8%*	*15.1%*	*15.6%*	*15.6%*	*26.8%*	*17.2%*	*18.9%*

References

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

WC032 Overstrand - Supporting Table SA34d Depreciation by asset class

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Depreciation by Asset Class/Sub-class										
Infrastructure		**122 707**	**125 238**	**123 661**	**138 760**	**138 760**	**138 760**	**145 698**	**152 983**	**160 632**
Roads Infrastructure		**39 206**	**40 379**	**41 228**	**49 695**	**49 695**	**49 695**	**52 180**	**54 789**	**57 529**
Roads		39 206	40 379	41 228	49 695	49 695	49 695	52 180	54 789	57 529
Road Structures		–	–	–	–	–	–	–	–	–
Road Furniture		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		8 446	8 695	8 794	8 899	8 899	8 899	9 344	9 812	10 302
Drainage Collection		8 446	8 695	8 794	8 899	8 899	8 899	9 344	9 812	10 302
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		26 923	27 567	27 716	28 196	28 196	28 196	29 606	31 086	32 641
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations		–	–	–	–	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		–	–	–	–	–	–	–	–	–
LV Networks		26 420	26 988	27 093	28 196	28 196	28 196	29 606	31 086	32 641
Capital Spares		503	579	622	–	–	–	–	–	–
Water Supply Infrastructure		24 404	23 198	22 294	26 052	26 052	26 052	27 355	28 722	30 158
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		–	–	–	–	–	–	–	–	–
Reservoirs		–	–	–	–	–	–	–	–	–
Pump Stations		–	–	–	–	–	–	–	–	–
Water Treatment Works		–	–	–	–	–	–	–	–	–
Bulk Mains		–	–	–	–	–	–	–	–	–
Distribution		24 055	22 699	21 710	26 052	26 052	26 052	27 355	28 722	30 158
Distribution Points		–	–	–	–	–	–	–	–	–
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		349	499	584	–	–	–	–	–	–
Sanitation Infrastructure		20 394	22 730	20 406	22 577	22 577	22 577	23 706	24 891	26 136
Pump Station		–	–	–	–	–	–	–	–	–
Reticulation		–	–	–	–	–	–	–	–	–
Waste Water Treatment Works		20 389	21 049	19 563	22 577	22 577	22 577	23 706	24 891	26 136
Outfall Sewers		–	–	–	–	–	–	–	–	–
Toilet Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		5	1 680	842	–	–	–	–	–	–
Solid Waste Infrastructure		3 334	2 668	3 225	3 340	3 340	3 340	3 507	3 683	3 867
Landfill Sites		3 280	2 661	3 225	3 340	3 340	3 340	3 507	3 683	3 867
Waste Transfer Stations		–	–	–	–	–	–	–	–	–
Waste Processing Facilities		–	–	–	–	–	–	–	–	–
Waste Drop-off Points		–	–	–	–	–	–	–	–	–
Waste Separation Facilities		–	–	–	–	–	–	–	–	–
Electricity Generation Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		54	8	–	–	–	–	–	–	–
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	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Community Assets		13 075	14 232	14 446	15 199	15 199	15 199	15 959	16 757	17 595
Community Facilities		**13 075**	**14 232**	**14 446**	**15 199**	**15 199**	**15 199**	**15 959**	**16 757**	**17 595**
Halls		13 075	14 232	14 446	15 199	15 199	15 199	15 959	16 757	17 595
Centres		–	–	–	–	–	–	–	–	–
Crèches		–	–	–	–	–	–	–	–	–
Clinics/Care Centres		–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations		–	–	–	–	–	–	–	–	–
Testing Stations		–	–	–	–	–	–	–	–	–
Museums		–	–	–	–	–	–	–	–	–
Galleries		–	–	–	–	–	–	–	–	–
Theatres		–	–	–	–	–	–	–	–	–
Libraries		–	–	–	–	–	–	–	–	–
Cemeteries/Crematoria		–	–	–	–	–	–	–	–	–
Police		–	–	–	–	–	–	–	–	–
Parks		–	–	–	–	–	–	–	–	–
Public Open Space		–	–	–	–	–	–	–	–	–
Nature Reserves		–	–	–	–	–	–	–	–	–
Public Ablution Facilities		–	–	–	–	–	–	–	–	–
Markets		–	–	–	–	–	–	–	–	–
Stalls		–	–	–	–	–	–	–	–	–
Abattoirs		–	–	–	–	–	–	–	–	–
Airports		–	–	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Indoor Facilities		–	–	–	–	–	–	–	–	–
Outdoor Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Monuments		–	–	–	–	–	–	–	–	–
Historic Buildings		–	–	–	–	–	–	–	–	–
Works of Art		–	–	–	–	–	–	–	–	–
Conservation Areas		–	–	–	–	–	–	–	–	–
Other Heritage		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Revenue Generating		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Improved Property		–	–	–	–	–	–	–	–	–
Unimproved Property		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property		–	–	–	–	–	–	–	–	–
Unimproved Property		–	–	–	–	–	–	–	–	–
Other assets		3 526	3 526	3 628	3 538	3 538	3 538	3 715	3 901	4 096
Operational Buildings		**3 526**	**3 526**	**3 628**	**3 538**	**3 538**	**3 538**	**3 715**	**3 901**	**4 096**
Municipal Offices		3 526	3 526	3 628	3 538	3 538	3 538	3 715	3 901	4 096
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	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		68	–	–	–	–	–	–	–	–
Intangible Assets		253	708	464	290	290	290	305	320	336
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		253	708	464	290	290	290	305	320	336
Water Rights		–	–	–	–	–	–	–	–	–
Effluent Licenses		–	–	–	–	–	–	–	–	–
Solid Waste Licenses		–	–	–	–	–	–	–	–	–

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Computer Software and Applications		253	708	464	290	290	290	305	320	336
Load Settlement Software Applications		–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	–	–	–	–	–
Computer Equipment		**100**	**–**	**740**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment		100	–	740	–	–	–	–	–	–
Furniture and Office Equipment		2 207	2 388	2 017	2 547	2 547	2 547	2 675	2 809	2 949
Furniture and Office Equipment		2 207	2 388	2 017	2 547	2 547	2 547	2 675	2 809	2 949
Machinery and Equipment		1 314	1 452	1 440	1 621	1 621	1 621	1 702	1 787	1 876
Machinery and Equipment		1 314	1 452	1 440	1 621	1 621	1 621	1 702	1 787	1 876
Transport Assets		5 071	6 120	6 372	5 188	5 188	5 188	5 447	5 719	6 005
Transport Assets		5 071	6 120	6 372	5 188	5 188	5 188	5 447	5 719	6 005
Land		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Living resources		–	127	69	68	68	68	71	75	78
Mature		**-**	**127**	**69**	**68**	**68**	**68**	**71**	**75**	**78**
Policing and Protection		-	127	69	68	68	68	71	75	78
Zoological plants and animals		–	–	–	–	–	–	–	–	–
Immature		–	–	–	–	–	–	–	–	–
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		–	–	–	–	–	–	–	–	–
Total Depreciation	1	148 321	153 790	152 838	167 211	167 211	167 211	175 572	184 350	193 568

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		**38 606**	**33 725**	**43 535**	**36 710**	**36 213**	**36 213**	**39 900**	**70 380**	**74 963**
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Roads		–	–	–	–	–	–	–	–	–
Road Structures		–	–	–	–	–	–	–	–	–
Road Furniture		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	1 000	1 000	1 000	2 000	5 750	7 000
Drainage Collection		–	–	–	–	–	–	–	3 750	5 000
Storm water Conveyance		–	–	–	1 000	1 000	1 000	2 000	2 000	2 000
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		1 600	2 767	15 464	16 300	16 300	16 300	20 100	22 000	20 000
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations		–	–	–	–	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		1 600	2 767	15 464	16 300	16 300	16 300	20 100	22 000	20 000
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		6 928	541	500	500	500	500	800	900	300
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		–	–	–	–	–	–	–	–	–
Reservoirs		–	–	–	–	–	–	–	–	–
Pump Stations		1 000	–	–	–	–	–	–	–	–
Water Treatment Works		–	–	–	–	–	–	–	–	–
Bulk Mains		–	–	–	–	–	–	–	–	–
Distribution		5 928	541	500	500	500	500	800	900	300
Distribution Points		–	–	–	–	–	–	–	–	–
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		28 219	30 351	27 571	18 910	18 413	18 413	14 800	39 230	47 663
Pump Station		17 291	1 059	13 501	13 000	13 450	13 450	10 740	10 000	10 000
Reticulation		350	117	600	600	600	600	800	600	600
Waste Water Treatment Works		10 578	29 176	13 470	5 310	4 363	4 363	3 260	28 630	37 063
Outfall Sewers		–	–	–	–	–	–	–	–	–
Toilet Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		1 859	65	–	–	–	–	2 200	2 500	–
Landfill Sites		–	–	–	–	–	–	–	–	–
Waste Transfer Stations		1 859	–	–	–	–	–	–	2 500	–
Waste Processing Facilities		–	–	–	–	–	–	–	–	–
Waste Drop-off Points		–	65	–	–	–	–	2 200	–	–
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	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Community Assets		**519**	**2 290**	**11 065**	**26 829**	**26 829**	**26 829**	**14 765**	**7 442**	**6 250**
Community Facilities		319	–	–	4 000	4 000	4 000	3 750	–	–
Halls		–	–	–	–	–	–	–	–	–
Centres		–	–	–	–	–	–	–	–	–
Crèches		–	–	–	–	–	–	–	–	–
Clinics/Care Centres		–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations		–	–	–	3 000	3 000	3 000	3 750	–	–
Testing Stations		–	–	–	–	–	–	–	–	–
Museums		–	–	–	–	–	–	–	–	–
Galleries		–	–	–	–	–	–	–	–	–
Theatres		–	–	–	–	–	–	–	–	–
Libraries		–	–	–	–	–	–	–	–	–
Cemeteries/Crematoria		–	–	–	–	–	–	–	–	–
Police		–	–	–	–	–	–	–	–	–
Parks		–	–	–	–	–	–	–	–	–
Public Open Space		–	–	–	1 000	1 000	1 000	–	–	–
Nature Reserves		–	–	–	–	–	–	–	–	–
Public Ablution Facilities		–	–	–	–	–	–	–	–	–
Markets		–	–	–	–	–	–	–	–	–
Stalls		–	–	–	–	–	–	–	–	–
Abattoirs		–	–	–	–	–	–	–	–	–
Airports		–	–	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals		319	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		200	2 290	11 065	22 829	22 829	22 829	11 015	7 442	6 250
Indoor Facilities		–	–	–	–	–	–	–	–	–
Outdoor Facilities		200	2 290	11 065	22 829	22 829	22 829	11 015	7 442	6 250
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		**–**	**–**	**–**	**–**	**–**	**–**	**1 000**	**500**	**1 000**
Operational Buildings		–	–	–	–	–	–	1 000	500	1 000
Municipal Offices		–	–	–	–	–	–	1 000	–	–
Pay/Enquiry Points		–	–	–	–	–	–	–	–	–
Building Plan Offices		–	–	–	–	–	–	–	–	–
Workshops		–	–	–	–	–	–	–	–	–
Yards		–	–	–	–	–	–	–	–	–
Stores		–	–	–	–	–	–	–	–	–
Laboratories		–	–	–	–	–	–	–	–	–
Training Centres		–	–	–	–	–	–	–	–	–
Manufacturing Plant		–	–	–	–	–	–	–	–	–
Depots		–	–	–	–	–	–	–	500	1 000
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		–	–	–	–	–	–	–	–	–

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Computer Software and Applications		–	–	–	–	–	–	–	–	–
Load Settlement Software Applications		–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Living resources		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Policing and Protection		–	–	–	–	–	–	–	–	–
Zoological plants and animals		–	–	–	–	–	–	–	–	–
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection		–	–	–	–	–	–	–	–	–
Zoological plants and animals		–	–	–	–	–	–	–	–	–
Total Capital Expenditure on upgrading of existing assets	1	**39 125**	**36 015**	**54 600**	**63 539**	**63 042**	**63 042**	**55 665**	**78 322**	**82 213**
Upgrading of Existing Assets as % of total capex		*0.0%*	*18.6%*	*28.3%*	*24.6%*	*23.4%*	*23.4%*	*22.9%*	*26.6%*	*26.7%*
Upgrading of Existing Assets as % of deprecn"		*26.4%*	*23.4%*	*35.7%*	*38.0%*	*37.7%*	*37.7%*	*31.7%*	*42.5%*	*42.5%*

References

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

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

Vote Description	Ref	2026/27 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand		Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Present value
Capital expenditure	1							
Vote 1 - Municipal Council		–	–	–				
Vote 2 - Office of the Municipal Manager		3 760	10	10	11	11	12	13
Vote 3 - Corporate Services		3 770	3 270	3 270	3 466	3 674	3 895	4 128
Vote 4 - Financial Services		17 140	20 140	20 140	21 348	22 629	23 987	25 426
Vote 5 - Infrastructure Services		204 945	256 195	269 918	286 113	303 280	321 477	340 765
Vote 6 - Community Services		3 592	5 320	5 320	5 640	5 978	6 337	6 717
Vote 7 - Municipal Public Safety		8 331	7 310	7 310	7 748	8 213	8 706	9 228
Vote 8 - Planning and Development		1 200	2 200	2 200	2 332	2 472	2 620	2 777
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		**242 739**	**294 445**	**308 168**	**326 658**	**346 258**	**367 033**	**389 055**
Future operational costs by vote	2							
Vote 1 - Municipal Council		57 064	50 823	53 213	56 406	59 790	63 378	67 180
Vote 2 - Office of the Municipal Manager		36 841	38 672	40 608	43 044	45 627	48 364	51 266
Vote 3 - Corporate Services		86 730	91 316	96 164	101 934	108 050	114 533	121 405
Vote 4 - Financial Services		192 404	199 181	210 176	222 787	236 154	250 324	265 343
Vote 5 - Infrastructure Services		1 319 177	1 427 221	1 566 544	1 660 536	1 760 169	1 865 779	1 977 725
Vote 6 - Community Services		221 509	227 148	238 601	252 917	268 092	284 177	301 228
Vote 7 - Municipal Public Safety		207 166	217 730	229 089	242 834	257 404	272 848	289 219
Vote 8 - Planning and Development		76 466	74 158	77 695	82 357	87 298	92 536	98 088
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		2 197 357	2 326 250	2 512 089	2 662 815	2 822 584	2 991 939	3 171 455
Future revenue by source	3							
Exchange Revenue		152 059	155 144	160 373	169 995	180 195	191 006	202 467
Service charges - Electricity		822 903	871 718	923 997	979 437	1 038 203	1 100 495	1 166 525
Service charges - Water		225 950	239 494	253 864	269 095	285 241	302 356	320 497
Service charges - Waste Water Management		134 321	142 381	150 923	159 979	169 577	179 752	190 537
Service charges - Waste Management		121 971	129 289	137 046	145 269	153 985	163 224	173 018
Agency services		7 819	8 288	8 785	9 312	9 871	10 463	11 091
List other revenues sources if applicable								
List entity summary if applicable								
Total future revenue		1 465 021	1 546 314	1 634 988	1 733 087	1 837 072	1 947 297	2 064 135
Net Financial Implications		**975 075**	**1 074 381**	**1 185 269**	**1 256 386**	**1 331 769**	**1 411 675**	**1 496 375**

WC032 Overstrand - Supporting Table SA36 Detailed capital budget

R thousand													2026/27 Medium Term Revenue & Expenditure Framework		
Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Lattitude	Audited Outcome 2024/25	Current Year 2025/26 Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Parent municipality: *List all capital projects grouped by Function*																
EXECUTIVE & COUNCIL												48	76			
	MINOR ASSETS COUNCIL		New	*A capable, ethical and developmental state*	*Governance*	1	*Furniture and Office Equipment*	*Other*	Overstrand	19.248734	*-34.414272*			40	40	40
	COMMUNITY PROJECTS(WARD SPECIFIC PROJECT		New	*A capable, ethical and developmental state*	*Governance*	1	*Community Facilities*	*Other*	Overstrand	19.248734	*-34.414272*			3 750		
	MINOR ASSETS-OFFICE OF THE MUNICIPAL MANAG		New	*A capable, ethical and developmental state*	*Governance*	1	*Furniture and Office Equipment*	*Other*	Overstrand	19.248734	*-34.414272*			10	10	10
FINANCE AND ADMINISTRATION												3 355	3 497			
	UPS REPLACEMENT		New	*A capable, ethical and developmental state*	*Governance*	1	*Computer Equipment*	*Other*	Overstrand	19.248734	*-34.414272*			250		500
	DATA CENTRE SERVER END OF LIFE REI		New	*A capable, ethical and developmental state*	*Governance*	1	*Computer Equipment*	*Other*	Overstrand	19.248734	*-34.414272*			2 250	2 000	1 500
	MINOR ASSETS FINANCIAL SERVICES		New	*A capable, ethical and developmental state*	*Governance*	1	*Furniture and Office Equipment*	*Other*	Overstrand	19.248734	*-34.414272*			140	140	140
	MINOR ASSETS CORPORATE SERVICES		New	*A capable, ethical and developmental state*	*Governance*	1	*Furniture and Office Equipment*	*Other*	Overstrand	19.248734	*-34.414272*			30	30	30
	MINOR ASSETS ICT ORGANIZATION WIDI		New	*A capable, ethical and developmental state*	*Governance*	1	*Computer Equipment*	*Other*	Overstrand	19.248734	*-34.414272*			1 200	1 200	1 200
PUBLIC SAFETY												6 181	8 521			
	UPGRADING OF KLEINMOND FIRE STATION		New	*Social cohesion and safe communities*	*Governance*	4	*Operational Buildings*	*Fire/Ambulance Stations*	Multi-ward KM Area	19,019000	*-34,329000*			3 750		
	CCTV NETWORK (NEW SITES)		New	*Social cohesion and safe communities*	*Governance*	4	*Furniture and Office Equipment*	*Other*	Overstrand	19.248734	*-34.414272*				1 045	
	UPGRADING OF HERMANUS FIRE STATION		New	*Social cohesion and safe communities*	*Governance*	4	*Operational Buildings*	*Fire/Ambulance Stations*	Multi-ward HM Area	19,237000	*-34,376000*					1 455
	CHANGE OF KLEINMOND FIRE STATION EXIT		New	*Social cohesion and safe communities*	*Governance*	4	*Operational Buildings*	*Fire/Ambulance Stations*	Multi-ward KM Area	19,019000	*-34,329000*				495	225
	CAR PORTS AT ALL FIRE STATIONS		New	*Social cohesion and safe communities*	*Governance*	4	*Operational Buildings*	*Fire/Ambulance Stations*	Overstrand	19.248734	*-34.414272*				1 750	1 820
	FURNITURE FOR NEW OFFICE SPACE		New	*Social cohesion and safe communities*	*Governance*	4	*Furniture and Office Equipment*	*Other*	Overstrand	19.248734	*-34.414272*				210	
	RE-SURFACE OF HERMANUS DLTC TEST GROUND		New	*Social cohesion and safe communities*	*Governance*	4	*Operational Buildings*	*Testing Stations*	Multi-ward HM Area	19,237000	*-34,376000*			495	1 000	1 000
	ESTABLISHMENT OF GANSBAAI DLTC TEST GROUN		New	*Social cohesion and safe communities*	*Governance*	4	*Operational Buildings*	*Testing Stations*	Multi-ward GB Area	19.334189	*-34.618094*			2 752	2 500	2 500
	MINOR ASSETS PROTECTION SERVICES		New	*Social cohesion and safe communities*	*Governance*	4	*Furniture and Office Equipment*	*Other*	Overstrand	19.248734	*-34.414272*			310	310	310
	MINOR ASSETS PROTECTION SERVICES		New	*Social cohesion and safe communities*	*Governance*	4	*Furniture and Office Equipment*	*Other*	Overstrand	19.248734	*-34.414272*			1 025		
	VEHICLES-PUBLIC SAFETY		New	*Social cohesion and safe communities*	*Governance*	4	*Transport Assets*	*Other*	Overstrand	19.248734	*-34.414272*			7 500	7 400	13 350
PLANNING & DEVELOPMENT												1 151	3 985			
	MINOR ASSETS PLANNING AND DEVELO		New	*A capable, ethical and developmental state*	*Inclusion and access*	5	*Furniture and Office Equipment*	*Other*	Overstrand	19.248734	*-34.414272*			200	200	200
	MINOR ASSETS INFRASTRUCTURE SERV		New	*A capable, ethical and developmental state*	*Inclusion and access*	5	*Furniture and Office Equipment*	*Other*	Overstrand	19.248734	*-34.414272*			750	750	750
	NEW ELECTRIC BABOON FENCE		New	*A capable, ethical and developmental state*	*Inclusion and access*	5	*Community Facilities*	*Public Open Space*	Ward 03	*19.216839*	-34.421342				500	1 000
	ZWELIHLE BUSINESS HUB		New	*A capable, ethical and developmental state*	*Inclusion and access*	5	*Community Facilities*	*Public Open Space*	Ward 12	-34,424000	*19,212000*			700		
	ERECTION OF STRATEGIC STATIC FENCES FOR NA		New	*A capable, ethical and developmental state*	*Inclusion and access*	5	*Community Facilities*	*Nature Reserves*	Ward 03	19.216839	*-34.421342*					1 000
	BUILDING OF NEW FERNKLOOF NATURE RESERVE		New	*A capable, ethical and developmental state*	*Inclusion and access*	5	*Operational Buildings*	*Municipal Offices*	Ward 03	19.216839	*-34.421342*				1 500	
	UPGRADING TOWN PLANNING OFFICES		New	*A capable, ethical and developmental state*	*Inclusion and access*	5	*Operational Buildings*	*Municipal Offices*	Overstrand	19.248734	*-34.414272*			1 000		
	VEHICLES-INFRASTRUCTURE SERVICES		New	*A capable, ethical and developmental state*	*Inclusion and access*	5	*Transport Assets*	*Other*	Overstrand	19.248734	*-34.414272*			5 500	8 500	4 650
COMMUNITY SERVICES												1 192	6 077			
	MINOR ASSETS COMMUNITY SERVICES		New	*A capable, ethical and developmental state*	*Inclusion and access*	3	*Transport Assets*	*Other*	Overstrand	19.248734	*-34.414272*			345	320	320
	VEHICLES-COMMUNITY SERVICES		New	*A capable, ethical and developmental state*	*Inclusion and access*	3	*Community Facilities*	*Other*	Overstrand	19.248734	*-34.414272*			4 000	4 100	2 000
	FENCING OVERSTRAND WIDE		New	*A capable, ethical and developmental state*	*Inclusion and access*	3	*Furniture and Office Equipment*	*Other*	Overstrand	19.248734	*-34.414272*			3 248	5 000	5 000
SPORT & RECREATION												17 476	33 768			
	UPGRADE HAWSTON SPORT COMPLEX (		Upgrading	*y the social wage through reliable and quality ba*	*Inclusion and access*	4	*Sport and Recreation Facilities*	*Outdoor Facilities*	Ward 08	19,219000	*-34,419000*			4 026	2 442	1 250
	UPGRADE MOUNT PLEASANT SPORT GR		Upgrading	*y the social wage through reliable and quality ba*	*Inclusion and access*	4	*Sport and Recreation Facilities*	*Outdoor Facilities*	Ward 04	19.132225	*-34.386086*			6 988		
	UPGRADE OF KLEINMOND SPORT FACIL		Upgrading	*y the social wage through reliable and quality ba*	*Inclusion and access*	4	*Sport and Recreation Facilities*	*Outdoor Facilities*	Ward 09	19.021389	*-34.341944*			571		
	UPGRADE SPORTGROUNDS		Upgrading	*y the social wage through reliable and quality ba*	*Inclusion and access*	4	*Sport and Recreation Facilities*	*Outdoor Facilities*	Ward 06	19,212000	*-34,427000*				5 000	5 000
HOUSING												17 619	34 741			
	LCH SERVICES CONSTRUCTION CONTR		New	*integration, human settlements and local goven*	*Spatial integration*	4	*Housing*	*Social Housing*	Overstrand	19.248734	*-34.414272*			7 110	33 540	40 000
ROADS												3 797	17 800			
	REHABILITATE ROADS AND SIDEWALKS		Upgrading	*y the social wage through reliable and quality ba*	*Inclusion and access*	5	*Roads Infrastructure*	*Roads*	Ward 02	19.360833	*-34.591667*			2 794		
	REHABILITATE ROADS ANGELIER STREE		Upgrading	*y the social wage through reliable and quality ba*	*Inclusion and access*	5	*Roads Infrastructure*	*Roads*	Ward 04	19,219000	*-34,419000*			12 749	2 100	
	REHABILITATE ROADS PROTEADORP		Upgrading	*y the social wage through reliable and quality ba*	*Inclusion and access*	5	*Roads Infrastructure*	*Roads*	Ward 09	19,209000	*-34,423000*			8 220		
	HAWSTON CIRCLES		New	*y the social wage through reliable and quality ba*	*Inclusion and access*	5	*Roads Infrastructure*	*Roads*	Ward 08	19.132225	*-34.386086*			500	500	500
	ROADS SIDEWALKS SPEED CALMING		New	*y the social wage through reliable and quality ba*	*Inclusion and access*	5	*Roads Infrastructure*	*Other*	Overstrand	19.248734	*-34.414272*				750	750
	HERMANUS TAXI RANK		Upgrading	*y the social wage through reliable and quality ba*	*Inclusion and access*	5	*Roads Infrastructure*	*Roads*	Ward 03	19.216839	*-34.421342*				6 750	8 071

Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Lattitude	Audited Outcome 2024/25	Current Year 2025/26 Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
ELECTRICITY												45 169	48 613			
	GANSBAAI ELECTRICAL DEPOT ALTERATIONS		Upgrading	*y the social wage through reliable and quality ba*	*Inclusion and access*	2	*Operational Buildings*	*Municipal Offices*	Ward 02	19.360833	*-34.591667*				500	1 000
	ELECTRIFICATION OF LOW COST HOUSI		New	*y the social wage through reliable and quality ba*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Substations*	Overstrand	19.248734	*-34.414272*			30 139	9 983	13 434
	OVERSTRAND MV/LV UPGRADE REPLACEMENT		Upgrading	*y the social wage through reliable and quality ba*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	Overstrand	19.248734	*-34.414272*			20 100	22 000	20 000
	ADDITIONAL WORKSPACE AT ELECTRIC		New	*y the social wage through reliable and quality ba*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	Ward 13	19.216839	*-34.421342*			1 155		
	KLEINMOND ELECTRICAL DEPOT ALTERATIONS		Upgrading	*y the social wage through reliable and quality ba*	*Inclusion and access*	2	*Operational Buildings*	*Municipal Offices*	Ward 09	19,209000	*-34,423000*			500	1 000	
	NEW STILL STREET 66KV 11KV SUBSTAT		New	*y the social wage through reliable and quality ba*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	Ward 03	19.216839	*-34.421342*			10 000	10 000	10 000
	ELECTRIFICATION OF HOUSING AREAS		New	*y the social wage through reliable and quality ba*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	Overstrand	19.248734	*-34.414272*				1 500	1 500
	HIGH MAST LIGHTS REPLACEMENT		New	*y the social wage through reliable and quality ba*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	Ward 03	19.248734	*-34.414272*				1 100	1 200
	ELECTRICITY TRANSFORMERS CAPITAL		New	*y the social wage through reliable and quality ba*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	Overstrand	19.248734	*-34.414272*			2 000	2 000	2 500
WATER												34 078	73 470			
	REFURBISHMENT OF BULK WATER INFR		Upgrading	*y the social wage through reliable and quality ba*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Reticulation*	Overstrand	19.248734	*-34.414272*			1 000	1 000	1 000
	FENCING AT WATER INSTALLATIONS		Upgrading	*y the social wage through reliable and quality ba*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Reticulation*	Overstrand	19.248734	*-34.414272*			500	500	
	REPLACEMENT OF OVERSTRAND WATE		New	*y the social wage through reliable and quality ba*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Reticulation*	Overstrand	19.248734	*-34.414272*			12 600	5 000	
	REPLACEMENT OF OVERSTRAND WATE		New	*y the social wage through reliable and quality ba*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Reticulation*	Overstrand	19.248734	*-34.414272*				55 000	55 000
	REFURBISHMENT OF BUFFELS RIVER W		Renewal	*y the social wage through reliable and quality ba*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Pump Stations*	Multi-ward Kleinmond Area	19,019000	*-34,329000*			26 242		3 000
	REFURBISHMENT OF BUFFELS RIVER W		Renewal	*y the social wage through reliable and quality ba*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Pump Stations*	Multi-ward Kleinmond Area	19,019000	*-34,329000*			19 650		
	WATER FACILITIES CONTINGENCY		Renewal	*y the social wage through reliable and quality ba*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Reticulation*	Overstrand	19.248734	*-34.414272*			500	500	500
	PREEKSTOEL WTW OFFICE SPACE		Renewal	*y the social wage through reliable and quality ba*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Municipal Offices*	Multi-ward Hermanus Area	19,237000	*-34,376000*			1 250		
	UPGRADE HERMANUS WELL FIELDS PHA		Upgrading	*y the social wage through reliable and quality ba*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Reticulation*	Multi-ward Hermanus Area	19,237000	*-34,376000*			6 000	4 000	
	PEARLY BEACH GROUNDWATER DEVEL		Upgrading	*y the social wage through reliable and quality ba*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Water Treatment Works*	Ward 11	19,539000	*-34,663000*			3 000		
	NEW RESERVOIR ONRUS RIVER		New	*y the social wage through reliable and quality ba*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Reservoirs*	Ward 13	19.216839	*-34.421342*			1 500	6 500	7 000
	NEW RESERVOIR VOORBERG		New	*y the social wage through reliable and quality ba*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Reservoirs*	Ward 10	18,881000	*-34,354500*			1 500	6 500	7 000
	NEW BOOSTER PUMP STATION AND PIPI		New	*y the social wage through reliable and quality ba*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Distribution*	Multi-ward Gansbaai Area	19.334189	*-34.618094*				1 000	7 000
	TELEMETRY SYSTEM UPGRADE-WATER		Upgrading	*y the social wage through reliable and quality ba*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Reticulation*	Overstrand	19.248734	*-34.414272*			300	400	300
	NEW RESERVOIR KIDBROOKE		New	*y the social wage through reliable and quality ba*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Reservoirs*	Ward 13	19.216839	*-34.421342*				500	1 500
	PREEKSTOEL WTW SLUDGE HANDLING SYSTEM		New	*y the social wage through reliable and quality ba*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Water Treatment Works*	Ward 03	19.216839	*-34.421342*				1 000	2 000
	REPLACEMENT OF WATER MAIN PEARLY BEACH		New	*y the social wage through reliable and quality ba*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Water Treatment Works*	Ward 11	19,539000	*-34,663000*			700		
SEWERAGE												43 628	27 360			
	SEWERAGE FACILITIES CONTINGENCY		Upgrading	*y the social wage through reliable and quality ba*	*Inclusion and access*	2	*Sanitation Infrastructure*	*Waste Water Treatment Works*	Overstrand	19.248734	*-34.414272*			700	700	700
	FENCING AT SEWERAGE INSTALLATIONS		Upgrading	*y the social wage through reliable and quality ba*	*Inclusion and access*	2	*Sanitation Infrastructure*	*Waste Water Treatment Works*	Overstrand	19.248734	*-34.414272*			800	600	600
	UPGRADING OF PUMPSTATIONS & RISIN		Upgrading	*y the social wage through reliable and quality ba*	*Inclusion and access*	2	*Sanitation Infrastructure*	*Waste Water Treatment Works*	Overstrand	19.248734	*-34.414272*			10 740	10 000	10 000
	HAWSTON WWTW REFURBISH AND UPG		Upgrading	*y the social wage through reliable and quality ba*	*Inclusion and access*	2	*Sanitation Infrastructure*	*Waste Water Treatment Works*	Ward 08	19.132225	*-34.386086*			2 260	16 000	9 000
	HAWSTON WWTW REFURBISH AND UPG		Upgrading	*y the social wage through reliable and quality ba*	*Inclusion and access*	2	*Sanitation Infrastructure*	*Waste Water Treatment Works*	Ward 08	19.132225	*-34.386086*			1 000	12 630	16 663
	TELEMETRY SYSTEM UPGRADE-SEWER		Upgrading	*y the social wage through reliable and quality ba*	*Inclusion and access*	2	*Sanitation Infrastructure*	*Waste Water Treatment Works*	Overstrand	19.248734	*-34.414272*			200	300	300
	HAWSTON SEWER NETWORK EXTENSIO		Upgrading	*y the social wage through reliable and quality ba*	*Inclusion and access*	2	*Sanitation Infrastructure*	*Waste Water Treatment Works*	Ward 08	19,129000	*-34,376000*			2 000		
	HERMANUS SEWER NETWORK EXTENSION		Upgrading	*y the social wage through reliable and quality ba*	*Inclusion and access*	2	*Sanitation Infrastructure*	*Waste Water Treatment Works*	Ward 03	19.216839	*-34.421342*				17 000	17 000
	HERMANUS WWTW CAPACITY UPGRADE		Upgrading	*y the social wage through reliable and quality ba*	*Inclusion and access*	2	*Sanitation Infrastructure*	*Waste Water Treatment Works*	Ward 03	19.216839	*-34.421342*					11 400
STORMWATER												14 449	6 988			
	STORMWATER SYSTEM UPGRADING		Upgrading	*y the social wage through reliable and quality ba*	*Inclusion and access*	2	*Storm water Infrastructure*	*Storm water Conveyance*	Ward 08	19.132225	*-34.386086*			2 000	2 000	2 000
	STORMWATER AND SUBSURFACE DRAIN		Upgrading	*y the social wage through reliable and quality ba*	*Inclusion and access*	2	*Storm water Infrastructure*	*Storm water Conveyance*	Overstrand	19.248734	*-34.414272*				3 750	5 000
	STORMWATER AND SUBSURFACE DRAIN		Upgrading	*y the social wage through reliable and quality ba*	*Inclusion and access*	2	*Storm water Infrastructure*	*Storm water Conveyance*	Ward 11	19,395000	*-34,592000*				2 500	
WASTE MANAGEMENT												4 612	4 940			
	RELOCATION OF TRANSFER STATION		Upgrading	*y the social wage through reliable and quality ba*	*Inclusion and access*	2	*Solid Waste Infrastructure*	*Waste Transfer Stations*	Multi-ward Kleinmond Area	19,019000	*-34,329000*				5 000	6 000
	HERMANUS TRANSFER STATION UPGRA		Upgrading	*y the social wage through reliable and quality ba*	*Inclusion and access*	2	*Solid Waste Infrastructure*	*Waste Transfer Stations*	Multi-ward HM Area	19.217636	*-34.424755*				2 500	
	PEARLY BEACH DROP OFF UPGRADE		Upgrading	*y the social wage through reliable and quality ba*	*Inclusion and access*	2	*Solid Waste Infrastructure*	*Waste Drop-off Points*	Ward 11	19,539000	*-34,663000*			2 200		
	ORGANIC WASTE DIVERSION PROJECT		New	*y the social wage through reliable and quality ba*	*Inclusion and access*	2	*Solid Waste Infrastructure*	*Waste Processing Facilities*	Overstrand	19.248734	*-34.414272*				1 400	1 000
Parent Capital expenditure												**192 754**	**269 836**	**242 739**	**294 445**	**308 168**

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

R thousand													Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework		
Function	Project name	Project number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Lattitude	Previous target year to complete	Original Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Parent municipality:																	
List all capital projects grouped by Function																	
ELECTRICITY																	
	ADDITIONAL WORKSPACE AT ELECTRICAL DI		**New**	*age through reliable*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	*Ward 13*	*19.216839*	*-34.421342*		1 500	345	1 155		
Entities:																	
List all capital projects grouped by Entity																	
Entity Name																	
Project name																	

WC032 Overstrand - Supporting Table SA38 Consolidated detailed operational projects

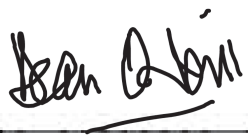
Municipal Vote/Operational project	Ref	Program/Project description	Prior year outcomes		2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	4		Audited Outcome 2024/25	Current Year 2025/26 Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Parent municipality:							
List all operational projects grouped by Municipal Vote							
Vote 1 - Municipal Council							
		Municipal Running Cost	45 672	53 611	57 064	50 823	53 213
		Typical Work Streams	–	23	–	–	–
Vote 2 - Office of the Municipal Manager							
		Municipal Running Cost	19 548	27 117	34 674	36 385	38 194
		Repairs & Maintenance	–	36	28	28	28
		Typical Work Streams	1 003	2 020	2 138	2 258	2 385
Vote 3 - Corporate Services							
		Municipal Running Cost	54 595	64 874	70 125	73 708	77 518
		Repairs & Maintenance	11 635	14 371	13 706	14 297	14 924
		Typical Work Streams	2 131	2 467	2 900	3 311	3 722
Vote 4 - Financial Services							
		Municipal Running Cost	85 980	112 799	139 197	142 837	150 603
		Repairs & Maintenance	32 345	43 114	33 614	35 629	37 767
		Typical Work Streams	17 822	18 600	19 575	20 716	21 807
Vote 5 - Infrastructure Services							
		Municipal Running Cost	922 139	1 057 382	1 104 141	1 189 818	1 274 258
		Repairs & Maintenance	175 781	186 137	209 227	233 215	287 859
		Typical Work Streams	81 861	55 880	5 809	4 187	4 427
Vote 6 - Public Safety							
		Municipal Running Cost	115 512	183 975	184 491	194 097	204 343
		Repairs & Maintenance	973	1 708	2 249	2 269	2 319
		Typical Work Streams	19 214	19 839	20 426	21 365	22 427
Vote 7 - Planning and Development							
		Municipal Running Cost	45 155	47 881	55 998	59 037	62 178
		Repairs & Maintenance	7 450	3 634	4 058	3 927	3 792
		Typical Work Streams	8 912	16 454	16 410	11 194	11 725
Vote 8 - Community Services							
		Municipal Running Cost	80 913	88 134	101 003	106 751	112 695
		Repairs & Maintenance	72 682	79 241	89 660	88 759	93 433
		Typical Work Streams	22 544	26 246	30 864	31 638	32 473
Total Operational expenditure			**1 823 868**	**2 105 545**	**2 197 357**	**2 326 250**	**2 512 089**

Municipal manager's quality certificate

I, DGI O'NEILL, the municipal manager of **Overstrand Municipality**, hereby certify that the annual budget and supporting documentation for the **2026/2027 MTREF** has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

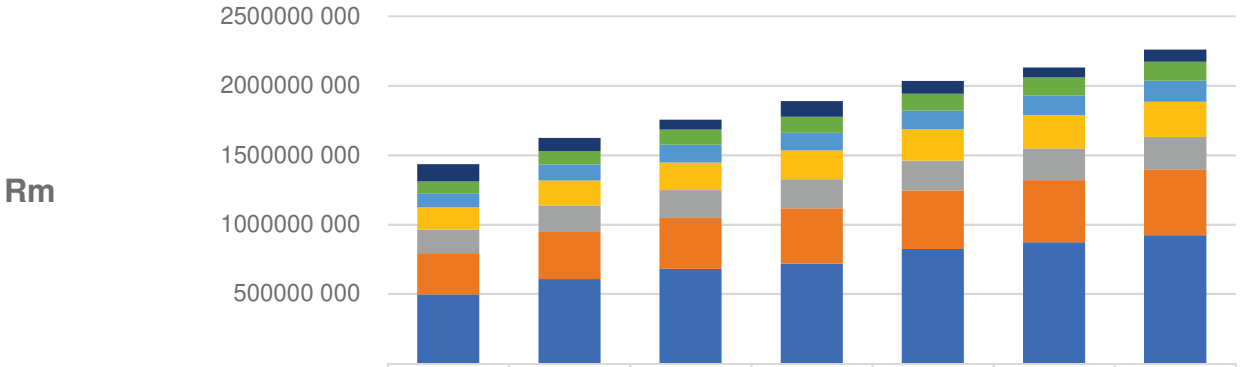
Print Name: Dr. DGI O'NEILL

Municipal Manager of **Overstrand Municipality (WC032)**

Signature: 

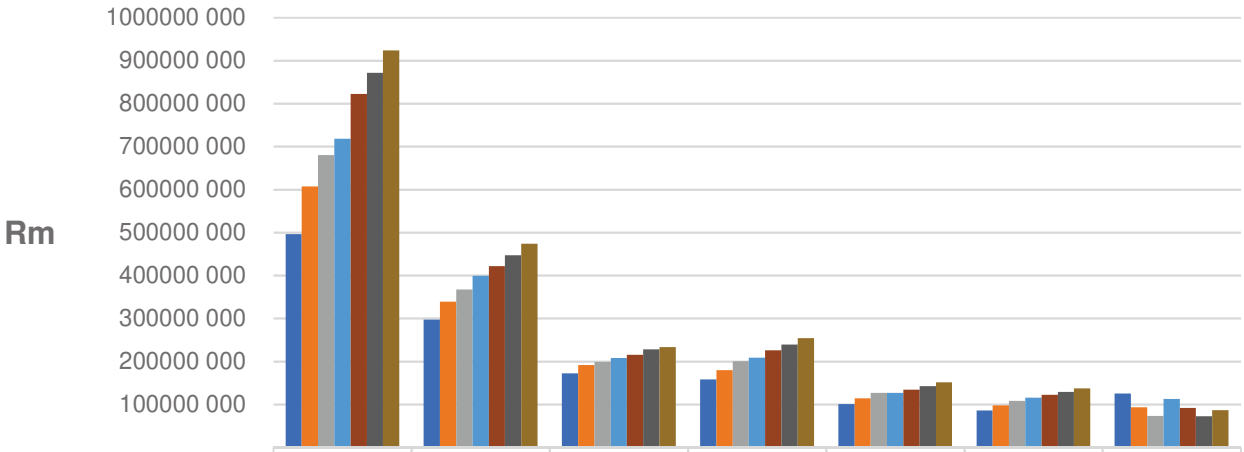
Date: 30 March 2026

Revenue by Source - Major - Chart A5(a)



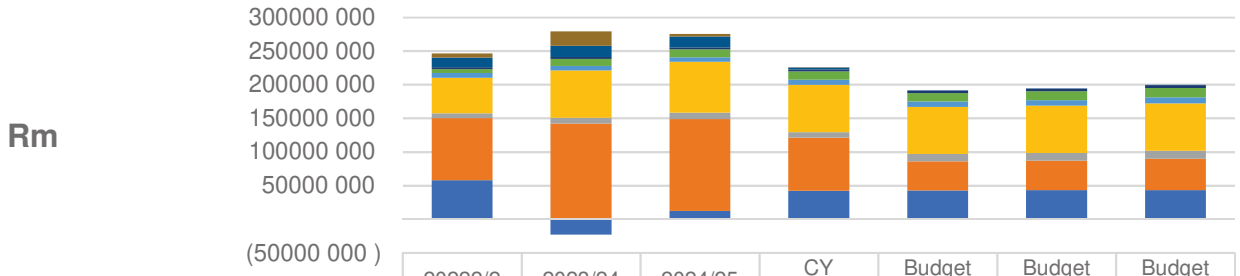
	20222/23 AUD	2023/24 AUD	2024/25 AUD	CY 25/26 ADJ	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Transfers recognised - capital	125273 268	92977 360	72988 856	112768 069	91584 200	72445 000	86168 000
Service charges - refuse	85923 288	97574 229	108353 136	115443 970	121970 700	129289 000	137046 272
Service charges - sanitation revenue	100655 126	113953 567	127050 073	126778 661	134321 200	142380 500	150923 300
Service charges - water revenue	158069 809	179935 109	200340 439	208803 114	225949 800	239494 080	253863 671
Transfers recognised - operating	172163 170	191359 472	199016 738	207586 528	215311 927	228047 000	232891 000
Property rates	297101 241	339224 032	367108 924	399396 900	421741 200	447045 500	473868 400
Service charges - electricity revenue	495999 489	607344 281	680585 135	718134 591	822902 560	871718 060	923997 160

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



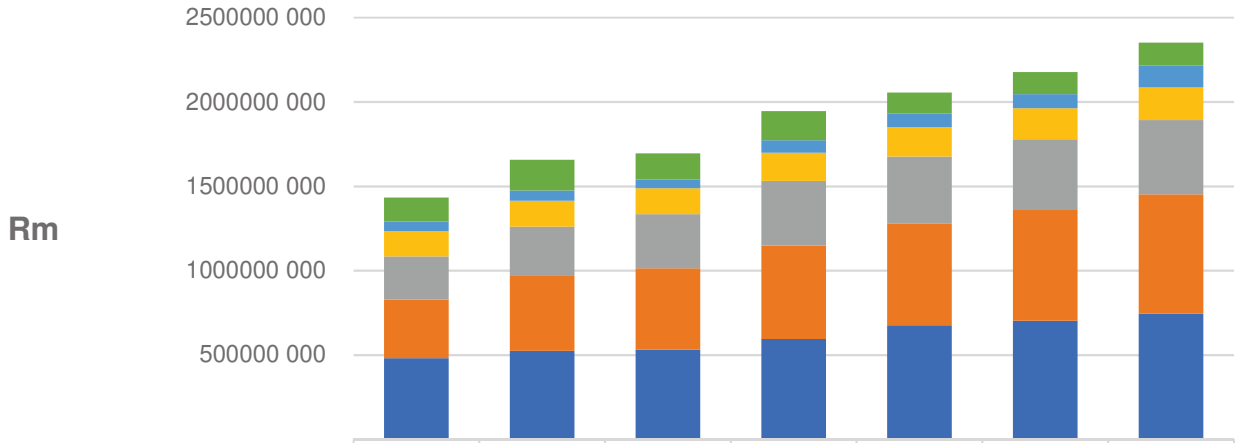
	Service charges - electricity revenue	Property rates	Transfers recognised - operating	Service charges - water revenue	Service charges - sanitation revenue	Service charges - refuse	Transfers recognised - capital
20222/23 AUD	495999 489	297101 241	172163 170	158069 809	100655 126	85923 288	125273 268
2023/24 AUD	607344 281	339224 032	191359 472	179935 109	113953 567	97574 229	92977 360
2024/25 AUD	680585 135	367108 924	199016 738	200340 439	127050 073	108353 136	72988 856
CY 25/26 ADJ	718134 591	399396 900	207586 528	208803 114	126778 661	115443 970	112768 069
Budget Year 2026/27	822902 560	421741 200	215311 927	225949 800	134321 200	121970 700	91584 200
Budget Year +1 2027/28	871718 060	447045 500	228047 000	239494 080	142380 500	129289 000	72445 000
Budget Year +2 2028/29	923997 160	473868 400	232891 000	253863 671	150923 300	137046 272	86168 000

Revenue by Source - Minor - Chart A6



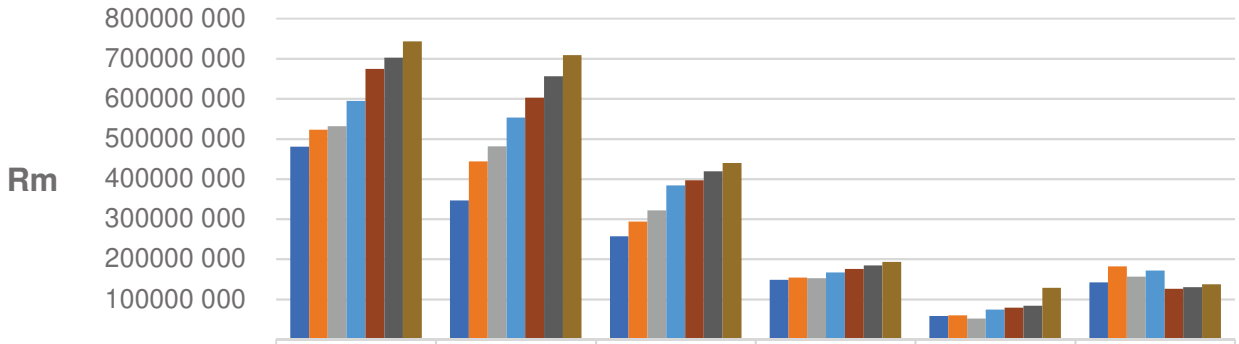
	20222/23 AUD	2023/24 AUD	2024/25 AUD	CY 25/26 ADJ	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Contributed assets	6129 795	21298 562	4002 691	43 650			
Dividends received							
Service charges - other							
Fair value adjustments	14278 606	16679 308	16120 720	3000 000	300 000	300 000	300 000
Contributions							
Licences and permits	2977 019	2930 727	2974 209	2780 000	3666 600	3886 800	4120 100
Interest earned - outstanding debtors	5796 232	10299 361	11703 156	12500 300	12500 000	13250 000	14045 000
Agency services	7140 496	6598 786	6845 577	7500 100	7818 500	8287 700	8784 900
Interest earned - external investments	53077 824	70819 153	75694 348	70300 100	70300 000	70438 000	70584 280
Rental of facilities and equipment	6747 022	8274 124	9100 674	7995 700	10612 700	11249 500	11924 500
Operational revenue	92339 560	142183 653	136643 497	79007 373	43271 900	43910 400	46544 400
Fines	58043 459	(22969 626)	12341 494	42344 460	42860 700	43032 300	43214 300

Expenditure by Type - Major - Chart A7



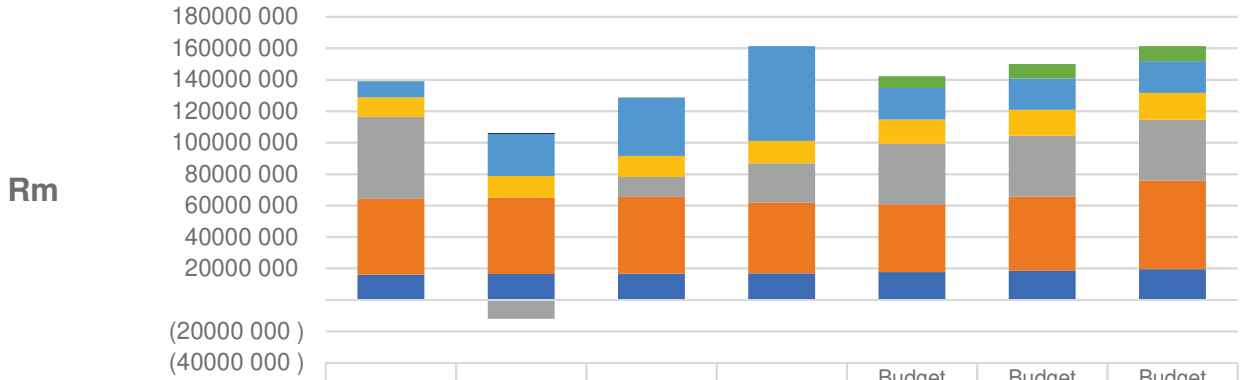
	20222/23 AUD	2023/24 AUD	2024/25 AUD	CY 25/26 ADJ	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Operating costs	142110 640	181850 860	156226 815	171277 509	125809 659	130200 640	137047 671
Inventory consumed	58220 300	59854 749	51538 893	73891 735	78902 119	83968 767	128794 873
Depreciation & asset impairment	148320 576	153790 428	152838 108	167211 038	175571 588	184350 166	193567 678
Contracted services	257087 508	293480 273	321653 716	383770 450	396928 031	419114 223	439591 726
Bulk purchases	346417 577	444223 058	481546 885	553189 858	603032 264	656280 011	708782 413
Employee related costs	480938 912	523006 912	531381 151	594913 701	674850 275	702497 952	743048 314

Expenditure by Type - Major - Chart A7 - Source trend



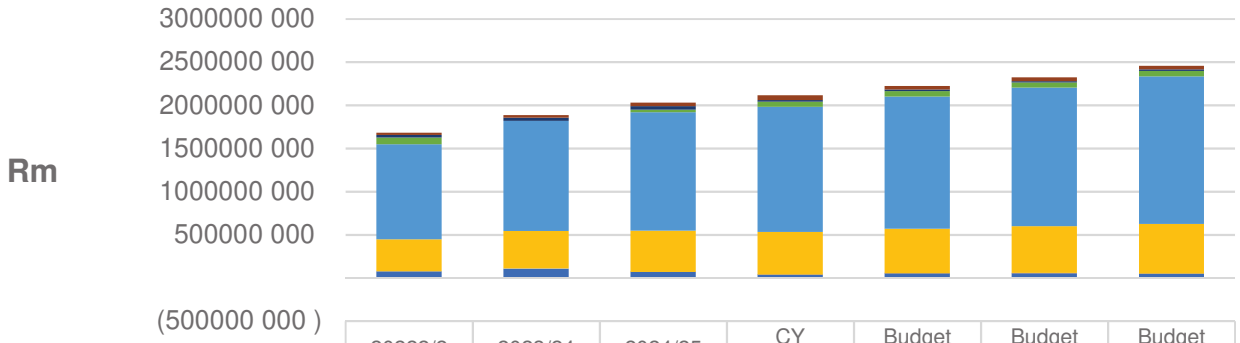
	Employee related costs	Bulk purchases	Contracted services	Depreciation & asset impairment	Inventory consumed	Operating costs
20222/23 AUD	480938 912	346417 577	257087 508	148320 576	58220 300	142110 640
2023/24 AUD	523006 912	444223 058	293480 273	153790 428	59854 749	181850 860
2024/25 AUD	531381 151	481546 885	321653 716	152838 108	51538 893	156226 815
CY 25/26 ADJ	594913 701	553189 858	383770 450	167211 038	73891 735	171277 509
Budget Year 2026/27	674850 275	603032 264	396928 031	175571 588	78902 119	125809 659
Budget Year +1 2027/28	702497 952	656280 011	419114 223	184350 166	83968 767	130200 640
Budget Year +2 2028/29	743048 314	708782 413	439591 726	193567 678	128794 873	137047 671

Expenditure by Type - Minor - Chart A7



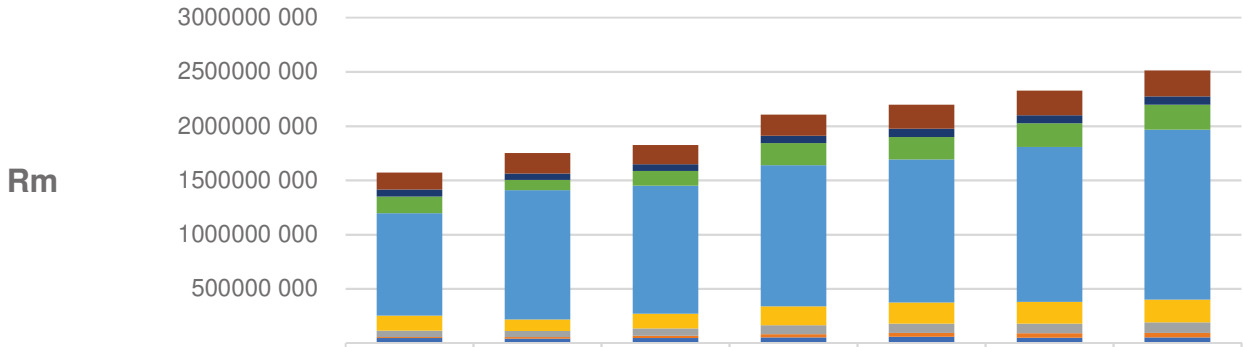
	20222/23 AUD	2023/24 AUD	2024/25 AUD	CY 25/26 ADJ	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Loss on disposal of PPE		514 417					
Other losses	71 967	60 209	101 414		7542 219	9119 622	9575 603
Irrecoverable debts written off	10206 090	27155 386	37068 842	60131 126	20000 000	20000 000	20000 000
Remuneration of councillors	12314 714	13519 459	13331 586	14349 078	15399 647	16479 931	17240 472
Debt impairment	52100 171	(12141 475)	12697 834	25000 700	38593 293	38593 293	38593 293
Interest	48152 260	48570 690	48766 836	45040 000	43080 000	47145 000	56450 000
Transfers and subsidies	16086 449	16512 068	16716 170	16769 800	17648 000	18499 900	19397 300

Revenue by Municipal Vote classification - Chart A1



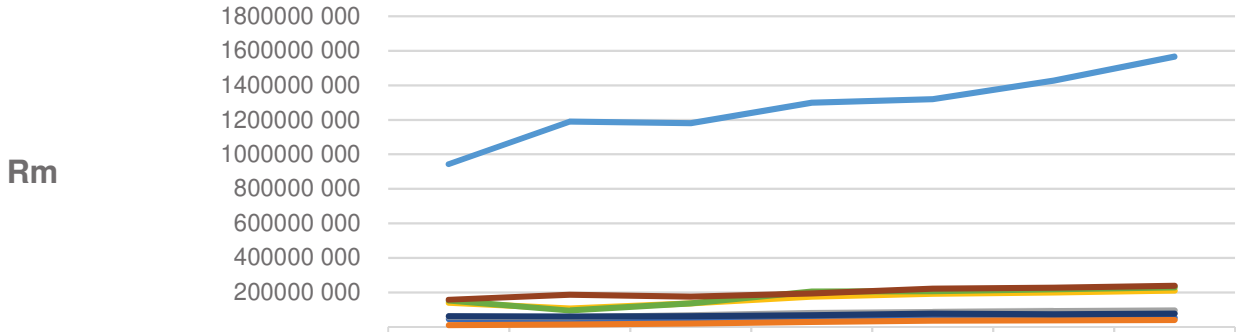
	20222/23 AUD	2023/24 AUD	2024/25 AUD	CY 25/26 ADJ	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Community Services	24794 687	29544 999	42900 324	52938 600	41090 292	44215 867	43491 500
Planning and Development	32033 051	35888 342	39611 457	19543 986	20108 527	14932 600	15651 400
Municipal Public Safety	76056 257	(7188 250)	29217 193	60132 200	62292 200	62400 200	63602 900
Infrastructure Services	1102798 090	1275676 923	1373260 149	1450526 720	1530590 148	1603951 926	1711883 735
Financial Services	370122 126	436858 629	475912 270	490665 842	516405 800	543396 000	571893 680
Corporate Services	1495 803	1492 439	122 345	1774 300	1057 100	1120 400	1187 600
Office of the Municipal Manager			832 822	860 132	576 000	610 600	647 200
Municipal Council	74415 387	106209 016	69013 109	37941 736	52991 920	54146 247	49917 268

Expenditure by Municipal Vote classification - Chart A2a



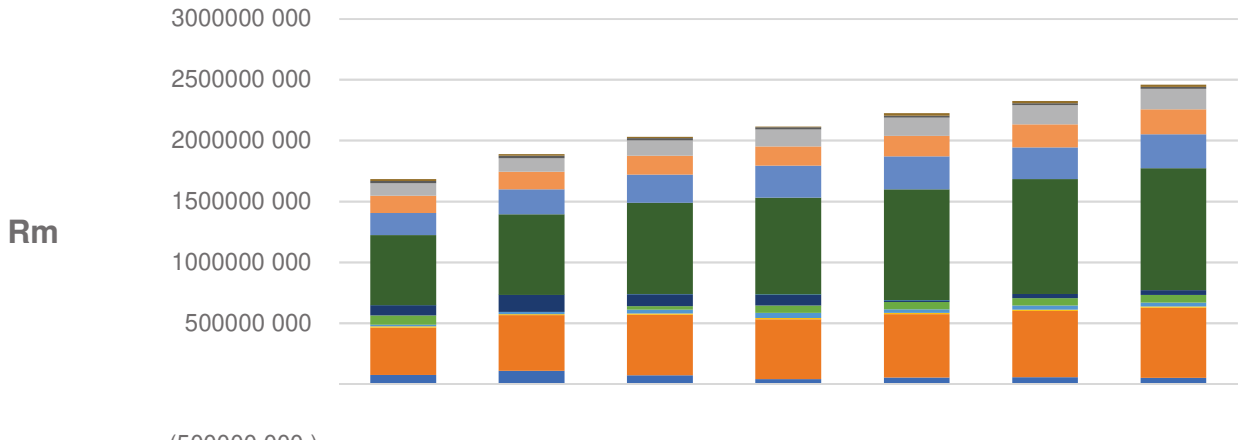
	20222/23 AUD	2023/24 AUD	2024/25 AUD	CY 25/26 ADJ	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Community Services	157827 377	186655 867	176139 423	193621 790	221509 236	227147 953	238600 560
Planning and Development	63184 543	60229 812	61517 277	67969 030	76466 281	74158 246	77694 915
Municipal Public Safety	153723 226	94946 566	135699 893	205522 138	207166 371	217730 452	229088 543
Infrastructure Services	943252 737	1189409 557	1179781 735	1299399 115	1319176 589	1427221 163	1566543 807
Financial Services	140077 664	106638 182	136146 629	174513 150	192403 683	199181 237	210176 451
Corporate Services	58074 959	56962 783	68360 484	81711 940	86730 314	91315 790	96164 289
Office of the Municipal Manager	9709 352	14201 000	20550 946	29173 243	36840 935	38671 772	40607 609
Municipal Council	46177 305	41353 265	45671 863	53634 589	57063 685	50822 891	53213 168

Expenditure by Municipal Vote classification - Chart A2 (Trend)



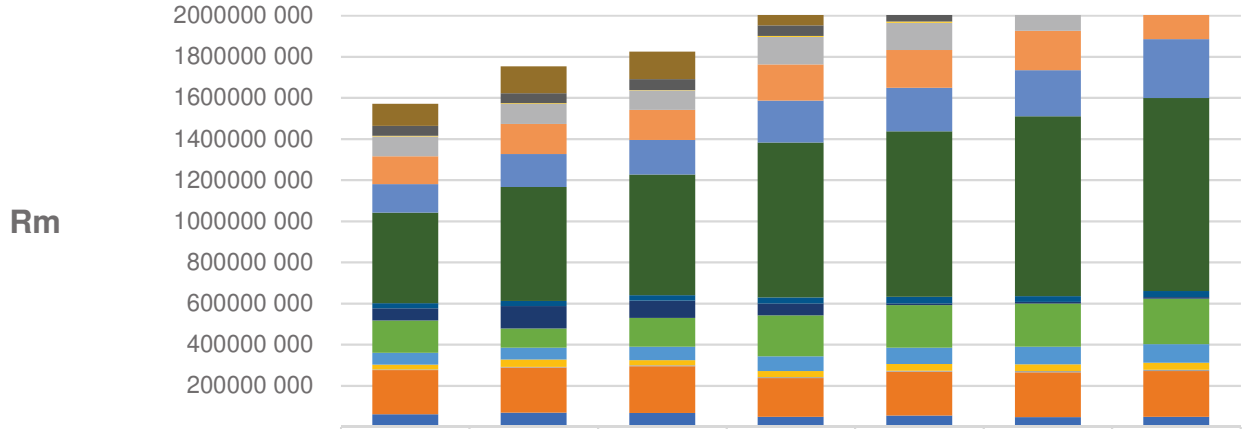
	20222/23 AUD	2023/24 AUD	2024/25 AUD	CY 25/26 ADJ	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Municipal Council	46177 305	41353 265	45671 863	53634 589	57063 685	50822 891	53213 168
Office of the Municipal Manager	9709 352	14201 000	20550 946	29173 243	36840 935	38671 772	40607 609
Corporate Services	58074 959	56962 783	68360 484	81711 940	86730 314	91315 790	96164 289
Financial Services	140077 664	106638 182	136146 629	174513 150	192403 683	199181 237	210176 451
Infrastructure Services	943252 737	1189409 557	1179781 735	1299399 115	1319176 589	1427221 163	1566543 807
Municipal Public Safety	153723 226	94946 566	135699 893	205522 138	207166 371	217730 452	229088 543
Planning and Development	63184 543	60229 812	61517 277	67969 030	76466 281	74158 246	77694 915
Community Services	157827 377	186655 867	176139 423	193621 790	221509 236	227147 953	238600 560

Revenue by Standard classification - Chart A3



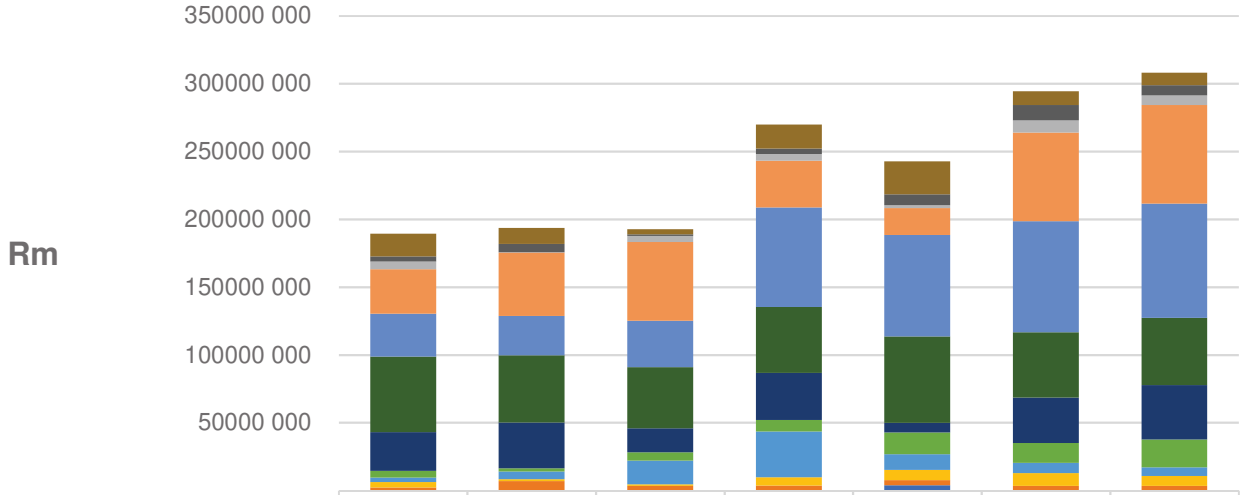
	20222/23 AUD	2023/24 AUD	2024/25 AUD	CY 25/26 ADJ	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Road transport	14876 922	15248 468	10555 756	6473 950	20699 008	18958 033	18251 662
Planning and development	19181 369	21179 477	17969 732	16292 659	16964 500	15043 000	15933 300
Health							
Waste management	102584 951	108719 388	127989 107	141170 200	149439 760	158406 074	167910 434
Waste water management	141829 184	145523 722	154579 605	156967 010	167522 900	189144 308	203767 886
Water management	182255 492	206016 785	231350 768	262490 200	272478 920	260998 355	279658 351
Energy sources	576269 405	661408 933	750421 719	794779 200	910591 260	942703 756	1002094 002
Environmental protection	39 790	40 459	854 479	5024 928	3933 927		
Housing	82149 986	138627 897	97545 827	87265 600	9527 000	34129 200	40609 600
Public safety	76056 257	(7188 216)	29217 193	60132 200	62292 200	62400 200	63602 900
Sport and recreation	14939 134	18509 902	32198 812	42443 300	29557 292	32474 967	31534 600
Community and social services	9270 124	9474 486	9655 054	9667 200	10508 500	10665 700	10677 700
Internal audit							
Finance and administration	389753 734	457860 338	499480 246	493734 632	518604 700	545703 900	574317 380
Executive and council	73092 464	106419 692	69018 329	37942 436	52992 020	54146 347	49917 468

Expenditure by Standard classification - Chart A4



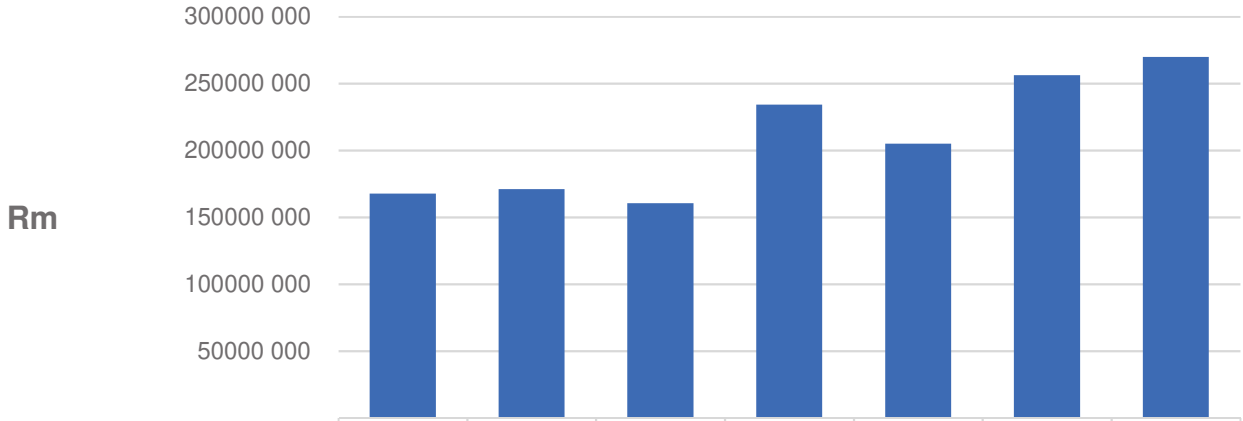
	20222/23 AUD	2023/24 AUD	2024/25 AUD	CY 25/26 ADJ	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Road transport	107693 660	131258 244	133810 076	153694 935	165664 726	185424 581	196809 366
Planning and development	47424 584	48212 462	51499 629	50923 459	60162 428	60886 356	63808 359
Health							
Other	3721 544	2830 401	2445 120	4429 234	7353 706	7739 451	8148 519
Waste management	96860 700	97058 991	94381 948	134080 613	132497 669	145842 512	154126 156
Waste water management	134708 673	147196 098	146976 612	175479 057	182604 687	192172 028	204290 290
Water management	139628 886	160902 486	167885 317	204088 238	211377 681	224459 376	286160 308
Energy sources	439681 170	553663 757	586591 746	753342 202	806194 732	874012 800	938150 730
Environmental protection	24495 534	24623 178	26817 341	30012 178	31813 060	29204 283	30367 061
Housing	59986 757	109722 700	84637 655	57469 379	8615 462	7137 644	7528 757
Public safety	156968 700	92802 040	140323 544	200061 814	206103 947	210862 739	221708 730
Sport and recreation	57811 390	57556 301	64141 028	71488 737	79865 967	84713 188	89752 072
Community and social services	22970 332	36149 001	25556 020	28693 847	31825 870	33014 439	34138 381
Internal audit	3150 140	3339 057	3956 233	5023 250	5128 535	5389 644	5666 415
Finance and administration	215535 109	219137 533	227724 388	188223 403	213687 711	218018 933	222869 265
Executive and council	60364 155	68349 115	67121 594	48534 649	54460 914	47371 530	48564 936

Capital expenditure by Standard classification - Chart A11



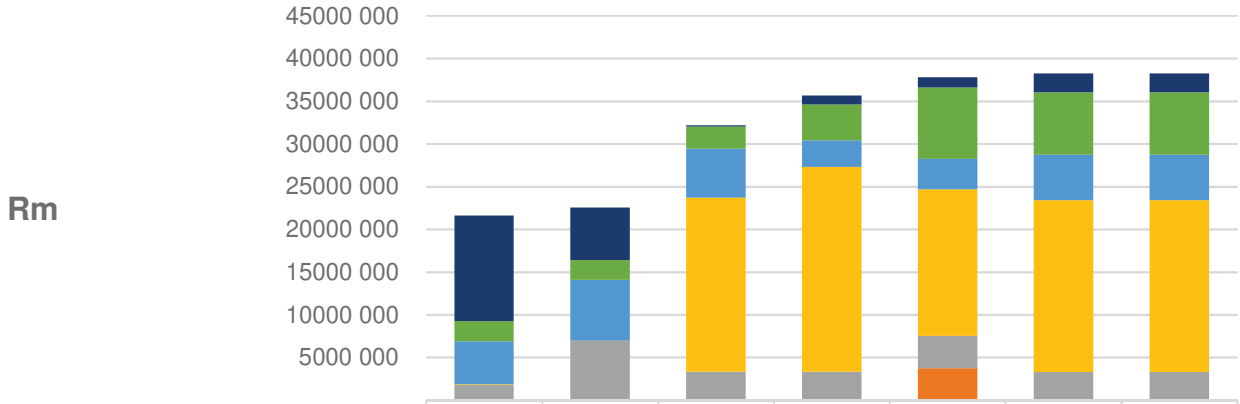
	20222/23 AUD	2023/24 AUD	2024/25 AUD	CY 25/26 ADJ	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Road transport	16798 573	11755 142	3796 556	17800 373	24263 502	10099 633	9321 162
Planning and development	3718 990	6170 473	1151 496	3985 119	8150 000	11450 000	7600 000
Health							
Waste management	5637 060	115 217	4611 592	4940 000	2200 000	8900 000	7000 000
Waste water management	32801 081	46734 770	58076 751	34347 760	19700 000	65480 000	72662 838
Water management	31607 551	29091 572	34077 515	73469 836	74742 000	81900 000	84300 000
Energy sources	55691 590	49583 233	45169 146	48612 969	63894 156	48083 000	49634 000
Environmental protection							
Housing	28623 403	33678 000	17619 480	34741 069	7110 200	33540 000	40000 000
Public safety	5007 380	2310 424	6181 312	8520 900	15831 476	14709 520	20659 520
Sport and recreation	3317 616	5741 125	17475 518	33768 284	11585 564	7442 367	6250 000
Community and social services	3889 645	1370 515	1192 048	6076 571	7592 458	9420 480	7320 480
Internal audit							
Finance and administration	2223 216	6960 107	3355 027	3496 571	3870 000	3370 000	3370 000
Executive and council	4 949	7 367	47 802	76 100	3800 000	50 000	50 000

Capital expenditure by Municipal Vote (Major) - Chart A9



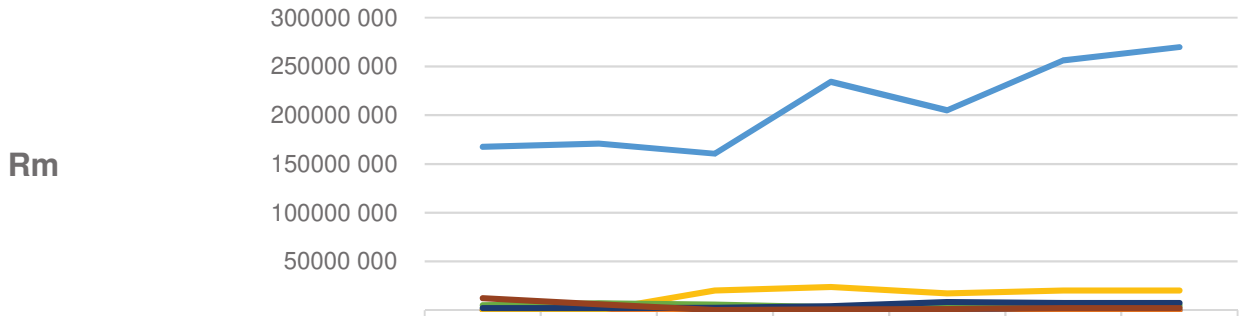
	20222/23 AUD	2023/24 AUD	2024/25 AUD	CY 25/26 ADJ	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Vote 5 - Infrastructure Services	167695 854	170957 934	160567 800	234154 697	204945 422	256195 000	269918 000

Capital expenditure by Municipal Vote (Minor) - Chart A10



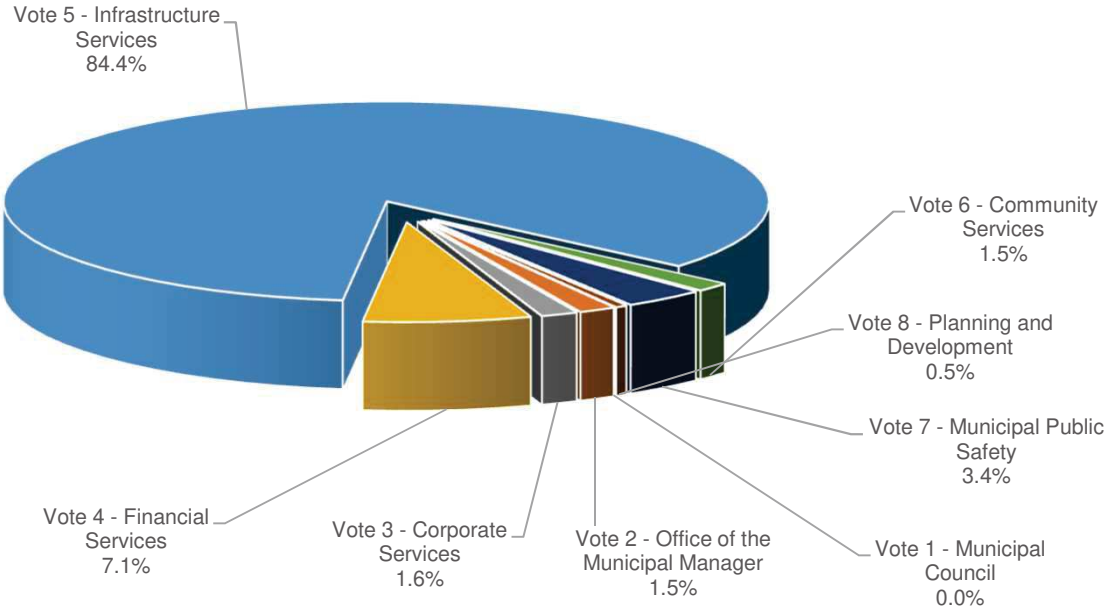
	20222/23 AUD	2023/24 AUD	2024/25 AUD	CY 25/26 ADJ	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Vote 8 - Planning and Development	12383 578	6170 473	165 890	1049 000	1200 000	2200 000	2200 000
Vote 7 - Municipal Public Safety	2365 056	2310 425	2567 552	4220 000	8331 476	7309 520	7309 520
Vote 6 - Community Services	5007 380	7111 640	5724 522	3101 855	3592 458	5320 480	5320 480
Vote 4 - Financial Services	57 215	10 290	20399 858	23973 900	17140 000	20140 000	20140 000
Vote 3 - Corporate Services	1811 971	6949 816	3326 721	3315 000	3770 000	3270 000	3270 000
Vote 2 - Office of the Municipal Manager		7 367	1 899	21 100	3760 000	10 000	10 000
Vote 1 - Municipal Council							

Capital expenditure by Municipal Vote (Trend) - Chart A12

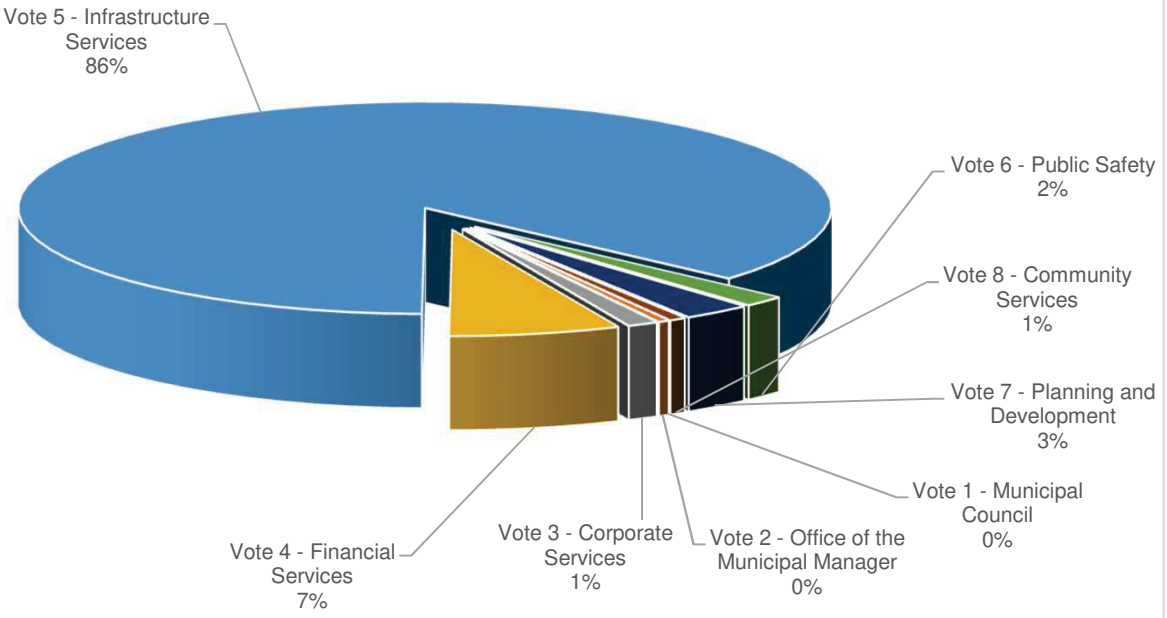


	20222/23 AUD	2023/24 AUD	2024/25 AUD	CY 25/26 ADJ	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Vote 1 - Municipal Council							
Vote 2 - Office of the Municipal Manager		7 367	1 899	21 100	3760 000	10 000	10 000
Vote 3 - Corporate Services	1811 971	6949 816	3326 721	3315 000	3770 000	3270 000	3270 000
Vote 4 - Financial Services	57 215	10 290	20399 858	23973 900	17140 000	20140 000	20140 000
Vote 5 - Infrastructure Services	167695 854	170957 934	160567 800	234154 697	204945 422	256195 000	269918 000
Vote 6 - Community Services	5007 380	7111 640	5724 522	3101 855	3592 458	5320 480	5320 480
Vote 7 - Municipal Public Safety	2365 056	2310 425	2567 552	4220 000	8331 476	7309 520	7309 520
Vote 8 - Planning and Development	12383 578	6170 473	165 890	1049 000	1200 000	2200 000	2200 000

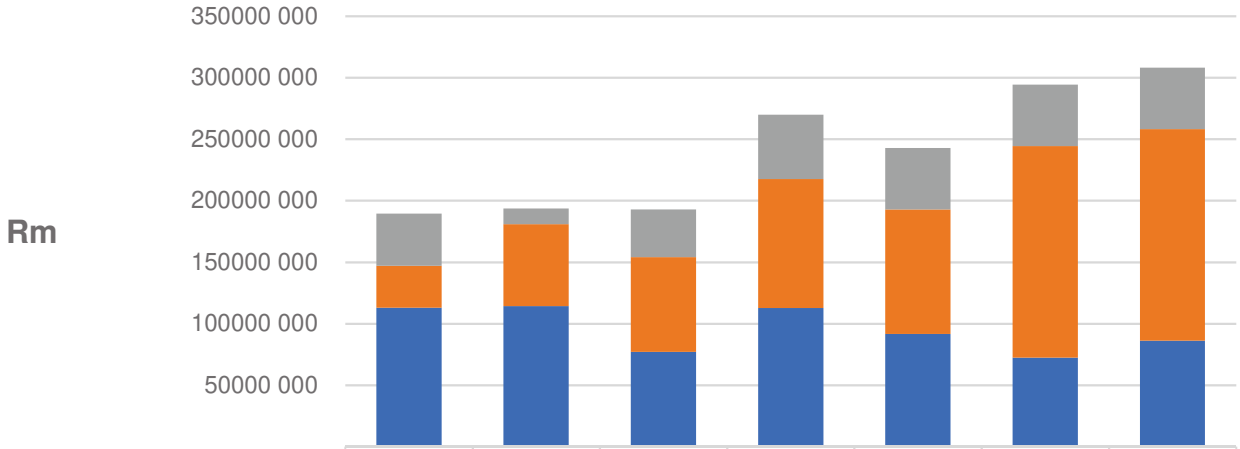
2026/27 Budget Year Capital expenditure program per Vote



2026/27 MTREF (3 year total) Capital expenditure program per Vote

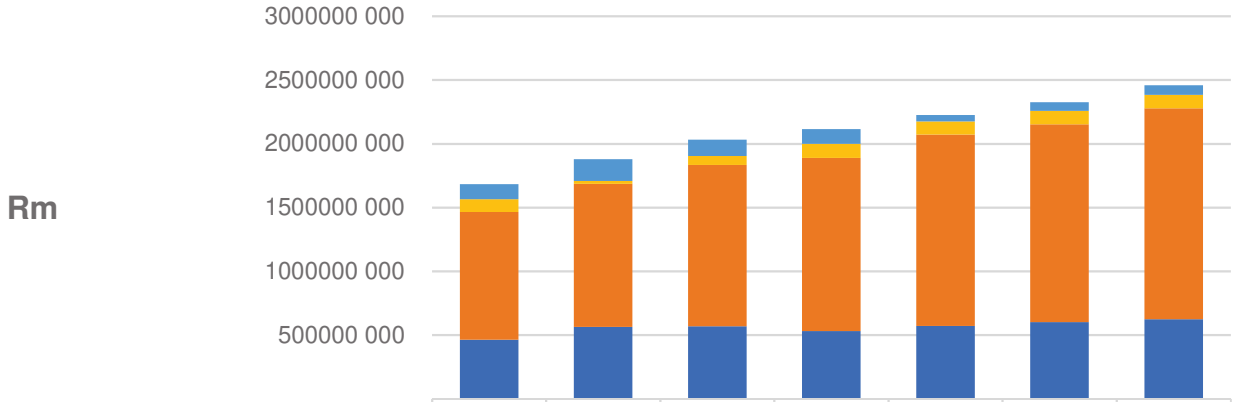


Capital funding by source - Chart A13



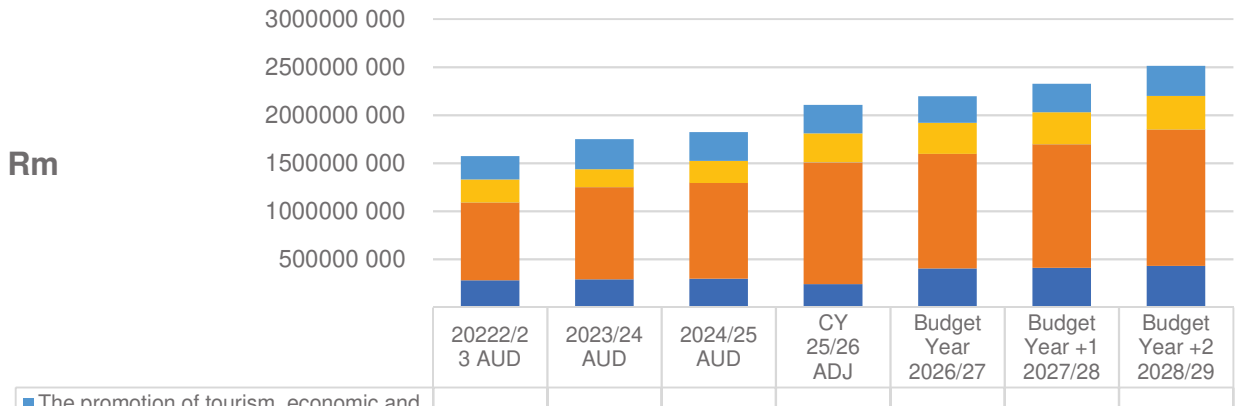
	20222/23 AUD	2023/24 AUD	2024/25 AUD	CY 25/26 ADJ	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Internally generated funds	42196 757	12744 874	38716 113	52169 678	50000 000	50000 000	50000 000
Borrowing	34248 771	66513 250	77046 580	104917 805	101155 156	172000 000	172000 000
Capital transfers recognised	112875 524	114259 822	76991 548	112748 069	91584 200	72445 000	86168 000

IDP Strategic Objectives - Revenue - Chart A14



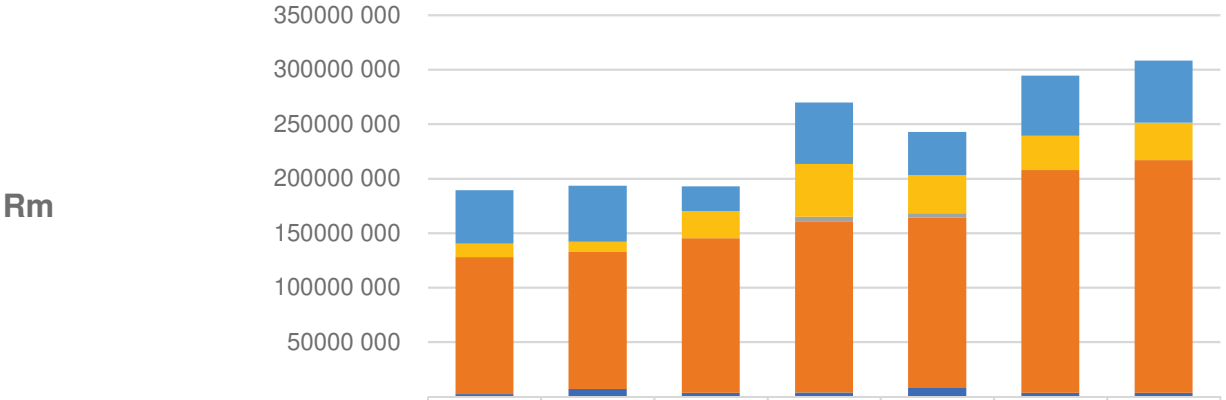
	20222/23 AUD	2023/24 AUD	2024/25 AUD	CY 25/26 ADJ	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
The promotion of tourism, economic and social development	116248 067	171737 043	126958 836	115057 138	51124 435	68130 233	74794 562
The creation and maintenance of a safe and healthy environment	100265 515	20796 172	71071 059	112242 700	102357 992	105540 867	105815 200
The encouragement of structured community participation in the matters of the municipality							
Provision and maintenance of municipal services	1002939 032	1121668 828	1264341 198	1355406 610	1500032 840	1551252 493	1653430 673
Provision of democratic accountable and ethical governance	462262 789	564280 053	568498 575	531677 068	571596 720	599850 247	624234 848

IDP Strategic Objectives - Expenditure - Chart A15



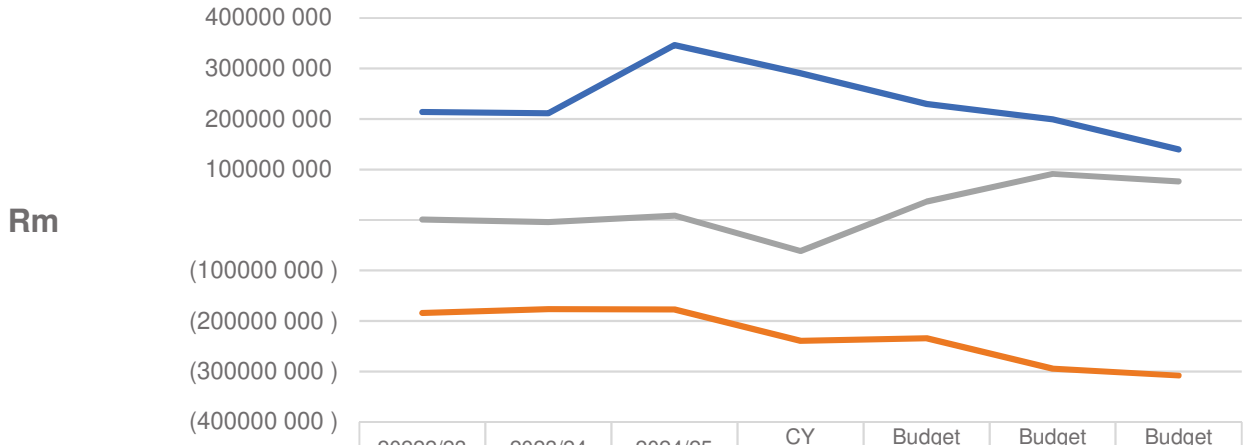
	20222/23 AUD	2023/24 AUD	2024/25 AUD	CY 25/26 ADJ	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
The promotion of tourism, economic and social development	243322 079	314242 655	299209 820	296529 185	279215 314	296437 226	313329 327
The creation and maintenance of a safe and healthy environment	237750 423	186507 342	230020 592	300244 398	320937 291	331977 871	349335 450
The encouragement of structured community participation in the matters of the municipality	392 800	255 800	359 400	1323 527	1080 000	758 385	758 385
Provision and maintenance of municipal services	810879 430	958821 332	995835 623	1266990 110	1193181 475	1286070 244	1416824 836
Provision of democratic accountable and ethical governance	279682 432	290569 905	298442 815	240457 775	402943 015	411005 778	431841 344

IDP Strategic Objectives - Capital Expenditure - Chart A16



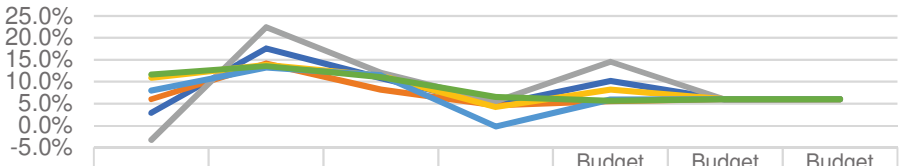
	20222/23 AUD	2023/24 AUD	2024/25 AUD	CY 25/26 ADJ	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
The promotion of tourism, economic and social development	49140 605	51603 680	22568 000	56526 561	39523 702	55089 633	56921 162
The creation and maintenance of a safe and healthy environment	12215 000	9422 000	24848 410	48365 755	35009 498	31572 367	34230 000
The encouragement of structured community participation in the matters of the municipality				4734 858	3750 000		
Provision and maintenance of municipal services	125737 282	125524 792	141935 004	156635 707	156786 156	204363 000	213596 838
Provision of democratic accountable and ethical governance	2228 166	6967 474	3402 829	3572 671	7670 000	3420 000	3420 000

Cash flow trend - Chart A23



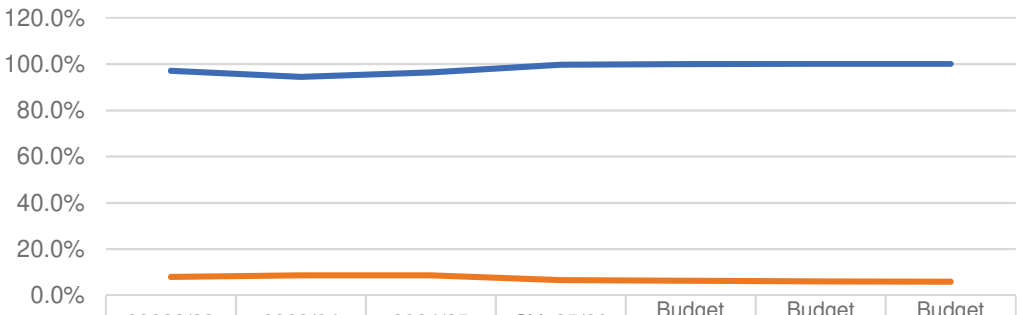
	20222/23 AUD	2023/24 AUD	2024/25 AUD	CY 25/26 ADJ	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Cash Flow - Op. Activities	214122 755	211450 035	346352 092	290768 384	229960 390	199322 965	139676 118
Cash Flow - Investing (used)	(184494 996	(176913 476	(177438 345	(239723 685	(234283 725	(294445 000	(308168 000
Cash Flow - Financing	627 683	(4414 031)	8492 173	(61512 253)	36578 850	91171 302	76328 364

Service charges - Revenue % change - Chart A22



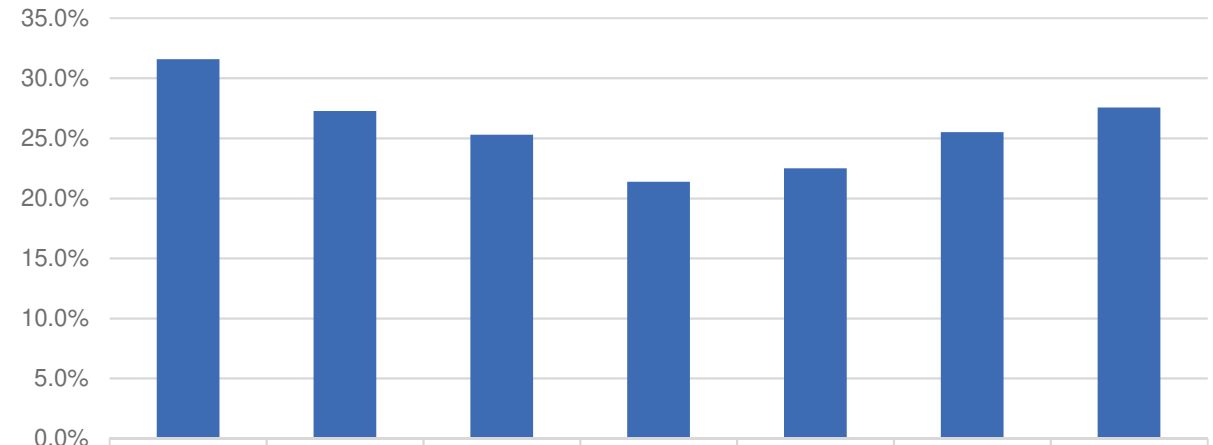
	20222/23 AUD	2023/24 AUD	2024/25 AUD	CY 25/26 ADJ	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
% incr total service charges (incl prop rates)	2.9%	17.6%	10.9%	4.7%	10.1%	6.0%	6.0%
% incr Property Tax	6.0%	14.2%	8.2%	4.6%	5.6%	6.0%	6.0%
% incr Service charges - electricity revenue	-3.3%	22.4%	12.1%	5.5%	14.6%	5.9%	6.0%
% incr Service charges - water revenue	10.9%	13.8%	11.3%	4.2%	8.2%	6.0%	6.0%
% incr Service charges - sanitation revenue	8.0%	13.2%	11.5%	-0.2%	5.9%	6.0%	6.0%
% incr Service charges - refuse	11.6%	13.6%	11.0%	6.5%	5.7%	6.0%	6.0%

Revenue collection - Chart A18



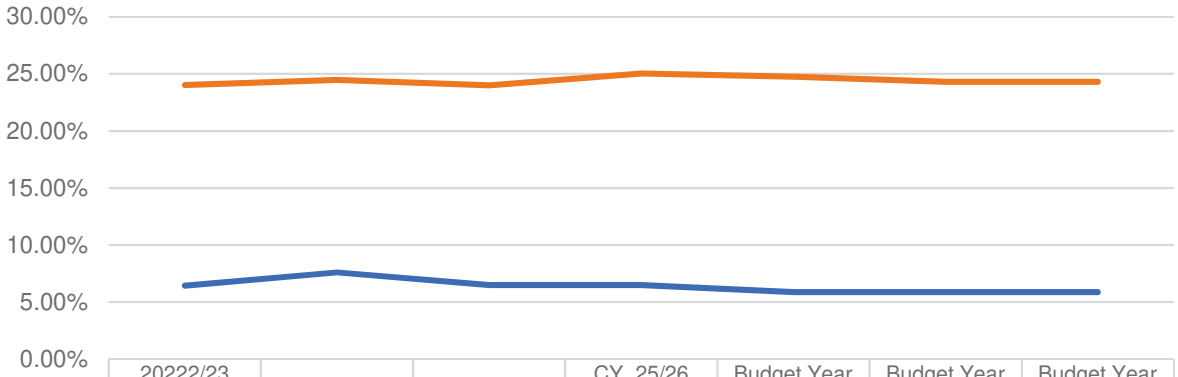
	20222/23 AUD	2023/24 AUD	2024/25 AUD	CY 25/26 ADJ	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Annual Debtors Collection	97.1%	94.6%	96.4%	99.7%	100.1%	100.1%	100.1%
O/S Debtors to Revenue	8.0%	8.7%	8.7%	6.7%	6.3%	6.1%	5.9%

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



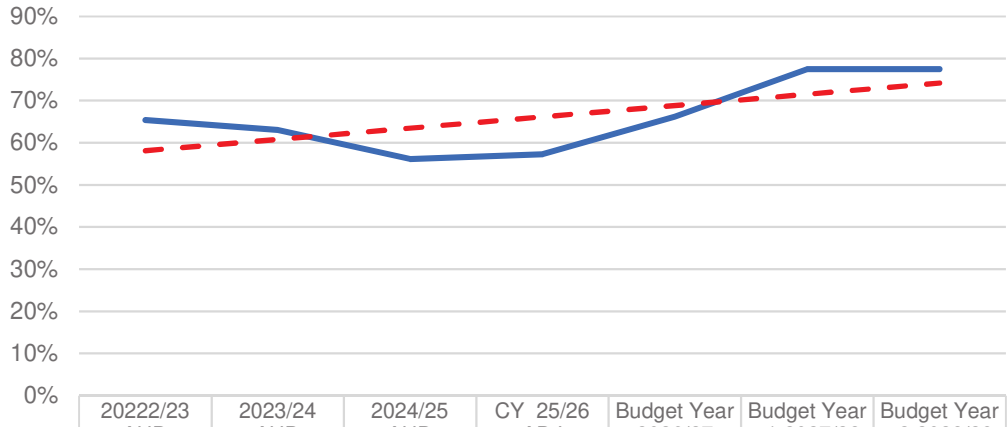
	20222/23 AUD	2023/24 AUD	2024/25 AUD	CY 25/26 ADJ	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Borrowing	31.6%	27.3%	25.3%	21.4%	22.5%	25.5%	27.6%

Distribution losses - Chart A19



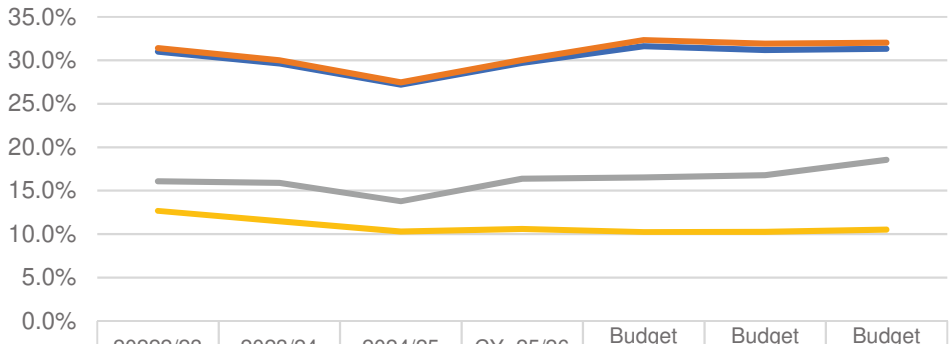
	20222/23 AUD	2023/24 AUD	2024/25 AUD	CY 25/26 ADJ	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Electricity	6.43%	7.60%	6.49%	6.49%	5.88%	5.87%	5.87%
Water	24.04%	24.47%	24.00%	25.04%	24.75%	24.30%	24.30%

Borrowed capex funding - Chart A20



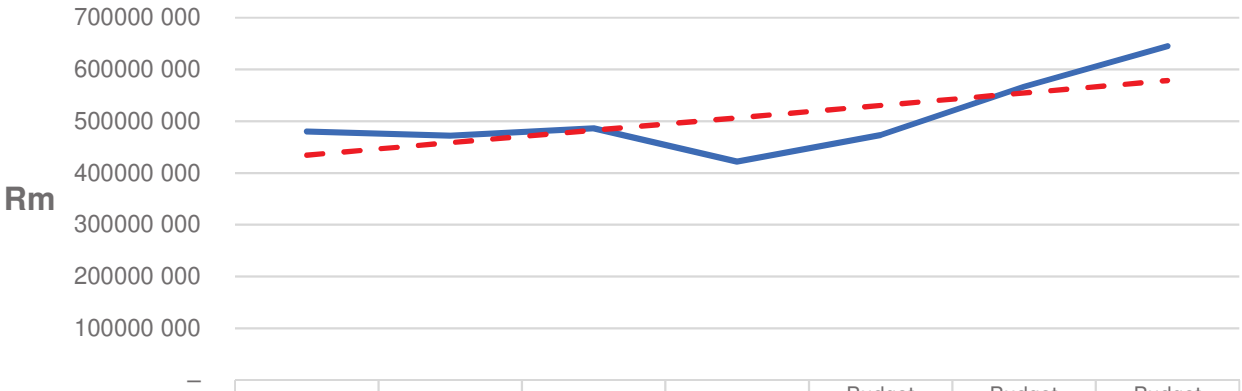
	20222/23 AUD	2023/24 AUD	2024/25 AUD	CY 25/26 ADJ	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Borrowed capex funding	65%	63%	56%	57%	66%	77%	77%

Expenditure analysis (of Total Revenue) - Chart A21



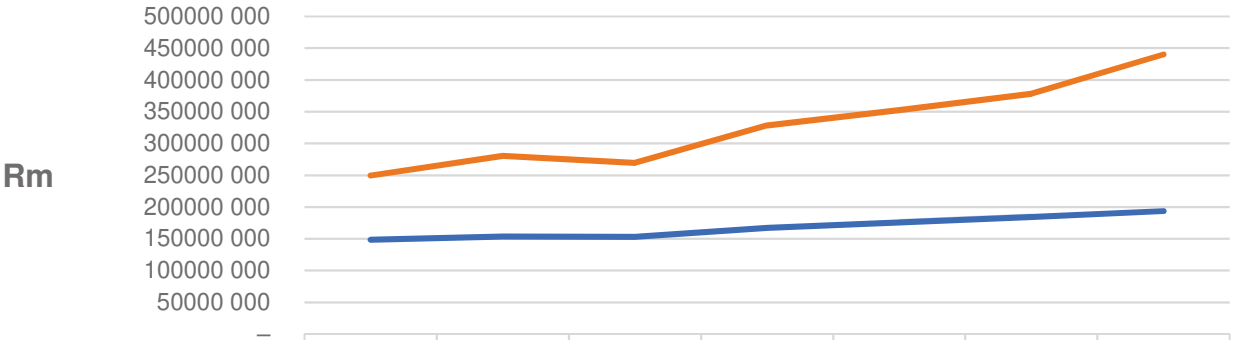
	20222/23 AUD	2023/24 AUD	2024/25 AUD	CY 25/26 ADJ	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Employee costs	31.0%	29.6%	27.2%	29.7%	31.6%	31.2%	31.3%
Remuneration	31.4%	30.0%	27.5%	30.1%	32.4%	31.9%	32.1%
Repairs & Maintenance	16.1%	15.9%	13.8%	16.4%	16.5%	16.8%	18.6%
Finance charges & Depreciation	12.7%	11.5%	10.3%	10.6%	10.2%	10.3%	10.5%

Borrowings

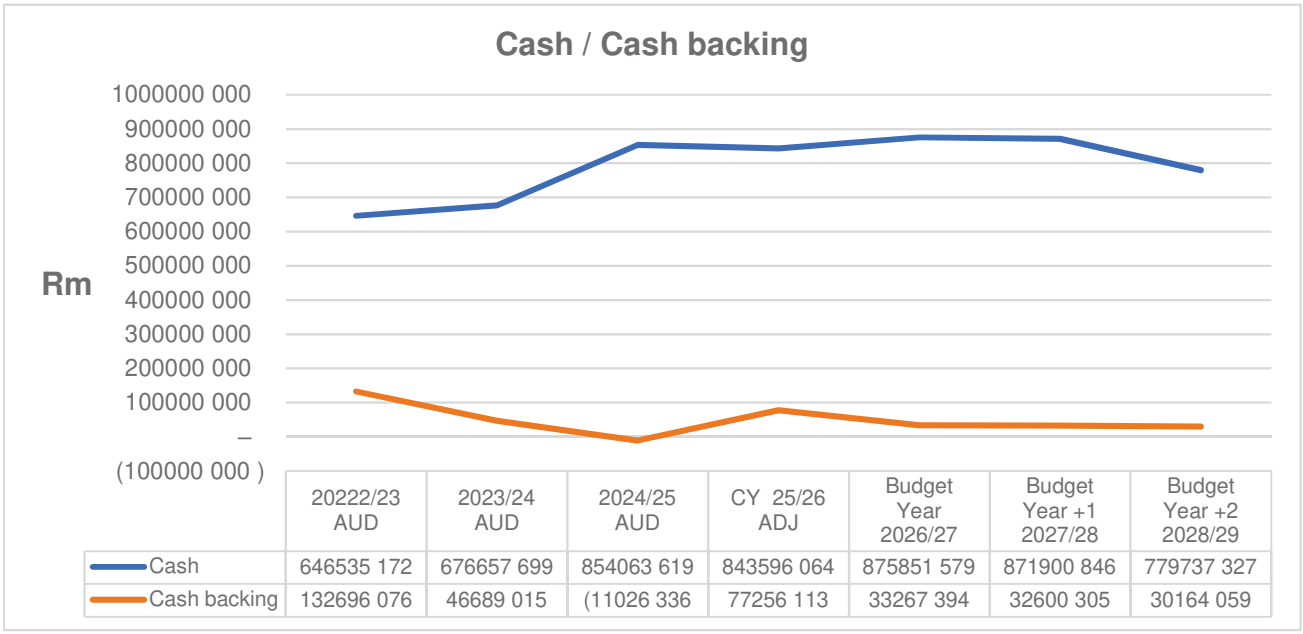


	20222/23 AUD	2023/24 AUD	2024/25 AUD	CY 25/26 ADJ	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Borrowings	479906 215	471957 267	486513 107	422020 294	473659 047	566780 349	645058 713

Depreciation vs Repairs & Maintenance



	20222/23 AUD	2023/24 AUD	2024/25 AUD	CY 25/26 ADJ	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Depreciation	148320 576	153790 428	152838 108	167211 038	175571 588	184350 166	193567 678
Repairs & maintenance	249505 435	280464 973	269443 062	328242 067	352542 852	378124 498	440121 390



	20222/23 AUD	2023/24 AUD	2024/25 AUD	CY 25/26 ADJ	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Cash	646535 172	676657 699	854063 619	843596 064	875851 579	871900 846	779737 327
Cash backing	132696 076	46689 015	(11026 336	77256 113	33267 394	32600 305	30164 059

ANNEXURE C

RATES AND TARIFFS

RATES TARIFFS

Tariff Code	Detail	2026/2027		2025/2026	
		Exclude VAT	Include VAT	Exclude VAT	Include VAT
		R	R	R	R
RATES	**YEAR OF GENERAL VALUATION: 02 JULY 2022**				
RATE1*	Commercial Land with Improvements	0.009165	0.009165	0.008729	0.008729
RATE2*	Residential Land with Improvements	0.005237	0.005237	0.004988	0.004988
	**** 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	0.000000	0.000000	0.000000	0.000000
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)	0.001310	0.001310	0.001248	0.001248
RATE8	Undeveloped erven	0.007856	0.007856	0.007482	0.007482
	Special Rating Areas				
RAT11	HSRA (Hermanus)	0.000476	0.000476	0.000458	0.000458
RAT12	KSRA (Kleinmond)	0.000375	0.000375	0.000360	0.000360
RAT13	OVSRA (Onrus-Vermont)	0.000260	0.000260	0.000250	0.000250
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: 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 (excluding vacant properties) is exempted from property tax as per the Municipal Property Rates Act, Section 17 (1) h A further R35 000.00 of the rateable value is exempted in respect of all residential properties An Additional rebate of 20% of the levy calculated on such properties is granted Rebate to qualifying property owners as indicated under "Other Rebate" No property rates are applicable on a property with a valuation of R350 000.00 or less
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 Rebate"
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 permanently 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 are older than 60, who's gross monthly household income may not exceed the amount of two times (2X) of state funded social pensions per month
PR070			* A rebate of 70% 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**.
Cultural 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

Tariff Code	Detail	2026/2027		2025/2026	
		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	1 274.78	1 466.00	1 213.91	1 396.00
S1J2A	Category B1: Shark-view operators/whale-watching (Incl on-site parking) pa	53 469.56	61 490.00	50 923.48	58 562.00
S1J2B	Category B2: Shark-view operators/whale-watching (excl on-site parking) pm	4 093.04	4 707.00	3 898.26	4 483.00
S1J2C	Category B2: Shark-view operators/whale-watching (excl on-site parking) pa	40 811.30	46 933.00	38 867.83	44 698.00
S1J4A	Kelp Collectors pm	5 113.04	5 880.00	4 869.57	5 600.00
S1J4B	Kelp Collectors pa	50 553.91	58 137.00	48 146.96	55 369.00
S1J4C	Kelp Collectors, Whale Watching and Shark Diving per launch	331.30	381.00	315.65	363.00
S1J5	Oversize vessel	tariff + 50%	applicable vat	tariff + 50%	applicable vat
S1J6A	Nature Conservation	no charge	no vat	no charge	no vat
S1J7A1	Recreational Fishing Vessels pa Permit	652.17	750.00	620.87	714.00
S1J7A1A	Recreational Fishing (Overstrand Consumers) Vessels from 01 July - 31 Dec Permit	326.09	375.00	310.44	357.00
S1J7A1B	Recreational Fishing (Overstrand Consumers) Vessels from, 01 January - 30 June Permit	434.78	500.00	413.91	476.00
S1J7A2	Recreational Fishing Vessels per Launch	82.61	95.00	78.26	90.00
S1J7B1	Commercial Fishing (Overstrand Consumers) Vessels pa Permit	821.74	945.00	782.61	900.00
S1J7B2	Commercial Fishing (Overstrand Consumers) Vessels from 01 July - 31 Dec Permit	307.83	354.00	293.04	337.00
S1J7A4	Commercial Fishing (Overstrand Consumers) Vessels from, 01 January - 30 June Permit	409.57	471.00	390.44	449.00
S1J7B3	Commercial Fishing Vessels per launch	77.39	89.00	73.91	85.00
S1J8A	Passenger Boats pm	1 902.61	2 188.00	1 812.17	2 084.00
S1J8B	Passenger Boats per launch	190.43	219.00	181.74	209.00
S1J9	Use of Tractor for Boat Launching per month	345.22	397.00	328.70	378.00
S1J12	Informal Trader under cover rental / month	782.61	900.00	745.22	857.00
S1M	**Kleinmond Slipway**				
S1M1	Recreational Fishing (Overstrand Consumers) Vessels pa Permit	651.30	749.00	820.87	944.00
S1M1A	Recreational Fishing (Overstrand Consumers) Vessels from 01 July - 31 Dec Permit	326.09	375.00	310.44	357.00
S1M1B	Recreational Fishing (Overstrand Consumers) Vessels- from 01 January - 30 June	434.78	500.00	326.96	376.00
S1M2	Recreational Fishing Vessels per Launch	82.61	95.00	78.26	90.00
S1M5	Commercial Fishing (Overstrand Consumers) Vessels < 7m pa	821.74	945.00	782.61	900.00
S1M6	Commercial Fishing (Overstrand Consumers) Vessels < 7m from 01 July - 31 Dec Permit	307.83	354.00	293.04	337.00
S1M7	Commercial Fishing (Overstrand Consumers) Vessels < 7m from, 01 January - 30 June Permit	409.57	471.00	390.44	449.00
S1M8	Commercial Fishing Vessels ~~> 7m~~ per launch	77.39	89.00	73.91	85.00
S1M9	Passenger Boats pm	1 902.61	2 188.00	2 033.04	2 338.00
S1M10	Passenger Boats per launch	190.43	219.00	196.52	226.00

Tariff Code	Detail	2026/2027		2025/2026	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
		R	R	R	R
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	302.61	348.00	287.83	331.00
S1T1B	Monthly	180.87	208.00	172.17	198.00
S1T1C	Weekly	90.43	104.00	86.09	99.00
S1T1D	Daily	32.17	37.00	30.44	35.00
S1T2	**Non- Affiliated Members**				
S1T2A	Annually	600.87	691.00	572.17	658.00
S1T2B	Monthly	271.30	312.00	258.26	297.00
S1T2C	Weekly	150.43	173.00	143.48	165.00
S1T2D	Daily	47.83	55.00	45.22	52.00
S2	**BUILDING CONTROL**				
S2A1	Building Plan Fees : Minor Building Works	344.35	396.00	327.83	377.00
S2A2	Building Plan Fees : 0 up to 30 m² (Fixed fee)(S2A3 x 30)	1 304.35	1 500.00	1 242.61	1 429.00
S2A3	Building Plan Fees : Greater than 30 m² up to 100 m² (R/m²)	43.48	50.00	41.74	48.00
S2A4	Building Plan Fees : Greater than 100 m² up to 200 ²m (R/m²)	48.70	56.00	48.70	56.00
S2A5	Building Plan Fees : Greater than 200 m² up to 300 m² (R/m²)	59.13	68.00	56.52	65.00
S2A6	Building Plan Fees : Greater than 300 m² (R/m²)	66.96	77.00	63.48	73.00
S2A7	Building Plan Fees : Government Subsidized Housing Schemes smaller than 80 m² (privatly constructed)	307.83	354.00	293.04	337.00
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) up to 500m²	29.57	34.00	27.83	32.00
S2A10A	Building Plan Fees : Agricultural buildings (excluding residential buildings) (R/m²) more than 500m²	13.91	16.00	13.04	15.00
S2A11	Building Plan Fees : Industrial buildings (excluding offices)(R/m²)	29.57	34.00	27.83	32.00
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.)	765.22	880.00	728.70	838.00
S2A14	Buildng Plan Fees : Application for temporary structures (Tents for events)	765.22	880.00	728.70	838.00
S2B1	Plan Scrutiny Fees : 0 up to 200 m² (Fixed Fee)	765.22	880.00	728.70	838.00
S2B2	Plan Scrutiny Fees : Greater than 200 m² (R/m²)	6.96	8.00	6.52	7.50
S2C1	Demolition application	780.00	897.00	742.61	854.00
S2D1	Re-inspection fees and Inspections on complaints, rates clearance etc.	439.13	505.00	418.26	481.00

Tariff Code	Detail	2026/2027		2025/2026	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
		R	R	R	R
S2E1	Administration / Viewing Request, Filing retrieval and Copying of Plans	86.09	99.00	81.74	94.00
S2F1	Plan validity extension	346.09	398.00	329.57	379.00
S2G1	Heritage Investigation Minor Alterations (no additions)	689.57	793.00	656.52	755.00
S2G2	Heritage Investigation add and alt smaller than 30 m² (2 X S2G1)	1 378.27	1 585.00	1 312.18	1 509.00
S2G3	Heritage Investigation add and alt greater than 30 m² (2 X S2G2)	2 756.52	3 169.99	2 625.23	3 019.00
S2H1	Signage: Application fee for consent(S4,2,1)	76.52	88.00	728.70	838.00
S2H2	Signage:Application fee for departure (S4.3.1)	673.91	775.00	641.74	738.00
S2H3	Signage:Application fee for appeal (S4.4)	673.91	775.00	641.74	738.00
S2H4	Signage : Advertising Costs Local newspapers for departure application	5 313.04	6 110.00	5 060.00	5 819.00
S2H5	Signage: Application fee for consent to erect Estate agent show house signs.(S cla	304.35	350.00		
S3	**BUILDING CONTROL: PLAN PRINTING FEES**				
S3A1	Per sheet - Size A0 (Private copy)	90.43	104.00	86.09	99.00
S3A2	Size A1 (Private copy)	70.43	81.00	66.96	77.00
S3A3	Size A2 (Private copy)	52.17	60.00	49.57	57.00
S3A4	Per sheet - Size A0 (Official copy)	70.43	81.00	66.96	77.00
S3A5	- Size A1 (Official copy)	52.17	60.00	49.57	57.00
S3A6	- Size A2 (Official copy)	40.87	47.00	39.13	45.00
S3B1	Per sheet - Size A0 (Private copy) Colour	448.70	516.00	426.96	491.00
S3B2	Size A1 (Private copy) Colour	342.61	394.00	326.09	375.00
S3B3	Size A2 (Private copy) Colour	228.70	263.00	217.39	250.00
S3B4	Per sheet - Size A0 (Official copy) Colour	228.70	263.00	217.39	250.00
S3B5	- Size A1 (Official copy) Colour	170.43	196.00	162.61	187.00
S3B6	- Size A2 (Official copy) Colour	114.78	132.00	109.57	126.00
S5	**BUSINESS LICENSE**				
S5B1	Business Licence - Formal	1 094.78	1 259.00	1 042.61	1 199.00
S5B2	Business Licence - Informal	393.04	452.00	373.91	430.00
S5B3	Re-inspection Fee	215.65	248.00	205.22	236.00
S5B4	Duplicate Licence Fee	215.65	248.00	205.22	236.00
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	2 055.65	2 364.00	1 957.39	2 251.00
S5B5B	Application for extended Liquor (Trading on Sunday) per annum ** (to be applicable according By-law)	2 055.65	2 364.00	1 957.39	2 251.00
S15	**CEMETERY**				
	Residents (RES):				
S15A	**Plot Cost (Fixed)**				

Tariff Code	Detail	2026/2027		2025/2026	
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		R	R	R	R
Note 1	**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 2	**Rebate of 50% for grave site: Applicable to Tariffs S15A1, S15A2, S15A4 & S15B**1 -Overstrand local household with gross household income per application of 0 - R4100 -Applications must be accompanied by sworn declaration of household income of the immediate family of the deceased.				
S15A1	All cemeteries - single grave	851.30	979.00	810.44	932.00
S15A2	All cemeteries - Doubble graves - depth for two coffins	1 318.26	1 516.00	1 255.65	1 444.00
S15A4	Children under 12years	638.26	734.00	607.83	699.00
S15A5	Wall of Remembrance Fees	310.43	357.00	295.65	340.00
S15B	**Indication of grave**				
S15B1	New graves (include inspection before and after funeral)	842.61	969.00	802.61	923.00
S15B2	Existing graves	271.30	312.00	258.26	297.00
S18	**COMMERCIAL FILMING/PHOTOGRAPHING (Tariff of 50% less charged, when compliant to pre-determined criteria)**				
S18A	Large per day or part thereof ≥ 50 people	20 123.48	23 142.00	19 165.22	22 040.00
S18B	Small per day or part thereof more than 10 but < 50 people	9 786.96	11 255.00	9 320.87	10 719.00
S18C	Small per day or part thereof ≤ 10 people	5 437.39	6 253.00	5 178.26	5 955.00
S18D	Application Fee per application	2 305.22	2 651.00	2 195.65	2 525.00
S18F	**Addition to Shoot**				
S18F1	Animals (per animal per day or part of a day)	253.04	291.00	240.87	277.00
S18F2	Area required for production and catering (per m² per day or part of a day)	57.39	66.00	54.78	63.00
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	591.30	680.00	563.48	648.00
S18F5	Vehicles off Public Roads per Parking Bay (per vehicle per day/part of a day)	184.35	212.00	201.74	232.00
S20	**CREDIT CONTROL AND DEBT COLLECTION**				
S20A1	Admin fee on arrear accounts Notices	265.22	305.00	253.04	291.00
S20A2	Admin fee on 24 hour Notices - Bulk users	265.22	305.00	253.04	291.00
S20B	Admin fee on arrear accounts Disconnection and Reconnection Fee	625.22	719.00	595.65	685.00
S20C	SMS admin fee on arrear accounts Notices	20.00	23.00	19.13	22.00
S23	**FIRE SERVICES & DISASTER MANAGEMENT**				
S23A	Plot Clearing	Actual Cost + R1 528.80 admin. Fee	applicable vat	Actual Cost + R1 456.00 admin. Fee	applicable vat
S23A1	Re-inspection fee: 2nd and continueing inspection	215.48	236.00	205.22	236.00
S23B	Re-inspection Fee under By-law	228.70	263.00	217.39	250.00

Tariff Code	Detail	2026/2027		2025/2026	
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		R	R	R	R
S23C	**Extinghuising of Fires**				
S23C1	Extinguishing of structural fires per hour or part thereof per incident	R2 588.25 + add cost incurred	applicable vat	R2 465.00 + add cost incurred	applicable vat
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	R770.70 + add cost incurred	applicable vat	R734.00 + add cost incurred	applicable vat
S23C4	Extinguishing of vehicle/equipment fires per hour or part thereof	R770.70 + add cost incurred	applicable vat	R734.00 + add cost incurred	applicable vat
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	864.35	994.00	823.48	947.00
S23E	**Fire Prevention Inspections**				
S23E1	Tank installation - per tank	488.70	562.00	465.22	535.00
S23E2	LP Gas - per installation 48Kg and more incl bulk tanks	488.70	562.00	465.22	535.00
S23F	**Fire Safety (excluding municipal buildings)**				
S23F1	1st compliance inspection per 20 minutes	199.13	229.00	189.57	218.00
S23F2	2nd and continuing compliance inspection per 20 minutes	199.13	229.00	189.57	218.00
S23F3	Rates Clearance Inspection	263.48	303.00	251.30	289.00
S23F5	Fire Compliance Certificate excluding goFPA members	659.13	758.00	627.83	722.00
S23G	**Events**				
S23G1	Inspection of location and issuing of Population Certificate	326.09	375.00	310.44	357.00
S23G2	Standby at event per event per day or part thereof for vehicle and fire fighters	1 626.96	1 871.00	1 549.57	1 782.00
S23G3	**Business & Other Events**				
S23G3A	Per officer per hour or part thereof - Mon - Sat	626.96	721.00	597.39	687.00
S23G3B	Per officer per hour or part thereof - Sundays and public Holidays	766.96	882.00	163.48	188.00
S23G3C	Administrative fee for provision of officers - per application	171.30	197.00	163.48	188.00
S23H	**Burn Permits**				
S23H1	Burn Permit Inspection	407.83	469.00	388.70	447.00
S23J	**Special Services**				
S23J1	Ad hoc services	887.83	1 021.00	845.22	972.00
S23J2	Water Supply per hour, excluding water tariff as set out in the water tariff structure	887.83	1 021.00	845.22	972.00
S23L	Transportation Certification				
S23L1	Dangerous Goods Transportation Certification	714.78	822.00	680.87	783.00
S25	**LAW ENFORCEMENT**				
S25B	**Impoundment of Abanded or Obstructing items**				
S25B1	Per Impoundment	916.52	1 054.00	873.04	1 004.00
S25B2	Storage Fee per day	258.26	297.00	246.09	283.00

Tariff Code	Detail	2026/2027		2025/2026	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
		R	R	R	R
S25C	**Impoundment of Informal Traders (Hawkers) Goods**				
S25C1	Per Impoundment	971.30	1 117.00	925.22	1 064.00
S25C2	Removal of illegal structure per structure	3 984.35	4 582.00	3 794.78	4 364.00
S25C3	Storage Fee per day	258.26	297.00	246.09	283.00
S25D	**Pound fee: Dogs and Cats**				
S25D1	Impoundment of Dogs and Cats per animal	106.96	123.00	101.74	117.00
S25D2	Pound fee: from day 2 per day per animal	67.83	78.00	64.35	74.00
S25E	**Pound fee: Other Animals (not listed here)**				
S25E1	Impoundment fee per week per animal	1 044.35	1 201.00	994.78	1 144.00
S25F	**Pound fee: Horses**				
S25F1	Impoundment of Horses per animal	1 053.91	1 212.00	1 003.48	1 154.00
S25F2	Pound fee: per day per animal	263.48	303.00	251.30	289.00
S25G	**Pound fee: Sheep and Goats**				
S25G1	Impoundment of Sheep and Goats per animal	263.48	303.00	251.30	289.00
S25G2	Pound fee: per day per animal	132.17	152.00	126.09	145.00
S25H	**Pound fee: Cattle**				
S25H1	Impoundment of Cattle per animal	1 053.91	1 212.00	1 003.48	1 154.00
S25H2	Pound fee: per day per animal	173.91	200.00	165.22	190.00
S25I	**Pound fee: Pigs**				
S25I1	Impoundment of Pigs per animal	527.83	607.00	502.61	578.00
S25I2	Pound fee: per day per animal	199.13	229.00	189.57	218.00
S25J	**Pound fee: Poultry**				
S25J1	Impoundment of Poultry per animal	132.17	152.00	126.09	145.00
S25J2	Pound fee: per day per animal	27.83	32.00	26.09	30.00
S25K	**Pound fee: Shopping Trolley**				
S25K1	Impoundment of Shopping Trolley per trolley	591.30	680.00	563.48	648.00
S25M	Structures				
S25M1	Demolition of Structures	967.83	1 113.00	921.74	1 060.00
S25M2	Storage of material per day	241.74	278.00	230.44	265.00
S25P	**Bylaw on Outdoor Advertising**				
S25P1	Impoundment of illegal Advertising/Agent boards (per board) - small <2400cm²	106.96	123.00	101.74	117.00
S25P2	Impoundment of illegal Advertising/Agent boards (per board) - large >2400cm²	1 046.09	1 203.00	996.52	1 146.00
S25R	**Business & Other Events**				
S25R1	Per officer per hour or part thereof - Mon - Sat	664.35	764.00	633.04	728.00
S25R2	Per officer per hour or part thereof - Sundays and public Holidays	760.00	874.00	723.48	832.00
S25R3	Administrative fee for provision of officers - per application	181.74	209.00	173.04	199.00
S28	**LIBRARY**				

Tariff Code	Detail	2026/2027		2025/2026	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
		R	R	R	R
S28A1	Copies: A3 / page	2.61	3.00	2.17	2.50
S28A3	Copies: A3 page Colour	6.09	7.00	5.65	6.50
S28A5	Copies: A4/page (Library content only)	0.87	1.00	0.87	1.00
S28A7	Copies: A4 page Colour	4.35	5.00	3.91	4.50
S28D1	Lost Cards: Laminated (R/card) first time (*if available)	21.74	25.00	19.13	22.00
S28D1A	Lost Cards: Laminated (R/card)(subsequent lost card) (*if available)	43.48	50.00	39.13	45.00
S28D1B	Digital Library Card	13.04	15.00	New	New
S28D2	Laminated Cost A3	6.96	8.00	5.22	6.00
S28D3	Laminated Cost A4	5.22	6.00	3.91	4.50
S28E1	Penalty per book per week	2.00	no vat	2.00	no vat
S28E2	Penalty per record/CD per week	2.00	no vat	2.00	no vat
S28E3	Penalty per video/DVD per day	2.00	no vat	2.00	no vat
S28F2	Scanning of Document	2.61	3.00	2.00	2.30
S28G1	Special Requests - Hold per Book	7.83	9.00	6.96	8.00
S28G2A	Special Requests - ILL per Book	15.65	18.00	14.78	17.00
S28H1	Subscriptions/ reader - Adults (Non residents)	200.00	230.00	191.30	220.00
S28H2	Subscriptions/ reader - Children (Non residents)	86.96	100.00	86.96	100.00
S28H3	Subscriptions/ reader - Family max 5 (Non residents)	478.26	550.00	469.57	540.00
S28L1	Hire of Library Hall per Hour - Fundraising event	217.39	250.00	195.65	225.00
S28L2	Hire of Library Hall per Hour - NON- Fundraising event	39.13	45.00	36.52	42.00
S28M1	Minor Damage to book (per book)	32.17	37.00	29.57	34.00
S28M2	Damage or lost library material	As per System Price Rounded	applicable vat	As per System Price Rounded	applicable vat
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 administration fee (non-refundable)**				
S34A1	Lease, use or purchase of/or encroachment on or servitude over municipal land (excluding Sport Facilities/Stalls/Informal Trading and organs of state)	3 049.57	3 507.00	2 904.35	3 340.00
S34A2	Lease, use or purchase of municipal land - Social Care Institutions / Registered Organisations / NPO's / PBO's/ Community organisations	652.17	750.00	652.17	750.00
S34A3	Tempory lease of municipal land for the storage of building materials next to building sites or general short term purposes	730.43	840.00	695.65	800.00
S34A4	General consents issued in terms of the Administration of Immovable Property Policy (as amended)	685.22	788.00	652.17	750.00
S34C	**Encroachment Fee:**				
S34C1	Encroachments of Veranda, Balcony, Sign, Signboards or similar structure over/onto municipal land (per annum)	653.04	751.00	621.74	715.00

Tariff Code	Detail	2026/2027		2025/2026	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
		R	R	R	R
S34C2	Encroachments onto municipal land where a lease is not applicable (per annum)	653.04	751.00	621.74	715.00
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)	2.96	3.40	2.78	3.20
S34G	**Leases**				
S34G1	Tempory use (≤12months) of municipal land for the storage of building materials next to building sites or for general purposes (per m² per month)	7.83	9.00	7.39	8.50
S34G2	Lease of municipal land for outdoor seating adjoining a Restaurant (per m² per month)	44.35	51.00	40.87	47.00
S34G3	Lease of municipal land to Social Care Institutions / Registered Organisations / NPO's/ PBO's/ Sport facilities/Community organisations (per month)	200.87	231.00	191.30	220.00
S34G6	Lease of municipal land for the displaying or parking of vehicles (per m² per month)	8.26	9.50	7.65	8.80
S34H	**Radio Mast**				
S34H1	Equipment on municipal mast or municipal assets/infrastructure - per month per mast/municipal assets/infrastructure	2 885.22	3 318.00	2 747.83	3 160.00
S34H2	Space in building adjacent to the mast (per m² per month)	758.26	872.00	721.74	830.00
S34H3	Space outside the building adjacent to the mast (per m² per month)	374.78	431.00	356.52	410.00
S34H4	Lease of municipal land with a mast on or for the erection of a new mast (per m² per month)	374.78	431.00	356.52	410.00
S34J	**Memorial Benches / Picnic tables**				
S34J1	Application and administration fee for a new memorial bench on municipal land (non-refundable)	5 126.96	5 896.00	4 882.61	5 615.00
S34J2	Fee for a memorial bench/picnic table on municipal land (per annum)	374.78	431.00	356.52	410.00
S34J2A	Fee for a shared memorial bench/picnic table on municipal land (per annum)	188.70	217.00	New	New
S34J3	Application and administration fee for the allocation of a existing memorial bench / memorial picnic table (including two concrete seats) (non-refundable)	3 049.57	3 507.00	2 904.35	3 340.00
S34J4	Application and administration fee for a new memorial picnic table (including two concrete seats) installed on a concrete slab on municipal land (non-refundable)	9 221.74	10 605.00	8 782.61	10 100.00
S36	**PROPERTY INFORMATION**				
S36A1	Clearance Certificate (R/certificate) - ELECTRONIC	145.22	167.00	138.26	159.00
S36A2	Clearance Certificate (R/certificate) - MANUAL	439.13	505.00	418.26	481.00
S36B1	Deeds office registrations with sales information (R/100 erven or part)	190.43	219.00	181.74	209.00
S36B2	Deeds office registrations with sales information (R/erf)	50.43	58.00	47.83	55.00
S36C	Extract from the Valuation Roll (R/page)	16.52	19.00	15.65	18.00
S36F	Revaluation fee	2 715.65	3 123.00	2 586.09	2 974.00
S36G1	Valuation Certificate (R/certificate) - ELECTRONIC	67.83	78.00	64.35	74.00
S36G2	Valuation Certificate (R/certificate) - MANUAL	228.70	263.00	217.39	250.00
S36H	Access of valuation roll Information on CD	519.13	597.00	494.78	569.00
S40	**RENTAL: COMMUNITY HALLS**				

Tariff Code	Detail	2026/2027		2025/2026	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
		R	R	R	R
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	2 582.00	no vat	2 459.00	no vat
S40A2	Hire of Auditorium and Banqueting Hall per Hour or part of a hour	907.83	1 044.00	864.35	994.00
S40A3	Hire of Auditorium per Hour or part of a hour	530.43	610.00	505.22	581.00
S40A4	Hire of Banqueting Hall per Hour or part of a hour	530.43	610.00	505.22	581.00
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	689.57	793.00	656.52	755.00
S40A6	Piano per event	Actual Tuning Cost	applicable vat	Actual Tuning Cost	applicable vat
S40A7	Use of sound and/or Ligthing Equipment per event per hour	144.35	166.00	137.39	158.00
S40A8	Use of Kitchen per day	949.57	1 092.00	904.35	1 040.00
S40A9	Hire of Glasses or Cups, Sauers and teaspoons per event	277.39	319.00	264.35	304.00
S40A10	Local NGO's and CBO's per hour per venue - all events	295.65	340.00	281.74	324.00
S40A11	Church Services / funeral tea maximum 3hrs per day	273.91	300.00	260.87	300.00
S40A12	Preparation for event - per hour	187.83	216.00	179.13	206.00
S40A13	Meetings: Government departments (private meetings), NGO's and CBO's from outside the municipal area, per hour (Banquet hall)	418.26	481.00	398.26	458.00
S40A14	Meetings: Local CBO's & NGO's per hour (Banquet hall only) maximum 3hrs per day	91.30	105.00	86.96	100.00
S40A15	Weddings, Birthdays and Special Occasions per day (including the Kitchen)	2 633.04	3 028.00	2 507.83	2 884.00
S40A16	Festivals/Exhibitions/Events per day (max 14 days). Both venues, excluding extras - more than 14 days refer to general tariffs	907.83	1 044.00	864.35	994.00
S40C	**Rental Hostel Units - Kleinmond / Zwelihle**				
S40C1	Kleinmond Hire per room with communal services per month	65.22	75.00	61.74	71.00
S40C2	Zwelihle: Hire per romm with individual services per month	139.13	160.00		
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 day	418.17	480.90	398.26	458.00
S40E5	Funeral services / Funeral Tea / Church Services (maximum five hours per day)	273.91	315.00	260.87	300.00
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 Monday to Friday	no charge	no vat	no charge	no vat

Tariff Code	Detail	2026/2027		2025/2026	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
		R	R	R	R
S40E7	Non-fundraising events for Schools, other training institutions and sport & recreation per day	346.96	399.00	330.44	380.00
S40E8	Meetings: Local CBO's and NGO's per hour	40.00	46.00	38.26	44.00
S40E8A	Tariff for events continuing after midnight including church services (24h00) per hour	410.43	472.00	391.30	450.00
S40E9	Non-fundraising (parties) Per daytime *or* evening	346.96	399.00	200.00	230.00
S40E10	Use of Kitchen - Fundraising events per event	381.74	439.00	363.48	418.00
S40E11	Use of Kitchen - Non Fundraising	381.74	439.00	363.48	418.00
S40J11A	Breakage Deposit Abalone hall and Moffat hall (Refundable)	273.91	315.00	260.87	300.00
S40J11B	Preparation for event - per hour	99.13	114.00	New	New
Note	**Daytime = 07:00 - 17:00 // Evening = 18:00 - 24:00 // Midnight 24:00 - 6:00 Morning (Charge seperately)**				
S40J	**Kleinmond Civic Center Hall, & Hawston Thusong Centre**				
S40J1	Deposit: (refundable) Government Imbizos & Government Meetings.	753.00	no vat	717.00	no vat
S40J2	Deposit (refundable): Hawston Thusong Centre	1 359.00	no vat	1 294.00	no vat
S40J3	Fundraising: Karaoke, Disco, competitions, etc. per daytime or evening	949.57	1 092.00	904.35	1 040.00
S40J4	Church Services maximum 3 hours per day	N/A	N/A	260.87	300.00
S40J5	Funeral tea / Funeral service / Church service (maximum 5 hours) per day	273.91	315.00	260.87	300.00
S40J6	Government Imbizos (per day)	2 924.35	3 363.00	2 785.22	3 203.00
S40J7	Non-fundraising events for Schools, other training institutions and sport & recreation	346.96	399.00	329.57	379.00
S40J8	Meetings: Government Departments (private meetings) & CBO's outside Municipal area per hour	418.26	481.00	398.26	458.00
S40J9	Meetings: Local CBO's, NGO's, Non-fund-raising indoor sports per hour (only large groups > 30) - (No Deposits)	40.00	46.00	38.26	44.00
S40J9A	Tariff for events continuing after midnight including church services (24h00) per hour	410.43	472.00	391.30	450.00
S40J10	Preparation for event - per hour	98.26	113.00	93.91	108.00
S40J11	Non-fundraising: Parties, weddings, indoor sports, etc. per daytime or evening	474.78	546.00	452.17	520.00
S40J11A	Breakage Deposit Abalone hall and Moffat hall (Refundable)	0.00	0.00	260.87	300.00
S40J12	Tariff for events continuing after midnight (24h00) per hour	291.30	335.00	277.39	319.00
S40J13	Sound OR Ligthing Equipment per event (each item) per hour	146.09	168.00	139.13	160.00
S40J14	Use of kitchen (per event per day)	457.39	526.00	435.65	501.00
S40J15	Use of kitchen for water jugs and glasses or tea cups & sauces (per event per day)	66.96	77.00	63.48	73.00
Note	**Daytime = 07:00 - 17:00 // Evening = 18:00 - 24:00 // Midnight 24:00 - 6:00 Morning (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)	39.26	45.15	37.39	43.00
S43A2	Open Stalls per day (Western Cape December Holiday plus Easter Weekend)	58.43	67.20	55.65	64.00

Tariff Code	Detail	2026/2027		2025/2026	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
		R	R	R	R
S43A3	All open stalls per annum (demarcated area)(excluding Western Cape December Holiday plus Easter Weekend) (10 months)	547.83	630.00	521.74	600.00
S43A4	Open Stalls per month (Western Cape December Holiday plus Easter Weekend)	94.96	109.20	90.44	104.00
S43B	**Outside the CBD**				
S43B1	Open Stalls Rental --December - January pm	130.57	150.15	124.35	143.00
S43B2	Open Stalls Rental - February to November pm	54.78	63.00	52.17	60.00
S43B3	Open Stalls Rental - February to November per annum (10 months)	525.00	603.75	500.00	575.00
S43D	**Events: Any Public Open Space, Beaches, Gardens, Nature Reserves, Parks, Caravan Parks, Camping Sites and Resorts (As per the Event By-Law and Policy)**				
S43D1	Car Park - Private Car Sales per day (demarcated areas)	0.00	0.00	0.00	0.00
S43D2	Profitable Organisations, sporting events, markets, music festivals etc as per the Events By-Law and Policy (Excluding other services eg. Refuse collection, electricity, etc.) per event	8 207.35	9 438.45	7 816.52	8 989.00
S43D3	Non-profitable Organisations, birthday parties, weddings, creches, school events, relligious events, awareness campaigns (Excluding other services eg. Refuse collection, electricity, etc.) per event	513.13	590.10	488.70	562.00
S43F	**Beaches**				
S43F2	Rental December to January pm	325.96	374.85	310.44	357.00
S43F3	Rental February to November pm	108.65	124.95	103.48	119.00
S43G	**Leases**				
S43G4	Lease of stalls/containers on municipal land for informal trading (full stall/container) (per month)	254.74	292.95	242.61	279.00
S43G5	Lease of stalls/containers on municipal land for informal trading (half a stall/container) (per month)	105.91	121.80	100.87	116.00
S46	**RENTAL: OFFICE**				
S46A	Rental for office space (Hermanus Administration) (per m² per month)	173.48	199.50	165.22	190.00
S46A1	Rental for office space (Gansbaai, Stanford & Kleinmond Administrations) (per m² per month)	86.74	99.75	82.61	95.00
S46A2	Rental for office space to NGO's/NPO's irrespective of area (per m² per month)	52.96	60.90	50.44	58.00
S46B	Rental for office space - Local Council Functions	no charge	no vat	no charge	no vat
S48	**RENTAL: SPORT FACILITIES**				
S48A	**Spaces for Sport - Blompark/Eloxolweni/Gansbaai Communal Sport Centre(S4S) / Hawston /Masakane/ Kleinmond / Mount Pleasant / Overhills / Stanford / Zwelihle**				
S48A1	Club House - per hour (private events)	238.31	274.05	226.96	261.00
S48A2	Club House - Sport events hosted by affiliated Sport and Recreation structures per hour	58.43	67.20	55.65	64.00

Tariff Code	Detail	2026/2027		2025/2026	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
		R	R	R	R
S48A3	Club House - Sport event hosted by Non-affiliated Sport and Recreation structures - per hour	119.61	137.55	113.91	131.00
S48A4	Club House Education, Welfare & NPO's/NGO's, Churches per hour	58.43	67.20	55.65	64.00
S48A5	Club House - Schools & Non-fundraising events per day	58.43	67.20	55.65	64.00
S48A6	Club House-- All events hosted where the municipality is the official host	no charge	no charge	no charge	no charge
S48A7	Club House - All events hosted by Government Departments directly benefiting the community	no charge	no charge	no charge	no charge
S48A8	Club House - Hiring of kitchen per day	358.83	412.65	341.74	393.00
S48A9	Club House - Breakage deposit	0.00	no vat	0.00	no vat
S48A10	Club House - Gatherings/meetings (non-fundraising) per hour (S48A1)	N/A	N/A	31.30	36.00
S48A11	Club House - Gatherings/meetings/private functions & fundraising events per hour (S48A1)	N/A	N/A	196.52	226.00
S48B	**Sport grounds**				
S48B1	Sportgrounds - Use of field: Affiliated members & schools per month per field	205.43	236.25	195.65	225.00
S48B2	Sportgrounds - use of field: Affiliated members & schools per day per field	102.26	117.60	97.39	112.00
S48B3	Sportgrounds - Festivals/Non-fundraising events per day	1 026.26	1 180.20	977.39	1 124.00
S48B4	Sportgrounds - Exhibitions/shows/private events per day	1 026.26	1 180.20	977.39	1 124.00
Note	**Sportgrounds refer to playing surfaces**				
S48C	**Affiliation fees**				
S48C1	Affiliation fees - Overstrand sport clubs per annum	205.22	236.00	195.65	225.00
S48C2	Affiliation fees - Overstrand schools per annum	205.22	236.00	195.65	225.00
S48D	**Tennis/Netball/Basketball Courts**				
S48D1	Tennis/Netball/Basketball Courts - Affiliated members & schools per month	102.61	118.00	97.39	112.00
S48D2	Tennis/Netball/Basketball Courts - Non-affiliated members & individuals per month	45.22	52.00	48.70	56.00
S49	**RENTAL: VACANT SERVICED ERVEN FOR LOW COST HOUSING**				
S49A	Wetcore Stands (Social Housing) - rent per month	49.57	57.00	46.96	54.00
S50	**SCHUSS HOUSES KLEINMOND (Meerenvlei)**				
S50A	Rental per unit per month	1 475.65	1 697.00	1 365.22	1 570.00
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 + R64.00	applicable vat	actual cost + R61.00	applicable vat
S55B3	Administration Cost - Trace of Direct Deposit	actual cost + R132.00	applicable vat	actual cost + R126.00	applicable vat
S55D1	Copies: A3 page	6.09	7.00	5.57	6.40
S55D2	Copies: A3 page Colour	10.43	12.00	10.17	11.70
S55D3	Copies: A4 page	2.61	3.00	2.44	2.80
S55D4	Copies: A4 page Colour	6.96	8.00	6.78	7.80
S55E	Foreign Bank Cost	actual cost	applicable vat	actual cost	applicable vat
S55F1	Fax per page - excluding 0865/6 numbers	6.96	8.00	6.78	7.80
S55F2	Fax per page - 0865/6 numbers	12.17	14.00	11.30	13.00
S55G1	Interest on accounts in arrear	prime + 4%	no vat	prime + 4%	no vat

Tariff Code	Detail	2026/2027		2025/2026	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
		R	R	R	R
S55G2	Placard / Poster Deposit for Elections	6 588.00	no vat	6 274.00	no vat
S55G4	Placard / Poster Deposit for Political Parties	6 588.00	no vat	6 274.00	no vat
S55H	Placard / Poster each	23.48	27.00	22.17	25.50
S55I	Multiple Duplicate Consumer Accounts per statement	11.30	13.00	11.13	12.80
S55I1	Duplicate PayDay pay slip	11.30	13.00	11.13	12.80
S55J	Section 62 of local Government: Systems Act: appeal deposit (refundable if appeal is upheld)	0.00	no vat	0.00	no vat
S55K1A	Tender objection deposit (refundable if appeal is upheld)	0.00	no vat	0.00	no vat
S55K1B	Tender objection deposit (partially upheld -50% refundable)	0.00	no vat	0.00	no vat
S55K2	Tender documentation Fee: (less than 50 pages)	26.09	30.00	26.09	30.00
S55K3	Tender documentation Fee: (more than 51 pages less than 200 pages)	130.44	150.00	130.44	150.00
S55K4	Tender documentation Fee: (more than 200 pages)	217.39	250.00	217.39	250.00
S55K5	Tender documentation Fee (CIDB colour-coded pages)	521.74	600.00	521.74	600.00
S55L	Advertising Signs Auctioneers per 14days	351.30	404.00	334.78	385.00
S55K1	Laminated Cost A3	9.57	11.00	8.70	10.00
S55K2	Laminated Cost A4	6.09	7.00	5.57	6.40
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	5.22	6.00	4.61	5.30
S60A2	Children (Older than 3 years) per child per day or part of a day	5.22	6.00	4.61	5.30
S60A4	Galas	125.22	144.00	119.13	137.00
S60A5	Training sessions (Schools & Clubs) per season	198.26	228.00	188.70	217.00
S65	**TOP MANAGEMENT CONSULTATIONS**				
S65A1	Consultation Fee (Top Management) per hour	1 398.26	1 608.00	1 331.30	1 531.00
S72	**TOWN PLANNING: APPLICATION FEES**				
S72A	Amendment, deletion or additional contitions in respect of an existing approval	2 866.96	3 297.00	2 730.44	3 140.00
S72A1	Phasing, amendment, or cancellation of a plan of subdivion or a part thereof, including a General Plan or diagram	3 050.43	3 508.00	2 905.22	3 341.00
S72A2	Permission required in terms of condition of approval	3 050.43	3 508.00	2 905.22	3 341.00
S72B	Application for deviation of SDF/Sectoral Plans	3 592.17	4 131.00	3 420.87	3 934.00
S72F	**Amendment, Suspension or Deletion of Restrictive Conditions**				
S72F1	Erven 150m² and smaller	353.04	406.00	336.52	387.00
S72F2	Erven between 150 m² and 400 m²	727.83	837.00	693.04	797.00
S72F3	Erven 400 m² and larger	5 374.78	6 181.00	5 119.13	5 887.00
S72G	**Consolidations (if combined with a subdivision application, only the subdivision fee is payable)**				

Tariff Code	Detail	2026/2027		2025/2026	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
		R	R	R	R
S72G1	Erven 150m² and smaller	329.57	379.00	313.91	361.00
S72G2	Erven between 150 m² and 400 m²	665.22	765.00	633.91	729.00
S72G3	Erven 400 m² and larger	3 794.78	4 364.00	3 613.91	4 156.00
S72H	**Subdivision (cumulative)**				
S72H1	up to 5 erven	5 129.57	5 899.00	4 885.22	5 618.00
S72H2	6 to 10 erven	8 731.30	10 041.00	8 315.65	9 563.00
S72H3	More than 10	8 731.30	10 041.00	8 315.65	9 563.00
S72H3A	Additional per erf after 10	131.30	151.00	125.22	144.00
S72I	**Application for Consent Use**				
S72I1	Erven 150m² and smaller	0.00	0.00	286.96	330.00
S72I2	Erven between 150m² and 400m²	800.00	920.00	761.74	876.00
S72I3	Erven 400 m² and larger	3 795.65	4 365.00	3 614.78	4 157.00
S72J	**Application for Rezoning and Closure of Public Place**				
S72J1	Erven 150 m² and smaller	800.00	920.00	761.74	876.00
S72J2	Erven between 150 m² and 400 m²	1 306.96	1 503.00	1 244.35	1 431.00
S72J3	Erven between 400m² and 5000m²	8 731.30	10 041.00	8 315.65	9 563.00
S72J4	Erven 5000m² and larger	9 999.13	11 499.00	9 522.61	10 951.00
S72K	**Departure ito Section 16(2)(b) and (c) of OM Land Use Planning Bylaw**				
S72K1A	Erven 150m and smaller	301.74	347.00	286.96	330.00
S72K1B	Erven between 150m² and 400m²	664.35	764.00	633.04	728.00
S72K1C	Erven 400 m² and larger	3 795.65	4 365.00	3 614.78	4 157.00
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	433.00	no vat	412.00	no vat
S72L2	Erven between 150m² and 400 m²	812.00	no vat	773.00	no vat
S72L3	Erven 400 m² and larger	4 380.00	no vat	4 171.00	no vat
	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	2 761.74	3 176.00	2 630.44	3 025.00
S72N	**Zoning Determination**				
S72N1	Erven 150m² and smaller	800.00	920.00	761.74	876.00
S72N2	Erven between 150 m² and 400 m²	2 513.04	2 890.00	2 393.04	2 752.00
S72N3	Erven 400 m² and larger	3 795.65	4 365.00	3 614.78	4 157.00
S72N4	Disestablishment of HOA	3 795.65	4 365.00	3 614.78	4 157.00
S72P	**Relaxation of Title Deed** (if combined with departure application only the higest fee applies)				

Tariff Code	Detail	2026/2027		2025/2026	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
		R	R	R	R
S72P0	Erven 150m² and smaller	340.87	392.00	324.35	373.00
S72P1	Erven between 150m² and 400m²	664.35	764.00	633.04	728.00
S72P2	Erven larger than 400m²	3 779.13	4 346.00	3 599.13	4 139.00
S72Q	**Permission in terms of Zoning Scheme including permission for the reconstruction of an existing building that constitutes a non-conforming use**				
S72Q1	Erven 150m² and smaller	301.74	347.00	286.96	330.00
S72Q2	Erven between 150m² and 400m²	664.35	764.00	633.04	728.00
S72Q3	Erven 400 m² and larger	3 795.65	4 365.00	3 614.78	4 157.00
S72R	Extension of period of validity of an approval	953.91	1 097.00	908.70	1 045.00
S72S	Exemption in terms of Section 26	150.43	173.00	143.48	165.00
S72T	Departure from trading hours in terms of the Oversrtrand Liquor Trading By-law	3 796.52	4 366.00	3 615.65	4 158.00
S75	**TOWN PLANNING: LAND USE PLANNING FEE**				
S75A1	Advertising Costs Government Gazette	5 513.91	6 341.00	5 251.30	6 039.00
S75A2	Advertising Costs Local newspapers	5 513.91	6 341.00	5 251.30	6 039.00
S75A3	Advertising Costs Local Newspaper (Removal of Restriction only)	11 026.96	12 681.00	10 501.74	12 077.00
S75A4	Advertising Costs - Placing of Final Notice in the Government Gazette	1 558.26	1 792.00	1 484.35	1 707.00
S75B	Regulations of Zoning schemes (printing)	341.74	393.00	325.22	374.00
S75C	Spatial Development Framework (printing)	341.74	393.00	325.22	374.00
S75D	Zoning Certificate	381.74	439.00	363.48	418.00
S75D1	Zoning Certificate - Non Profit Organisation (NPO)	No Charge	no vat	No Charge	no vat
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	381.74	439.00	363.48	418.00
S75H	Section 30(2) Certification / Clearance (only for the first transfer) (tariff not applicable in case of transfer op property between spheres of government, housing projects (municipal, provicial or national government) or registered NPO's	2 251.30	2 589.00	2 144.35	2 466.00
S75I	Determination of Administrative Penalty: % as determined in terms of Section 90(5) of the Overstrand Municipality Land Use Planning Amendment By-Law, 2020	applicable rate	applicable vat	applicable rate	applicable vat
S75I1	Formal structure - habitable (erven 150m² and smaller) per sqm	6 534.78	7 515.00	6 223.48	7 157.00
S75I2	Formal structure - habitable (erven larger than 150m²) per sqm	19 600.87	22 541.00	18 667.83	21 468.00
S75I3	Formal structure non-habitable per sqm	average of two formal quotations	average of two formal quotations	average of two formal quotations	average of two formal quotations
S80	**TRAFFIC**				
S80J	**Business & Other Events**				
S80J1	Per officer per hour or part thereof - Mon - Sat	664.35	764.00	633.04	728.00
S80J2	Per officer per hour or part thereof - Sundays and public Holidays	760.00	874.00	723.48	832.00

Tariff Code	Detail	2026/2027		2025/2026	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
		R	R	R	R
S80J4	Administrative fee for provision of officers - per application	181.74	209.00	173.04	199.00
S80K	**Removal of Vehicles/Towing Fee**				
S80K1	Removal of Vehicles per vehicle	1 594.78	1 834.00	1 519.13	1 747.00
S80K2	Storage Fees per day	438.26	504.00	417.39	480.00
S80K3	Towing Charge	Cost plus 15%	applicable vat	Cost plus 15%	applicable vat
S80K4	Wheel Clamping per vehicle	N/A	N/A	563.48	648.00
S80L	**Traffic Cones**				
S80L1	Hire of Traffic Cones per Cone per day	94.78	109.00	90.44	104.00
S80P	**Disabled Parking Token**				
S80P1	Disabled Parking Token per application - valid for 2year period	174.78	201.00	166.09	191.00
S80R	**Impoundment of Boats**				
S80R1	Impoundment Fee per boat	2 363.48	2 718.00	2 251.30	2 589.00
S80T1	NLTA impoundments of public transport vehicles according the Government Notice 5/2009	7 612.17	8 754.00	7 249.57	8 337.00
S80T2	NLTA Deviating of the routes public transport	2 719.13	3 127.00	2 589.57	2 978.00
S85	**WAYLEAVES AND THE USE OF MUNICIPAL ROAD RESERVES FOR THE INSTALLATION OF SERVICES**				
S85A	**Administration and Supervision Fee**				
S85A2	Administration fee for a wayleave or permit to use the road reserve to install an underground service **per permit/event/incident**	1 998.26	2 298.00	1 903.48	2 189.00
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**				
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)	13 555.65	15 589.00	12 910.44	14 847.00

REFUSE (SOLID WASTE) TARIFFS

Tariff Code	Detail	2026/2027		2025/2026	
		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**)	281.67	323.92	268.26	308.50
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)**	281.67	323.92	268.26	308.50
	BUSINESS WASTE				
SAN1C	Commercial/Business (Hostels, Old Age Homes, Caravan Sites, Semi-permanent Resorts etc) (**R/Month)**	281.67	323.92	268.26	308.50
SA1N1	Bulk Container 240L (Wheeley bin) **(R/Month) 1** X per week (if available)	281.67	323.92	268.26	308.50
SAN1N	Bulk Container 240L (Wheeley bin) **(R/Month) 2** X per week (if available)	563.35	647.85	536.52	617.00
SA1N3	Bulk Container 240L (Wheeley bin) **(R/Month) 3** X per week CBD (if available)	845.02	971.77	804.78	925.50
SA1N4	Bulk Container 240L (Wheeley bin) **(R/Month) 4** X per week CBD (if available)	1 126.69	1 295.70	1 073.04	1 234.00
SA1N2	Bulk Container 240L (Wheeley bin) **(R/Month) 5** X per week CBD (if available)	1 408.37	1 619.62	1 341.30	1 542.50
SAN1O	Camphill Route **(R/Month)** (If available)	2 213.12	2 545.08	2 107.73	2 423.89
SAN1P	Additional Removals per week on **Saturday** per Bin **(R/Month)** per removal	422.54	485.92	402.42	462.78
SA1P1	Additional Removals on request Central Town (CBD) per bin **(R/Month**) (Sunday or Public Holidays) per removal	563.35	647.85	536.52	617.00
SA1P2	All CBD's additional Removal during normal working week, per Bin, per removal	65.13	74.90	62.03	71.33
SA1P3	All CBD's additional Removal on Saturday, per Bin per removal	97.71	112.36	93.06	107.01
SA1P4	All CBD's additional Removal during Sunday or Public Holidays, per Bin per removal	130.27	149.81	124.07	142.68
SA1Q	Caravan Sites, Chalets, Semi-permanent & Resorts **(R/Month)** (Uilenskraalmond Vakansieoord; Franskraal Vakansieoord; Pearly Beach Camp, Micheal Fuchs Guesthouse) **NO REMOVAL (per unit/site)**	90.62	104.21	86.31	99.25
SAN1R	Departmental Consumption (Municipal Consumption per removal site per **month**)	281.67	323.92	268.26	308.50
SAN1U	Schools **(R/Month)**	281.67	323.92	268.26	308.50
SAN1T	Removal outside service area (per removal per hour) (If available)	2 112.51	2 429.38	2 011.91	2 313.70
SAN1V	Single Quarters & Transit Camps per unit	90.53	104.11	86.22	99.15
SAN1W	Guesthouses, Bed & Breakfast **(R/Month)**	281.67	323.92	268.26	308.50
SAN1X	Removal of food waste for safe disposal (**R/per Collection**)	560.81	644.93	534.10	614.22
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

Tariff Code	Detail	2026/2027		2025/2026	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
		R	R	R	R
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)	162.52	186.90	462.61	532.00
SA2B3	Vehicles >2 & up to 3 Ton per vehicle load capacity (6 X SAN3B)	487.56	560.69	770.44	886.00
SAN2C	**WEIGH BRIDGE - SELF DUMPING ZWELIHLE DROP OFF: GENERAL REFUSE (rounding applicable)**				
SA2C1	Up to 1 ton load weighed	no Charge	no vat	no Charge	no vat
SA2C2	Above 1 ton load weighed per 250 kg or part there of weighed (maximum 3 tons)	81.26	93.45	77.39	89.00
SA2C3	Weighing - Commercial vehicles (Cars, pick-ups / bakkies, campers, caravans and trailers)	251.09	288.75	239.13	275.00
SA2C4	Weighing - Large vehicles (trucks and busses)	644.61	741.30	613.91	706.00
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 250 kg or part there of weighed	81.26	93.45	77.39	89.00
SAN3D	Clean builders rubble and sand	no Charge	no vat	no Charge	no vat
SAN3F	Mixed builders rubble per 250 kg or part there of weighed (load contaminated with waste eg wood, plasitc, paper , cardboard, etc)	81.26	93.45	77.39	89.00
SAN3G	Weighing - Commercial vehicles (Cars, pick-ups / bakkies, campers, caravans and trailers)	251.09	288.75	239.13	275.00
SAN3H	Weighing - Large vehicles (trucks and busses)	650.74	748.35	614.78	707.00
SAN4	**BASIC FEE REFUSE SERVICE (Erven without approved building plans)**				
SAN4A	All registered erven without approved building plans **(R/Month)**	140.83	161.95	134.12	154.24
SAN5	**SUNDRIES (rounding applicable)**				
SAN5A	Rental of Bulk Container per day (including disposal)	141.52	162.75	134.78	155.00
SAN5B	Deposit - rental of bulk containers per 4 bins or less	1 064.70	no vat	1 014.00	no vat
SAN5C	Asbestos Sheet - per unit (Limited to **max 10m² per six month period**)	171.65	197.40	163.48	188.00
SAN5D	Baboon Resistant 240L Wheeley bin with lock delivered to homes - projects	1 678.17	1 929.90	1 598.26	1 838.00
SAN5E	Replacement lock on baboon resistant wheelie bin	522.26	600.60	497.39	572.00
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
SAN5F2	Per cubic (m³) (when available and for self loading)	0.00	0.00	0.00	0.00

ELECTRICITY TARIFFS

Tariff Code	Detail		2026/2027		2025/2026	
			Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
ED	**CONSUMER DEPOSITS**					
ED1	Large Power User Group tariff E5 (excluding Kleinmond)	R	0.00	no vat	0.00	no vat
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	4 232.00	no vat	3 992.00	no vat
ED4	Domestic Three Phase Credit Meter (Two Part Tariff)- Electricity	R	7 419.00	no vat	6 999.00	no vat
ED5	Commercial Three Phase Credit Meter (Two Part Tariff) - Electricity	R	16 912.00	no vat	15 955.00	no vat
ED6	Domestic & Commercial Single Phase Pre-paid (Two Part Tariff) - Electricity	R	975.00	no vat	920.00	no vat
ED7	Domestic & Commercial Three Phase Pre-paid (Two Part Tariff) - Electricity	R	1 948.00	no vat	1 838.00	no vat
ED8	Indigent Registered (including UISP)	R	314.00	no vat	296.00	no vat
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
E1	**SINGLE PHASE : DOMESTIC**					
E1A	**Two-Part Tariff: Credit meters 60 Amp (13.8 kVA BDMD) (Including Resorts)**					
EB1A	Basic Monthly charge per meter per month	R	347.29	399.38	413.97	476.07
EC	Capacity Charge per Amp/Phase/Month	R	9.05	10.41	5.48	6.30
EC1D	Capacity Charge : 60Amp	R	543.00	624.45	328.80	378.12
	kWH Unit cost					
E1A2	IBT BLOCK 1 0 - 350 kWh	c	255.52	293.85	232.91	267.85
E1A3	IBT BLOCK 2 351 - 600 kWh	c	285.73	328.59	287.82	330.99
E1A4	IBT BLOCK 3 > 600 kWh	c	307.38	353.49	327.17	376.25
E1B	**Two-Part Tariff: Pre-paid up to 60 Amp (13.8 kVA BDMD) (Including Resorts)**					
EB1B	Basic Monthly charge per meter per month	R	347.29	399.38	413.97	476.07
EC	Capacity Charge per Amp/Phase/Month	R	9.05	10.41	5.48	6.30
EC1A	Capacity Charge : 30Amp	R	271.50	312.23	164.40	189.06
EC1B	Capacity Charge : 40Amp	R	362.00	416.30	219.20	252.08
EC1C	Capacity Charge : 50Amp	R	452.50	520.38	274.00	315.10
EC1D	Capacity Charge : 60Amp	R	543.00	624.45	328.80	378.12

Tariff Code	Detail		2026/2027		2025/2026	
			Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
	kWH Unit cost					
E1B2	IBT BLOCK 1 0 - 350 kWh	c	250.60	288.19	223.97	257.57
E1B3	IBT BLOCK 2 351 - 600 kWh	c	280.28	322.32	277.90	319.59
E1B4	IBT BLOCK 3 > 600 kWh	c	302.87	348.30	318.97	366.82
E1C	**SINGLE PHASE : COMMERCIAL**					
EB1C	Basic Monthly charge per meter per month	R	347.29	399.38	413.97	476.07
EC	Capacity Charge per Amp/Phase/Month	R	13.87	15.95	8.41	9.67
EC2A	Capacity Charge : 30Amp	R	416.10	478.52	252.30	290.15
EC2B	Capacity Charge : 40Amp	R	554.80	638.02	336.40	386.86
EC2C	Capacity Charge : 50Amp	R	693.50	797.53	420.50	483.58
EC2D	Capacity Charge : 60Amp	R	832.20	957.03	504.60	580.29
	kWH Unit cost					
E1C2	kWH Unit cost - Credit Meters	c	285.20	327.98	289.69	333.14
E1C3	KwH Unit cost - Pre-paid meters	c	279.64	321.59	279.58	321.52
E1D	**Life Line Two part tariff (Pre-paid meters only) ≤ 30 Amp. Only available to Informal dwellings in informal areas**					
E1D1	Supply Basic Monthly charge per meter per month	R	179.29	206.18	108.62	124.91
EC	Supply Capacity Charge per Amp/Phase/Month	R	9.05	10.41	5.48	6.30
EC1D	Supply Capacity Charge : 30Amp	R	271.50	312.23	164.40	189.06
	kWH Unit cost					
E1B2	IBT BLOCK 1 0 - 350 kWh	c	250.60	288.19	223.97	257.57
E1B3	IBT BLOCK 2 351 - 600 kWh	c	280.28	322.32	277.90	319.59
E1B4	IBT BLOCK 3 > 600 kWh	c	302.87	348.30	318.97	366.82
E1E	**Two part tariff (Pre-paid meters only) Local Economic Development Projects**					
E1E1	Basic Monthly charge per meter per month	R	179.29	206.18	108.62	124.91
EC	Capacity Charge per Amp/Phase/Month	R	13.87	15.95	8.41	9.67
EC2A	Capacity Charge : 30Amp	R	416.10	478.52	252.30	290.15
EC2B	Capacity Charge : 40Amp	R	554.80	638.02	336.40	386.86
EC2C	Capacity Charge : 50Amp	R	693.50	797.53	420.50	483.58
EC2D	Capacity Charge : 60Amp	R	832.20	957.03	504.60	580.29
	kWH Unit cost					
E1E1	IBT BLOCK 1 0 - 350 kWh Unit cost	c	303.48	349.00	303.36	348.86
E3	**THREE PHASE: COMMERCIAL & DOMESTIC**					
E3E	**Two-Part Tariff: Credit up to 100A (70 kVA BDMD) DOMESTIC**					
EB2A	Basic Monthly charge per meter per month	R	553.47	636.49	742.44	853.81
EC	Capacity Charge per Amp/Phase/Month	R	9.05	10.41	5.48	6.30
EC3A	Capacity Charge : 40Amp	R	1 086.00	1 248.90	657.60	756.24
EC3B	Capacity Charge : 60Amp	R	1 629.00	1 873.35	986.40	1 134.36
EC3C	Capacity Charge : 80Amp	R	2 172.00	2 497.80	1 315.20	1 512.48
EC3D	Capacity Charge : 100Amp	R	2 715.00	3 122.25	1 644.00	1 890.60

Tariff Code	Detail		2026/2027		2025/2026	
			Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
	kWH Unit cost					
E3E2	IBT BLOCK 1 0 - 350 kWh	c	256.13	294.55	225.76	259.62
E3E3	IBT BLOCK 2 351 - 600 kWh	c	286.12	329.04	288.53	331.81
E3E4	IBT BLOCK 3 > 600 kWh	c	306.66	352.66	325.86	374.74
E3E	**Two-Part Tariff: Pre-paid up to 100A (70 kVA BDMD) DOMESTIC**					
EB2B	Basic Monthly charge per meter per month	R	553.47	636.49	742.44	853.81
EC	Capacity Charge per Amp/Phase/Month	R	9.05	10.41	5.48	6.30
EC3A	Capacity Charge : 40Amp	R	1 086.00	1 248.90	657.60	756.24
EC3B	Capacity Charge : 60Amp	R	1 629.00	1 873.35	986.40	1 134.36
EC3C	Capacity Charge : 80Amp	R	2 172.00	2 497.80	1 315.20	1 512.48
EC3D	Capacity Charge : 100Amp	R	2 715.00	3 122.25	1 644.00	1 890.60
	kWH Unit cost					
E3E6	IBT BLOCK 1 0 - 350 kWh	c	251.17	288.85	225.00	258.75
E3E7	IBT BLOCK 2 351 - 600 kWh	c	280.64	322.74	278.57	320.36
E3E8	IBT BLOCK 3 > 600 kWh	c	302.18	347.51	317.71	365.37
E3E	**Two-Part Tariff: Credit up to 100A (70 kVA BDMD) COMMERCIAL**					
EB2C	Basic Monthly charge per meter per month	R	553.47	636.49	742.44	853.81
EC	Capacity Charge per Amp/Phase/Month	R	13.87	15.95	8.41	9.67
EC3A	Capacity Charge : 40Amp	R	1 664.40	1 914.06	1 009.20	1 160.58
EC3B	Capacity Charge : 60Amp	R	2 496.60	2 871.09	1 513.80	1 740.87
EC3C	Capacity Charge : 80Amp	R	3 328.80	3 828.12	2 018.40	2 321.16
EC3D	Capacity Charge : 100Amp	R	4 161.00	4 785.15	2 523.00	2 901.45
E3E3	**kWH Unit cost**	c	285.20	327.98	289.69	333.14
E3E	**Two-Part Tariff: Pre-paid up to 100A (70 kVA BDMD) COMMERCIAL**					
EB2D	Basic Monthly charge per meter per month	R	553.47	636.49	742.44	853.81
EC	Capacity Charge per Amp/Phase/Month	R	13.87	15.95	8.41	9.67
EC3A	Capacity Charge : 40Amp	R	1 664.40	1 914.06	1 009.20	1 160.58
EC3B	Capacity Charge : 60Amp	R	2 496.60	2 871.09	1 513.80	1 740.87
EC3C	Capacity Charge : 80Amp	R	3 328.80	3 828.12	2 018.40	2 321.16
EC3D	Capacity Charge : 100Amp	R	4 161.00	4 785.15	2 523.00	2 901.45
E3E4	**kWh Unit cost**	c	279.64	321.59	279.58	321.52
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)**					
E1E1	Basic Monthly charge per meter per month	R	179.29	206.18	108.62	124.91
EC	Capacity Charge per Amp/Phase/Month	R	13.87	15.95	8.41	9.67
EC3A	Capacity Charge : 40Amp	R	1 664.40	1 914.06	1 009.20	1 160.58
EC3B	Capacity Charge : 60Amp	R	2 496.60	2 871.09	1 513.80	1 740.87
EC3C	Capacity Charge : 80Amp	R	3 328.80	3 828.12	2 018.40	2 321.16

Tariff Code	Detail		2026/2027		2025/2026	
			Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
EC3D	Capacity Charge : 100Amp	R	4 161.00	4 785.15	2 523.00	2 901.45
E3G1	kWh Unit cost	c	303.48	349.00	323.99	372.59
E5	**TIME OF USE TARIFF**					
E5A	**TIME OF USE TARIFF MV**					
E5A1	Basic charge	R	4 870.94	5 601.58	4 886.95	5 619.99
E5A2	Network Capacity Charge kVA: Notified Maximum Demand (NMD)	R	57.10	65.67	49.81	57.28
E5A3	Network Demand Charge kVA: Utilised capacity	R	101.82	117.09	80.78	92.90
E5A4	Hi-Demand: Peak kWh Unit Charge	C	761.87	876.15	649.53	746.96
E5A5	Hi-Demand: Standard kWh Unit Charge	C	257.52	296.15	213.85	245.93
E5A6	Hi-Demand: Off Peak kWh Unit Charge	C	157.50	181.13	127.55	146.68
E5A7	Low Demand: Peak kWh Unit Charge	C	378.15	434.87	417.06	479.62
E5A8	Low Demand: Standard kWh Unit Charge	C	212.86	244.79	186.80	214.82
E5A9	Low Demand: Off Peak kWh Unit Charge	C	144.88	166.61	119.90	137.89
E5A10	Reactive Energy charge, per kilo volt amps reactive hours	C	19.48	22.40	11.84	13.62
E5B	**TIME OF USE TARIFFL LV**					
E5B1	Basic charge	R	2 305.21	2 650.99	3 108.74	3 575.05
E5B2	Network Capacity Charge kVA: Notified Maximum Demand (NMD)	R	78.41	90.17	62.72	72.13
E5B3	Network Demand Charge kVA: Utilised capacity	R	151.11	173.78	110.64	127.24
E5B4	Hi-Demand: Peak kWh Unit Charge	C	767.53	882.66	655.38	753.69
E5B5	Hi-Demand: Standard kWh Unit Charge	C	263.16	302.63	219.68	252.63
E5B6	Hi-Demand: Off Peak kWh Unit Charge	C	163.16	187.63	133.39	153.40
E5B7	Low Demand: Peak kWh Unit Charge	C	383.81	441.38	422.90	486.34
E5B8	Low Demand: Standard kWh Unit Charge	C	218.51	251.29	192.62	221.51
E5B9	Low Demand: Off Peak kWh Unit Charge	C	150.54	173.12	125.75	144.61
E5B10	Reactive Energy charge, per kilo volt amps reactive hours	C	19.48	22.40	11.80	13.57
E5C	**TIME OF USE TARIFF SMALL CUSTOMER <100 kVA**					
E5C1	Basic charge	R	507.88	584.06	468.09	538.30
E5C2	Network Capacity Charge kVA: Notified Maximum Demand (NMD)	R	68.29	78.53	62.94	72.38
E5C3	Hi-Demand: Peak kWh Unit Charge	C	804.49	925.16	741.46	852.68
E5C4	Hi-Demand: Standard kWh Unit Charge	C	282.43	324.79	260.30	299.35
E5C5	Hi-Demand: Off Peak kWh Unit Charge	C	178.79	205.61	164.78	189.50
E5C6	Low Demand: Peak kWh Unit Charge	C	299.84	344.82	276.35	317.80
E5C7	Low Demand: Standard kWh Unit Charge	C	223.69	257.24	206.17	237.10
E5C8	Low Demand: Off Peak kWh Unit Charge	C	162.20	186.53	149.49	171.91
E5C9	Reactive Energy charge, per kilo volt amps reactive hours	C	25.62	29.46	23.61	27.15
E5D	Exceed NOTIFIED MAXIMUM DEMAND (NMD) per kVA Per month R (applicable for import NMD and applicable % of export as per agreement)	R	1 961.79	2 256.06	2 114.31	2 431.46
E6	**SUBSIDIZED TARIFFS: Grant to be shown separately**					

Tariff Code	Detail		2026/2027		2025/2026	
			Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
E6A	Basic Monthly Charge: Residential Indigent and Life-line consumer as per paragraph 5 of the Indigent Policy per meter (Based on Single phase basic charge + 30Amp capacity charge)	R	618.79	711.61	580.37	667.43
E7	**PUBLIC LIGHTING & CCTV**					
E7A1	Streetlights & CCTV (metered) per kWh (no basic charge)	c	332.64	382.54	252.32	290.17
E7A2	Streetlights & CCTV (consumption) (per unit/per month) (no basic charge) per 100 Watt per month	R	116.36	133.81	88.26	101.50
E7A5	Illuminated street sign boards per month	R	116.36	133.81	88.26	101.50
E7A6	Maintenance charge per light per month	R	125.69	144.54	34.64	39.84
E8	**CASUAL SUPPLIES**					
E8A1	Per connection includes disconnection excluding hire of kiosk	R	2 112.17	2 429.00	2 112.17	2 429.00
E8A2	Consumption per day if not metered	R	137.39	158.00	137.39	158.00
E8A3	Hire of temporary distribution kiosk, per kiosk, per occasion	R	827.83	952.00	827.83	952.00
E8A4	Deposit (Usage will be subtracted)	R	2 726.47	no vat	2 486.95	no vat
E8A5	One part tariff : Prepaid or Credit Casual Supply	c	456.45	524.92	416.35	478.80
E9	**NETWORK CHARGES: SERVICED LAND**					
E9A1	Network charge per serviced plot per month (based on single phase basic and 60Amp capacity charge)	R	890.33	1 023.88	655.62	753.96
E9A2	Infrastructure Charge per Meter per month (No 1 end date 30 June 2026)	R			16.65	19.15
E10	**SUNDRY CHARGES**					
E10A1	Call-out Fee - office hours (Based on 2 hours for electr & assist + 30km)	R	1 128.44	1 297.71	991.30	1 140.00
E10A2	Call-out Fee - after hours: Weekdays & Saturdays (Based on 2 hrs (time and a half) for electr & assist + 30km)	R	1 639.11	1 884.98	1 433.91	1 649.00
E10A3	Call-out Fee - after hours: Sundays & Public Holidays (Based on 2 hrs (double time) for electr & assist + 30km)	R	2 149.78	2 472.25	1 876.52	2 158.00
E10A4	MV. Switching on Council's equipment office hours (Based on 3 hours for superintendent & electr + 60km)	R	3 242.85	3 729.28	2 884.35	3 317.00
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	4 757.18	5 470.76	4 220.00	4 853.00
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	6 271.50	7 212.23	5 555.65	6 389.00
E10A7	Contractor Inspection 2nd	R	973.35	1 119.35	918.26	1 056.00
E10A8	Contractor Inspection 3rd	R	1 469.25	1 689.64	1 386.09	1 594.00
E10A9	Disconnection	R	477.46	549.08	450.44	518.00
E10A10	Reconnection	R	477.46	549.08	450.44	518.00
E10A11	Verification of a Meter Reading	R	477.46	549.08	450.44	518.00
E10A12	Administration fee - recalculation due to no meter access	R	247.94	285.13	233.91	269.00
E10A13	Test of Meter: 1 & 3 Phase (Conditionally Refundable) Internal testing	R	1 128.44	1 297.71	991.30	1 140.00
E10A14	Test of Meter: All other Meters (Conditionally Refundable) External testing	R	cost + 15%	applicable vat	cost + 15%	applicable vat

Tariff Code	Detail		2026/2027		2025/2026	
			Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
E10A15	Tariff change - change between one part and two-part	R	325.37	374.18	306.96	353.00
E10A16	Damage elect meter 1 phase (based on meter cost + call out X 2)	R	4 220.84	4 853.96	3 579.13	4 116.00
E10A16A	Unintentional damage Indigent household elect meter	R	0.00	0.00	0.00	0.00
E10A17	Damage elect meter 3 phase (based on meter cost + call out X 2)	R	5 032.34	5 787.19	4 904.35	5 640.00
E10A18	Replacement of CIU (Meter keypad) (Based on keypad cost and call out fee)	R	1 978.20	2 274.93	1 698.26	1 953.00
E10A19	Damage of Bulk meter-(Based on 3 hours for a superintendent and electrician + 60km + bulk meter cost + modem cost)	R	11 048.13	12 705.35	10 488.70	12 062.00
E10A20	Commission of Bulk meter, supplied by customer (call out fee x 3)	R	3 385.32	3 893.12	2 975.65	3 422.00
E10A21	Damage of HV Cable	R	cost + R54 310.16	applicable vat	cost + R51 236.00	applicable vat
E10A22	Damage of MV Cable	R	cost + R14 206.12	applicable vat	cost + R13 402.00	applicable vat
E10A23	Damage of LV Cable	R	cost + R 5 720.82	applicable vat	cost + R 5 397.00	applicable vat
E10A24	Damage of Service Connection Cable	R	cost + R 1 431.00	applicable vat	cost + R 1 350.00	applicable vat
E10A25	Working without Way leave	R	7 331.51	8 431.24	6 916.52	7 954.00
E10A26	Refundable Wayleave **deposit** for HV cables	R	104 736.48	no vat	98 808.00	no vat
E10A27	Refundable Way leave **deposit** for MV cables	R	26 184.12	no vat	24 702.00	no vat
E10A28	Refundable Way leave **deposit** for LV cables	R	5 658.28	no vat	5 338.00	no vat
E10A29	Cancellation Fee of requested service	R	15% of Service Value	no vat	15% of Service Value	no vat
E10A30	Erection and removal of Banners, signs & lights (per hour) (Vehicle cost + labour)	R	1 187.20	1 365.28	1 120.00	1 288.00
E10A31	Replacement of damaged overhead service connection cable (Tariff E13A9 - E10A18)	R	5 624.86	6 468.59	7 696.52	8 851.00
E10A32	Removal of Meter (based on call out fee)	R	1 128.44	1 297.71	992.17	1 141.00
E10A33	Repositioning of Meter (excl. cable) (based on call out fee)	R	1 128.44	1 297.71	992.17	1 141.00
E10A34	Repositioning of Meter (incl. cable) (based on call out fee + 30m cable)	R	8 058.44	9 267.21	7 079.13	8 141.00
E10A35	Request for bulk meter profile for 12 months per request (Based on 3 hours for Snr Superintendent + 30km)	R	1 938.45	2 229.22	1 756.52	2 020.00
E11	**UPGRADE OR DOWNGRADE (Network dependant)**					
E11A1	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	842.78	969.20	808.70	930.00
E11A2	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	1 957.97	2 251.67	1 912.17	2 199.00
E11A3	Change of Circuit Breaker - Bulk (1/annum) contact Electricity Department for approval (Based on JSO Breaker cost + 1 hour for an electrician and assistant + 30km)	R	4 746.78	5 458.80	*new*	new
E12	**CONVERSION OF METERS**					
E12A1	Convert Credit Meter to Pre-paid: SP (no cable work) (based on meter cost + call out)	R	3 092.40	3 556.26	2 587.83	2 976.00
E12A2	Convert Credit Meter to Pre-paid: 3P (no cable work) (based on meter cost + call out)	R	3 903.90	4 489.49	3 913.04	4 500.00
E12A3	Convert Credit Three Phase to Singe Phase Pre-paid meter (based on meter cost + call out + CB)	R	3 317.41	3 815.02	2 846.96	3 274.00
E12A4	Convert Credit Three Phase to Single Phase Credit (Commercial only)	R	2 203.44	2 533.96	2 140.00	2 461.00
E12A5	Convert Pre-paid Single Phase to Three Phase Pre-paid (based on tariff E13A8) cost includes cable to boundary	R	R19 999,42 + ext fee	applicable vat	R17 585.00 + ext fee	applicable vat

Tariff Code	Detail		2026/2027		2025/2026	
			Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
E12A6	Convert pre-paid Three phase to Single phase pre-paid (based on meter cost + call out + CB)	R	3 317.41	3 815.02	2 846.96	3 274.00
E12A7	Change to Time of Use (with existing bulk meter) + Deposit	R	1 128.44	1 297.71	992.17	1 141.00
E12A8	Change to Time of Use (without existing bulk meter) + Deposit	R	12 705.35	14 611.15	11 480.00	13 202.00
E12A9	Change to SSEG Three Phase	R	11 048.13	12 705.35	10 488.70	12 062.00
E12A10	Change to SSEG Single Phase	R	6 070.00	6 980.50	5 337.39	6 138.00
E13	**SERVICE CONNECTIONS**					
E13A1	Builders connection (plus applicable service connection tariff)	R	1 260.02	1 449.02	1 188.70	1 367.00
E13A4	Single Phase (Credit - 60A) option for Commercial users only (Based on 30m cable + meter cost + average labour cost + 15% admin fee)	R	10 121.54	11 639.77	9 659.13	11 108.00
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	10 121.54	11 639.77	9 659.13	11 108.00
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	R19 999,42 + ext fee	applicable vat	R17 585.00 + ext fee	applicable vat
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	R19 999,42 + ext fee	applicable vat	R17 585.00 + ext fee	applicable vat
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	9 845.70	11 322.56	9 395.65	10 805.00
E13A10	Non Standard : Pre-paid 30 Amp Single phase - FLISP and approved municipal housing areas (only applicable for pre-approved areas - areas to be confirmed with Electrical Department)	R	5 216.69	5 999.19	new	new
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	5 806.68	no vat	5 478.00	no vat
E14A2	2 nd Offence (E14A1 X 2)	R	11 613.36	no vat	10 955.00	no vat
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	no vat	2 X E14A2	no vat
E14A4	Unsafe / Illegal supply of electricity (per visit) **(reconnection fee included)**	R	2 601.24	no vat	2 454.00	no vat
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	1 619.50	1 862.42	1 527.83	1 757.00
E15A2	Primary Cost p/kVA -include all MV. Equipment UP to Main Substation or identified point of supply excluding Dist. TF	R	4 822.68	5 546.08	5 649.57	6 497.00
E15A3	Secondary Cost p/kVA -include all MV. Equipment UP to Main Substation or identified point of supply including Dist. TF	R	5 877.93	6 759.62	4 549.70	6 377.00
E15A4	Secondary Cost p/kVA -include all MV. Equipment UP to Main Substation or identified point of supply including Dist. TF and Kiosk	R	7 668.87	8 819.20	7 234.78	8 320.00
E15A5	Buying/Refund of spare capacity cost/kVA	R	100% of approved installation cost	applicable vat	100% of approved installation cost	applicable vat

Tariff Code	Detail		2026/2027		2025/2026	
			Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
E15A6	Investigation Fee	R	5 761.79	6 626.06	5 435.65	6 251.00
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 against purchases from the Municipality, provided that their purchases exceed their generation. 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 (based on 85% of Eskom Standard Rate proportional over 12 months)	c	143.70	165.26	125.68	144.53
E19	**WHEELING ENERGY**					
	Wheeling between Generators within and outside of the Overstrand electricity networks to Overstrand consumers will be allowed on a pilot basis. This will only be done in line with the Overstrand Wheeling guideline and with approval by the Chief Engineer Infrastructure Services and the CFO. The wheeling will be done to ensure revenue neutrality for the Overstrand Municipality. The consumers must be on one of the relevant Overstrand TOU tariffs and an additional ~~basic~~ admin and reconciliation charge will apply to the respective consumers. Generators within the Overstrand network will be charged at the standard TOU tariff in respect of their own consumption. A use of system charge will be payable for consumers or off-takers or generators within the Overstrand Municipality network. The Implicit use of system charges (or wheeling credit method) is used by Overstrand. The wheeling energy credit is to the value of the wholesale electricity pricing structure (WEPS) less losses. In cases of wheeling from a generator outside of the Overstrand network through Eskom, any additional charges relating to the wheeling will be charged to the off-taker.					
E19A2	TIME OF USE TARIFF MV: Admin and reconciliation charge per off-taker	R	347.29	399.38	467.83	538.00
E19A3	TIME OF USE TARIFFL LV: Admin and reconciliation charge per off-taker	R	347.29	399.38	467.83	538.00
E19A4	TIME OF USE TARIFF SMALL CUSTOMER <100 kVA: Admin and reconciliation charge per off-taker	R	347.29	399.38	467.83	538.00
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	38 344.33	44 095.98	36 173.91	41 600.00
DC2B	**New Developments**					
DC2B1	Standard fee per Singel Phase Domestic erf - infrastructure provide by developer (13.8 kVA xE15A2 x.36)	R	23 959.08	27 552.95	22 602.61	25 993.00
DC2B2	Standard fee per Three Phase Domestic erf - infrastructure provide by developer (42kVA x E15A2x.36)	R	72 918.95	83 856.79	68 791.30	79 110.00
DC2C	MV/LV Bulk Supply with metering point cost / kVA= Tariff E15A2	R	4 822.68	5 546.08	4 549.57	5 232.00
DC2C1	LV Bulk Supply if capacity is available on existing TF cost / kVA = Tariff E15A3	R	5 877.93	6 759.62	5 545.22	6 377.00

SEWER TARIFFS

Tariff Code	Detail	2026/2027		2025/2026	
		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.	20.23	23.26	19.27	22.15
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.	178.66	205.46	170.15	195.67
SE7A3	Call out fee for Tank Service request but no service due to another defect/no acces to tank	821.07	944.23	781.97	899.27
SE7A5	Double the basic charge levied where networks are available but client is not connected	356.96	410.50	339.96	390.95
	SEWERAGE - REGISTERED INDIGENT HOUSEHOLDS				
SE7A6	0 - 7 kl - **subsidised**	20.23	23.26	19.27	22.15
SE7A7	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.	20.23	23.26	19.27	22.15
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	20.23	23.26	19.27	22.15
SE7B2	Call out fee for Tank Service request but no service due to another defect/no acces to tank	821.07	944.23	781.97	899.27
SE7C	**SEWERAGE - GUEST HOUSE; BED & BREAKFAST ESTABLISHMENTS**				
SE7C1	per kl (based on 70% of water usage) per unit per month.	20.23	23.26	19.27	22.15
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	20.23	23.26	19.27	22.15
SE7D2	Call out fee for Tank Service request but no service due to another defect/no acces to tank	821.07	944.23	781.97	899.27
SE7E	**CONSUMPTION - DEPARTMENTAL**				
SE7E1	0 - 35 kl per kl (based on 70% of max 50kl water usage) per unit per month	20.23	23.26	19.27	22.15
SE8	**BASIC CHARGE**				
SE8A	Basic Monthly Charge Developed sites per erf/unit per month	178.66	205.46	170.15	195.67
SE8A1	Basic Monthly Subsidy Residential Indigent as per paragraph A of the Indigent Policy per month	178.66	205.46	170.15	195.67
SE8B	Basic Monthly Charge Undeveloped sites - can not connect to the network per erf/unit per month	120.38	138.44	114.65	131.85
SE8C	Basic Monthly Charge Undeveloped sites - can connect to the network per erf/unit per month	178.65	205.44	170.14	195.66
SE8D	Basic Monthly Charge Developed sites - with a septic Tank per erf/unit per month	120.38	138.44	114.65	131.85
SE8E	Basic Monthly Charge - Low Cost Housing & Single Quarters per erf/unit per month	120.38	138.44	114.65	131.85

Tariff Code	Detail	2026/2027		2025/2026	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
SE8F	**INFRASTRUCTURE**				
SE8F1	Fixed Infrastructure Basic Charge per erf/unit per month (No 1 end date 30 June 2026)	0.00	0.00	9.60	11.04
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
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
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)	820.83	943.95	781.74	899.00
SE9A2	Vacuum Tanker Service provided on request < 5kl (per 5kl or part thereof)	820.83	943.95	781.74	899.00
SE9A4	Vacuum Tanker Service provided on request > 6kl (per 6kl or part thereof)	820.83	943.95	781.74	899.00
SE9A5	Call out fee for Tank Service request but no service due to another defect	820.83	943.95	781.74	899.00
SE9A6	More than 3 pipes an additional fee per pipe for users not paying tariff SE7 above	120.52	138.60	114.78	132.00
SE9B	**After Hours Vacuum Tanker Service - PROVIDED ON REQUEST**				
SE9B1	After Hours - per request < 6kl (per 6kl or part thereof)	1 641.65	1 887.90	1 563.48	1 798.00
SE9B2	After Hours - per request > 6kl (per 6kl or part thereof)	1 641.65	1 887.90	1 563.48	1 798.00
SE9B3	After Hours - per request < 5kl (per 5kl or part thereof)	1 641.65	1 887.90	1 563.48	1 798.00
SE9B2	After Hours Businesses with Public Toilets per removal	493.04	567.00	469.57	540.00
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**	493.04	567.00	469.57	540.00
SE9C2	Normal ApplicableTariff (SE9A2) plus additional per km	24.11	27.72	22.96	26.40
	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**	493.04	567.00	469.57	540.00
SE9C7	After Hours Applicable Tariff (SE9B2) plus additional per km	24.11	27.72	22.96	26.40
SE9.2	**SUNDRY CHARGES**				
SE9D	**Testing and Connection Fees**				
SE9D1	Testing of the septic and conservancy tanks per test	2 064.39	2 374.05	1 966.09	2 261.00
SE9D2	Smallbore sewerage connection fee + tank test	2 282.61	2 625.00	2 173.91	2 500.00
SE9D3	Sewer Connection	2 282.61	2 625.00	2 173.91	2 500.00
SE9E	**Disposal with own tanker truck**				
SE9E1	Charge per kl or part thereof	19.36	22.26	18.44	21.20
SE11	**ILLEGAL CONNECTION / TAMPERING FEE**				
SE11A	1st Offence	9 733.50	no vat	9 270.00	no vat
SE11B	2 nd Offence (SE11A X 2)	19 467.00	no vat	18 540.00	no vat
NOTE: Any requests for tanker services after 15:00 will be charged at the after hour rate					

WATER TARIFFS

Tariff Code	Detail	2026/2027		2025/2026	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
WD	**CONSUMER DEPOSITS**				
WD1	Domestic - Water	853.00	no vat	812.00	no vat
WD2	Commercial - Water - Consumption < 40kl	3 395.00	no vat	3 233.00	no vat
WD3	Commercial - Water - Consumption 40 - 100kl	11 887.00	no vat	11 311.00	no vat
WD4	Commercial - Water - Consumption 100 kl +	20 358.00	no vat	19 389.00	no vat
WD5	Domestic - Water RUE's	Applicable Rue's X WD1A	no vat	Applicable Rue's X WD1A	no vat
WD6	Indigent - registered (including UISP)	256.00	no vat	244.00	no vat
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	195.91	225.30	186.58	214.57
W1A2A	Basic Monthly Subsidy : Residential Indigent as per paragraph A of the Indigent Policyper erf/unit per month	195.91	225.30	186.58	214.57
W1A3	**Infrastructure**	0.00			
W1A3A	Fixed Infrastructure Basic Charge per erf/unit per month (No 1 end date 30 June 2026)	0.00	0.00	15.45	17.77
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
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
	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	8.05	9.26	7.67	8.82
W1B2	7 - 18 kl per kl	16.51	18.99	15.73	18.09
W1B4	19 - 45 kl per kl	34.61	39.80	32.96	37.90
W1B5	46 - 60 kl per kl	69.20	79.58	65.91	75.79
W1B6	>60kl per kl	94.93	109.17	87.90	101.08

Tariff Code	Detail	2026/2027		2025/2026	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
	Restriction Tariff 1 (level 2 & 3 water restrictions)				
W1B7	0 - 6 kl per kl	8.05	9.26	7.67	8.82
W1B8	7 - 18 kl per kl	21.47	24.69	20.45	23.51
W1B10	19 - 45 kl per kl	44.99	51.74	42.85	49.27
W1B11	46 - 60 kl per kl	89.96	103.46	85.68	98.53
W1B12	>60kl per kl	123.41	141.92	114.27	131.41
	Restriction Tariff 2 (level 4 & 5 water restrictions)				
W1B13	0 - 6 kl per kl	8.05	9.26	7.67	8.82
W1B14	7 - 18 kl per kl	26.42	30.39	25.17	28.94
W1B16	19 - 45 kl per kl	55.37	63.68	52.73	60.64
W1B17	46 - 60 kl per kl	110.72	127.33	105.45	121.27
W1B18	>60kl per kl	151.89	174.67	140.63	161.73
	Restriction Tariff 3 (level 6 water restrictions)				
W1B19	0 - 6 kl per kl	8.05	9.26	7.67	8.82
W1B20	7 - 18 kl per kl	33.03	37.98	31.46	36.17
W1B22	19 - 45 kl per kl	69.21	79.60	65.92	75.81
W1B23	46 - 60 kl per kl	138.41	159.17	131.82	151.59
W1B24	>60kl per kl	189.86	218.33	175.79	202.16
W1BI	**CONSUMPTION - REGISTERED INDIGENT HOUSEHOLDS**				
	Normal Tariff & Level 1 water restrictions				
W1BI1	0 - 10 kl per kl - **subsidised**	8.05	9.26	7.67	8.82
W1BI2	11 - 18 kl per kl	16.51	18.99	15.73	18.09
W1BI4	19 - 45 kl per kl	34.61	39.80	32.96	37.90
W1BI5	46 - 60 kl per kl	69.20	79.58	65.91	75.79
W1BI6	>60kl per kl	94.93	109.17	87.90	101.08
	Restriction Tariff 1 (level 2 & 3 water restrictions)				
W1BI7	0 - 10 kl per kl - **subsidised**	8.05	9.26	7.67	8.82
W1BI8	11 - 18 kl per kl	21.47	24.69	20.45	23.51
W1BI10	19 - 45 kl per kl	44.99	51.74	42.85	49.27
W1BI11	46 - 60 kl per kl	89.96	103.46	85.68	98.53
W1BI12	>60kl per kl	123.41	141.92	114.27	131.41
	Restriction Tariff 2 (level 4 & 5 water restrictions)				
W1BI13	0 - 10 kl per kl - **subsidised**	8.05	9.26	7.67	8.82
W1BI14	11 - 18 kl per kl	26.42	30.39	25.17	28.94
W1BI16	19 - 45 kl per kl	55.37	63.68	52.73	60.64
W1BI17	46 - 60 kl per kl	110.72	127.33	105.45	121.27
W1BI18	>60kl per kl	151.89	174.67	140.63	161.73
	Restriction Tariff 3 (level 6 water restrictions)				

Tariff Code	Detail	2026/2027		2025/2026	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
W1BI19	0 - 10 kl per kl - **subsidised**	8.05	9.26	7.67	8.82
W1BI20	11 - 18 kl per kl	33.03	37.98	31.46	36.17
W1BI22	19 - 45 kl per kl	69.21	79.60	65.92	75.81
W1BI23	46 - 60 kl per kl	138.41	159.17	131.82	151.59
W1BI24	>60kl per kl	189.85	218.33	175.79	202.16
W1C	**CONSUMPTION - ALL OTHER**				
	Normal Tariff & Level 1 water restrictions				
W1C1	0 - 18 kl per kl	18.26	21.00	17.39	20.00
W1C3	19 - 45 kl per kl	41.25	47.43	39.28	45.18
W1C4	46 - 60 kl per kl	53.57	61.60	51.02	58.67
W1C5	>60 kl per kl	73.47	84.49	68.03	78.23
	Restriction Tariff 1 (level 2 & 3 water restrictions)				
W1C6	0 - 18 kl per kl	23.74	27.30	22.61	26.00
W1C8	19 - 45 kl per kl	53.62	61.67	51.07	58.73
W1C9	46 - 60 kl per kl	69.64	80.09	66.32	76.27
W1C10	>60 kl per kl	95.51	109.84	88.43	101.70
	Restriction Tariff 2 (level 4 & 5 water restrictions)				
W1C11	0 - 18 kl per kl	29.22	33.60	27.82	32.00
W1C13	19 - 45 kl per kl	66.00	75.90	62.85	72.28
W1C14	46 - 60 kl per kl	85.71	98.57	81.63	93.87
W1C15	>60 kl per kl	117.55	135.18	108.84	125.17
	Restriction Tariff 3 (level 6 water restrictions)				
W1C16	0 - 18 kl per kl	36.52	42.00	34.78	40.00
W1C18	19 - 45 kl per kl	82.50	94.87	78.57	90.35
W1C19	46 - 60 kl per kl	107.14	123.21	102.04	117.34
W1C20	>60 kl per kl	146.94	168.98	136.05	156.46
W1D	**OTHER CONSUMERS**				
W1D1	Departmental per Kl (Including temporary connection for municipal purposes)	39.06	44.92	33.65	38.70
W1D2	Fire Hoses: Basic per Month	250.01	287.51	238.10	273.82
W1D3	Bulk usage (Unconnected to networks) per Kl - Consumers Permanently residing within Overstrand municipality area	20.23	23.26	19.26	22.15
W1D3A	Restriction Tariff 1 (level 2 & 3 water restrictions)	26.30	30.24	25.04	28.80
W1D3B	Restriction Tariff 2 (level 4 & 5 water restrictions)	32.36	37.22	30.82	35.45
W1D3C	Restriction Tariff 3 (level 6 water restrictions)	40.46	46.52	38.53	44.31
W1D4	Kid Brooke (Van Cauter 0 - 8000kl per year)	0.08	0.09	0.08	0.09
W1D5	Onrus Small Holdings tariff 2 (Van Cauter)	0.08	0.09	0.08	0.09

Tariff Code	Detail	2026/2027		2025/2026	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
W1D6	Onrus Small Holdings tariff 4 (Per agreement)	1.11	1.28	1.11	1.28
W1D7	Contractors water consumption - temporary connection (only for municipal purposes)	39.06	44.92	33.65	38.70
W1D8	Bulk usage (Unconnected to networks) per Kl - People residing outside the Overstrand municipal area	74.98	86.23	71.41	82.13
W1D8A	Restriction Tariff 1 (level 2 & 3 water restrictions)	97.48	112.10	92.84	106.76
W1D8B	Restriction Tariff 2 (level 4 & 5 water restrictions)	119.98	137.97	114.26	131.40
W1D8C	Restriction Tariff 3 (level 6 water restrictions)	149.97	172.47	142.83	164.25
W1E	**WET COMMERCIAL, SPORT, PARKS etc (must apply for this tariff)**				
	Normal Tariff & Level 1 water restrictions				
W1E1	0 - 500kl per kl	26.57	30.56	25.31	29.10
W1E2	501 - 1000kl per kl	40.20	46.23	38.29	44.03
W1E3	>1000kl per kl	53.59	61.63	51.04	58.70
	Restriction Tariff 1 (level 2 & 3 water restrictions)				
W1E4	0 - 300kl per kl	34.54	39.73	32.90	37.83
W1E5	301 - 700kl per kl	52.26	60.10	49.77	57.24
W1E6	>700kl per kl	69.67	80.12	66.35	76.30
	Restriction Tariff 2 (level 4 & 5 water restrictions)				
W1E7	0 - 250kl per kl	42.52	48.89	40.49	46.57
W1E8	251 - 500kl per kl	64.32	73.97	61.26	70.44
W1E9	>500kl per kl	85.75	98.61	81.66	93.91
	Restriction Tariff 3 (level 6 water restrictions)				
W1E10	0 - 100kl per kl	53.15	61.12	50.61	58.21
W1E11	>100 kl per kl	107.18	123.26	102.08	117.39
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	27.69	31.84	26.37	30.32
W1F2	> 5800kl per kl	53.59	61.63	51.04	58.70
	Restriction Tariff 1 (level 2 & 3 water restrictions)				
W1F3	0 - 5800kl per kl	35.99	41.39	34.28	39.42
W1F4	> 5800kl per kl	69.67	80.12	66.35	76.30
	Restriction Tariff 2 (level 4 & 5 water restrictions)				
W1F5	0 - 5800kl per kl	44.30	50.95	42.19	48.52
W1F6	> 5800kl per kl	85.75	98.61	81.66	93.91
	Restriction Tariff 3 (level 6 water restrictions)				
W1F7	0 - 5 800kl per kl	55.38	63.68	52.74	60.65
W1F8	>5 800 kl per kl	107.18	123.26	102.08	117.39
W2A	**AVAILABILITY CHARGES**				

Tariff Code	Detail	2026/2027		2025/2026	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
W2A1	Overstrand per month	195.90	225.29	186.57	214.56
W2A2	Farms connected to water pipe line	195.90	225.29	186.57	214.56
W2J	**REBATED COST (This can be granted by the Municipal Manager after application) refer to Policy # 6.8.1**				
W2J1	Kl above average - per kl	23.44	26.96	20.19	23.22
W3A	**IRRIGATION WATER ("LEI WATER") & RAW WATER**				
W3A1	Use and pump water (80-90 min) per MONTH Stanford	60.03	69.04	57.17	65.75
W3A2	Pearly Beach Small Holdings: Basic	73.27	84.26	69.78	80.25
W3A3	Pearly Beach Small Holdings: Consumption 0- 70 kl per kl	5.71	6.57	5.44	6.25
W3A4	Pearly Beach Small Holdings: Consumption >70 kl per kl	13.42	15.43	12.78	14.70
W3A5	Others per kl	5.71	6.57	5.44	6.25
W3A6	Farm Rem 1/722 Stanford as per agreement, 0.875% of raw water abstraction from municipal boreholes, to a maximum of 4380 kl/a, per kl	0.00	0.00	0.00	0.00
W3A6A	Farm 10/722 Stanford as per agreement, 0.875% of raw water abstraction from municipal boreholes, to a maximum of 4380 kl/a, per kl	0.00	0.00	0.00	0.00
W3A6B	Farms Rem 1/722 and 10/722 Stanford as per agreement, raw water abstraction from boreholes in excess of 0.875% of municipal abstraction per property, per kl	5.71	6.57	5.44	6.25
W3A6C	Farms 6/722, 7/722 and 8/722 Stanford as per agreement, raw water consumption up to 100 kl/month	0.00	0.00	0.00	0.00
W3A6D	Farms 6/722, 7/722 and 8/722 Stanford as per agreement, raw water consumption in excess of 100 kl/month	5.71	6.57	5.44	6.25
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
W3A8	Farm 586 Volmoed raw water from De Bos pipeline consumption >300 kl/month per kl	5.71	6.57	5.44	6.25
W3B	**IRRIGATION WATER - (TREATED EFFLUENT)**				
W3B2	Hermanus Golf Club per month	65 177.61	74 954.25	62 073.91	71 385.00
W3B3	All other per kl	3.67	4.23	3.50	4.02
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	3.67	4.23	3.50	4.02
W4	**SUNDRY CHARGES**				
W4A1	Testing of a Meter (Call-out Fee incl)	1 297.43	1 492.05	1 235.65	1 421.00
W4A2	Testing of a Meter (Ind/Bulk Meter) ****Minimum charge of R500***	Cost plus 15%	applicable vat	Cost plus 15%	applicable vat
W4A3	Disconnection	588.00	676.20	560.00	644.00
W4A4	Reconnection	588.00	676.20	560.00	644.00
W4A5	Reconnection After Normal Working Hours	1 177.83	1 354.50	1 121.74	1 290.00
W4A6	Administration fee - recalculation due to no meter access	229.17	263.55	218.26	251.00
W4A7	Verification of a Meter Reading	323.22	371.70	307.83	354.00
W4A8	Final and Special Readings	294.91	339.15	280.87	323.00
W4A9	Call-out Fee - Normal Working Hours	587.09	675.15	559.13	643.00

Tariff Code	Detail	2026/2027		2025/2026	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
W4A10	Call-out Fee - After Hours	1 176.00	1 352.40	1 120.00	1 288.00
W4A11	Replacement of damage meter	1 577.74	1 814.40	1 502.61	1 728.00
W4A12	Removal / Re-install of Meter (based on call out fee)	1 297.43	1 492.05	1 235.65	1 421.00
W4A13	Registration of Borehole (Including inspection fee)	0.00	0.00	0.00	0.00
W4A14	Repositioning of Meter (excl. pipe)	1 291.96	1 485.75	1 230.44	1 415.00
W4A15	Convert to Water Flow Restrictor Meter	4 207.31	4 838.40	4 006.96	4 608.00
W4A16	Temporary Connections - Deposit	11 069.10	12 729.47	10 542.00	no vat
W4A17	Temporary Connection - Usage per kl	33.78	38.84	32.17	36.99
W4A18	Damage of Water Meter	Actual cost plus 15%	applicable vat	Actual cost plus 15%	applicable vat
W4A19	Damage of Watermain	Actual cost plus R4 483.80	applicable vat	Actual cost plus R4230.00	applicable vat
W4A20	Damage of Service Connection (including water meter)	Actual cost plus R1 178.72	applicable vat	Actual cost plus R1 112.00	applicable vat
W5	**ILLEGAL CONNECTION / TAMPERING FEE**				
W5A1	1st Offence	9 819.60	11 292.54	9 352.00	no vat
W5A2	2nd Offence Must convert to a flow-restriction watermeter at applicable tariff plus	11 522.70	13 251.11	10 974.00	no vat
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	7 193.87	8 272.94	6 851.30	7 879.00
W6A2	20 mm Connection Water Flow Restrictor Meter	8 544.26	9 825.90	8 137.39	9 358.00
W6A3	Other Connections	Actual cost plus 15%	applicable vat	Actual cost plus 15%	applicable vat
W6A4	Connections (Erf Boundary - by Developer)	1 870.83	2 151.45	1 781.74	2 049.00
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)

Tariff Code	Detail	2026/2027		2025/2026	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
		R	R	R	R
DC1	**WATER**				
DC1A	Standard Fee per Equivalent Unit	23 998.26	27 598.00	23 998.26	27 598.00
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	38 344.33	44 095.98	36 173.91	41 600.00
DC2B	**New Developments**				
DC2B1	Standard fee per Singel Phase Domestic erf - infrastructure provide by developer (Based on 13.8 kVA xE15A2 x.36)	23 959.08	27 552.95	22 602.61	25 993.00
DC2B2	Standard fee per Three Phase Domestic erf - infrastructure provide by developer (Based on 42kVA x E15A2x.36)	72 918.95	83 856.79	68 791.30	79 110.00
DC2C	MV/LV Bulk Supply with metering point cost / kVA= Tariff E15A2	4 822.68	5 546.08	4 549.57	5 232.00
DC2C1	LV Bulk Supply if capacity is available on existing TF cost / kVA = Tariff E15A3	5 877.93	6 759.62	5 545.22	6 377.00
DC3	**SEWERAGE**				
DC3A	Standard Fee per Equivalent Unit	17 152.17	19 725.00	17 152.17	19 725.00
DC4	**ROADS**				
DC4A	Standard Fee per Equivalent Unit	7 691.30	8 845.00	7 691.30	8 845.00
DC5	**STORMWATER**				
DC5A	Standard Fee per Equivalent Unit	8 873.91	10 205.00	8 873.91	10 205.00
DC6	**SOLID WASTE**				
DC6A	Standard Fee per Equivalent Unit	1 538.26	1 769.00	1 538.26	1 769.00
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	10 654.78	12 253.00	10 654.78	12 253.00
DC8A3	11 - 25	17 940.87	20 632.00	17 940.87	20 632.00
DC8A4	26 - 50	24 684.35	28 387.00	24 684.35	28 387.00
DC8A5	51 - 100	28 325.22	32 574.00	28 325.22	32 574.00
DC8A6	101 - 250	31 427.83	36 142.00	31 427.83	36 142.00
DC8A7	251 - 500	36 687.83	42 191.00	36 687.83	42 191.00
DC8A8	501 - 2000	41 407.83	47 619.00	41 407.83	47 619.00

Tariff Code	Detail	2026/2027		2025/2026	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
		R	R	R	R
DC8A9	2000 – 5000	49 771.30	57 237.00	49 771.30	57 237.00
DC8A10	> 5001	56 516.52	64 994.00	56 516.52	64 994.00
DC8E	**Sanitation**				
	No. of Equivalent units				
DC8E1	1 - 4	no charge	no vat	no charge	no vat
DC8E2	5 - 10	10 654.78	12 253.00	10 654.78	12 253.00
DC8E3	11 - 25	17 940.87	20 632.00	17 940.87	20 632.00
DC8E4	26 - 50	24 684.35	28 387.00	24 684.35	28 387.00
DC8E5	51 - 100	28 325.22	32 574.00	28 325.22	32 574.00
DC8E6	101 - 250	31 427.83	36 142.00	31 427.83	36 142.00
DC8E7	251 - 500	36 687.83	42 191.00	36 687.83	42 191.00
DC8E8	501 - 2000	41 407.83	47 619.00	41 407.83	47 619.00
DC8E9	2000 – 5000	49 771.30	57 237.00	49 771.30	57 237.00
DC8E10	> 5001	56 516.52	64 994.00	56 516.52	64 994.00

RESORTS TARIFF LIST

Tariff Code	Detail	2026/2027		2025/2026	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
	** A deposit of 50% of the total amount payable is applicable to secure the booking				
	** 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 CARAVAN PARKS**				
R1A	**Peak Season - 1 December - 12 January & Easter Weekend**				
R1A1	A Stands per day	563.48	648.00	536.52	617.00
R1A2	B Stands per day	452.17	520.00	430.44	495.00
R1A3	C Stands per day	402.61	463.00	383.48	441.00
R1B	**Off-Peak Season - 13 January - 30 November (Excluding Easter Weekend)**				
R1B1	A Stands per day	311.30	358.00	296.52	341.00
R1B2	B Stands per day	269.56	310.00	256.52	295.00
R1B3	C Stands per day	245.22	282.00	233.91	269.00
	The above tariffs include for up to four (4) persons and two (2) vehicles with one trailor or caravan per day				
R1F	**Sundry Costs**				
R1F1	Electricity if available per stand per day	37.64	43.29	35.51	40.84
R1F2	Additional persons up to a maximum of two (2) - per person per day	77.60	89.24	73.91	85.00
R1F3	Additional vehicle or small trailer or small boat to maximum of 1 unit - per unit per day	44.74	51.45	42.61	49.00
R1F4	Day visitors for campers up to a maximum of four (4) per person per day	77.61	89.25	73.91	85.00
R1F5	Day visitors vehicle per day	58.43	67.20	55.65	64.00
	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)	37.43	43.05	35.65	41.00
R1F7A	Full 30 day Rental (maximum 4 persons)	4 977.89	4 979.04	4 740.85	4 742.00
R1F8	Gate Card / Key Deposit per set - Refundable	222.60	no vat	212.00	no vat
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	Qualify for a reduced tariff for a period of 30 days	2 608.70	3 000.01	3 409.57	3 921.00
R 10	**KLEINMOND: FRANK ROBB HUT**				
R10A	Camping per person per day (Maximum of 10 persons)	N/A	N/A	120.00	138.00
R 30	**ONRUS CARVAN PARK**				
R30A	**Peak Season - 1 December - 12 January & Easter Weekend**				
R30A1	A Stands per day	649.17	746.55	618.26	711.00
R30A2	B Stands per day	561.52	645.75	534.78	615.00

Tariff Code	Detail	2026/2027		2025/2026	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
R30A3	C Stands per day	430.96	495.60	410.44	472.00
R30B	**Off-Peak Season - 13 January - 30 November (Excluding Easter Weekend)**				
R30B1	A Stands per day	491.52	565.24	357.39	411.00
R30B2	B Stands per day	481.84	554.11	359.13	413.00
R30B3	C Stands per day	369.80	425.27	303.48	349.00
	The above tariffs include for up to four (4) persons and two (2) vehicles with one trailor or caravan per day				
R30F	**Sundry Costs**				
R30F2	Additional persons up to a maximum of two (2) - per person per day	73.91	85.00	73.91	85.00
R30F3	Additional vehicle or small trailer or small boat to maximum of 1 unit - per unit per day	49.31	56.70	46.96	54.00
R30F7	Full 30 day Rental (maximum 4 persons)	6 067.17	6 977.25	5 778.26	6 645.00
R30F8	Gate Card / Key Deposit per set - Refundable	210.00	no vat	200.00	no vat
R30F9	Overnignt Camping for 1 Person and 1 vehicle per night	173.91	200.00		
R30J	**Annual Rental**				
R30J1	Rental per annum	36 932.61	42 472.50	35 173.91	40 450.00
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	2 608.70	3 000.01	2 608.70	3 000.00
R 60	**GANSBAAAI CARAVAN PARK**				
R60A	**Peak Season - 1 December - 12 January & Easter Weekend**				
R60A2	A Stands per day	398.09	457.80	379.13	436.00
R60A3	B Stands per day	311.35	358.05	296.52	341.00
R60A4	C Stands per day	284.87	327.59	271.30	312.00
R60B	**Off-Peak Season - 13 January - 30 November (Excluding Easter Weekend)**				
R60B2	A Stands per day	294.91	339.15	280.87	323.00
R60B3	B Stands per day	268.43	308.70	255.65	294.00
R60B4	C Stands per day	244.69	281.40	233.04	268.00
	The above tariffs include for up to four (4) persons and two (2) vehicles with one trailor or caravan				
R60F	**Sundry Costs**				
R60F1	Additional persons up to a maximum of two (2) - per person per day	73.91	85.00	78.26	90.00
R60F2	Additional vehicle or small trailer or small boat to a maximum of 1 unit - per unit per day	49.31	56.71	44.35	51.00
R60F3	Children under two (2) years	no charge	no vat	no charge	no vat
R60F4	Children under twelve (12)	39.72	45.68	37.83	43.50
R60F5	Day visitors for campers up to a maximum of four (4) per person per day	77.61	89.25	73.91	85.00
R60F5A	Full 30 day Rental (maximum 4 persons)	5 723.87	6 582.44	5 451.30	6 269.00
R60F6	Gate Card / Key Deposit per set - Refundable	105.00	no vat	100.00	no vat

Tariff Code	Detail	2026/2027		2025/2026	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
R60J	**Annual Rental**				
R60J1	Rental per annum	23 227.83	26 712.00	22 121.74	25 440.00
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
R60K2	Qualify for a reduced tariff for a period of 30 days	2 608.70	3 000.00	2 608.70	3 000.00
R 80	**HAWSTON DAY CAMPING SITE**				
R80A	**Peak Season - 1 December - 12 January & Easter Weekend**				
R80A1	Camping Sites	269.35	309.75	256.52	295.00
R80A2	Parking Fees per vehicle (excluding busses >20 seats)	20.09	23.10	19.13	22.00
R80A3	Per Bus >20 seats	229.17	263.55	218.26	251.00
R80A4	Entrance Fee: Adults (per person)	20.09	23.10	19.13	22.00
R80A5	Entrance Fee: Children (per child < 12)	5.84	6.72	5.57	6.40
R80B	**Off-Peak Season - 13 January - 30 November (Excluding Easter Weekend)**				
R80B1	Camping Sites	146.09	168.00	139.13	160.00
R80B2	Parking Fees per vehicle (excluding busses >20 seats)	20.09	23.10	19.13	22.00
R80B3	Per Bus >20 seats	229.17	263.55	218.26	251.00
R80B4	Entrance Fee: Adults (per person)	20.09	23.10	19.13	22.00
R80B5	Entrance Fee: Children (per child < 12)	5.84	6.72	5.57	6.40
R80B6	The above tariffs include for up to four (4) persons and two (2) vehicle with one trailor or caravan per day				
R80E	**Sundry Costs**				
R80E1	Electricity if available per stand per day	46.15	53.07	43.95	50.54
R80E2	Additional vehicle or small trailer or small boat to a maximum of 1 unit - per unit per day	46.57	53.55	44.35	51.00
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

TOURISM TARIFF LIST

Tariff Code	Detail	2026/2027		2025/2026	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
	TOURISM OFFICES				
T1	**SOUVENIERS**				
T1A1	Branded T-shirts per area (e,g. I LOVE HERMANUS) Sizes S- L (price per T-shirt)	173.91	200.00	-	-
T1A2	Branded T-shirts per area (e,g. I LOVE HERMANUS) Sizes XL - 2XL (price per T-shirt)	191.30	220.00	-	-
T1A3	Overstrand drive Map (price per map)	191.30	220.00	-	-
T1A4	Branded license disk holder (price per holder)	21.74	25.00	-	-
T1A5	I Love bumper & lisence disc stickers ([per sticker)	13.04	15.00	-	-
T1A6	Branded Postcards (price per item)	17.39	20.00	-	-
T1A7	Branded Keyrings (price per item)	56.52	65.00	-	-
T1A8	Branded Fridge Magnets (price per item)	56.52	65.00	-	-
T1A9	Overberg Slingsby Map (price per map)	217.39	250.00	-	-
T1A10	Garden Route Slingsby Map (price per map)	130.43	149.99	-	-
T1A11	Day drives Cape Town Map (price per map)	121.74	140.00	-	-
T1A12	Historical Stanford on foot (price per map)	8.70	10.01	-	-
T2	**GANSBAAI TOURISM HALL HIRE**				
T2A1	Hire of Tourism Hall per Hour - Fundraising event	207.39	238.50	-	-
T2A2	Hire of Tourism Hall per Hour - NON- Fundraising event	38.71	44.52	-	-

ANNEXURE D

TARIFF BASKETS

SINGLE RESIDENTIAL			Year	Year	Increase/Decrease	
High Consumption			2025/2026	2026/2027	Amount	%
	Valuation	R3 500 000				
Rates			1 147.24	1 204.60	57.36	5.00
Sewer	**SE7A1+SE8A**		439.86	461.85	21.99	5.00
Infrastructure Basic Charge Water, Electricity & Sewer			53.54	11.84	-41.70	-77.89
Refuse	**1X Per Week**		268.26	281.67	13.41	5.00
Water		20 kl	487.24	511.60	24.36	5.00
SUB TOTAL			**2 396.14**	**2 471.57**	**75.43**	**3.15**
VAT		15%	187.34	190.05	2.71	1.45
TOTAL			2 583.48	2 661.62	78.14	3.02
SRA Rate as might be applicable to be added			**624.45**			

High Consumption with prepaid elect meter			2025/2026	2026/2027	Amount	%
	Valuation	R3 500 000				
Rates			1 147.24	1 204.60	57.36	5.00
Sewer	**SE7A1+SE8A**		439.86	461.85	21.99	5.00
Infrastructure Basic Charge Water, Electricity & Sewer			53.54	11.84	-41.70	-77.89
Refuse	**1X Per Week**		268.26	281.67	13.41	5.00
Water		20 kl	487.24	511.60	24.36	5.00
SUB TOTAL			**2 396.14**	**2 471.57**	**75.43**	**3.15**
VAT		15%	187.34	190.05	2.71	1.45
TOTAL			2 583.48	2 661.62	78.14	3.02
SRA Rate as might be applicable to be added						

Medium Consumption			2025/2026	2026/2027	Amount	%
	Valuation	R2 500 000				
Rates			814.71	855.44	40.74	5.00
Sewer	**SE7A1+SE8A**		372.43	391.05	18.62	5.00
Infrastructure Basic Charge Water, Electricity & Sewer			53.54	11.84	-41.70	-77.89
Refuse	**1X Per Week**		268.26	281.67	13.41	5.00
Water		15 kl	374.14	392.85	18.71	5.00
SUB TOTAL			**1 883.08**	**1 932.86**	**49.78**	**2.64**
VAT		15%	160.26	161.61	1.36	0.85
TOTAL			2 043.33	2 094.47	51.13	2.50
SRA Rate as might be applicable to be added						

Medium Consumption with prepaid elect meter			2025/2026	2026/2027	Amount	%
	Valuation	R2 500 000				
Rates			814.71	855.44	40.74	5.00
Sewer	**SE7A1+SE8A**		372.43	391.05	18.62	5.00
Infrastructure Basic Charge Water, Electricity & Sewer			53.54	11.84	-41.70	-77.89
Refuse	**1X Per Week**		268.26	281.67	13.41	5.00
Water		15 kl	374.14	392.85	18.71	5.00
SUB TOTAL			**1 883.08**	**1 932.86**	**49.78**	**2.64**
VAT		15%	160.26	161.61	1.36	0.85
TOTAL			2 043.33	2 094.47	51.13	2.50
SRA Rate as might be applicable to be added						

Low Consumption			2025/2026	2026/2027	Amount	%
	Valuation	R1 000 000				
Rates			315.91	331.70	15.80	5.00
Sewer	**SE7A1+SE8A**		372.43	391.05	18.62	5.00
Infrastructure Basic Charge Water, Electricity & Sewer			53.54	11.84	-41.70	-77.89
Refuse	**1X Per Week**		268.26	281.67	13.41	5.00
Water		15 kl	374.14	392.85	18.71	5.00
SUB TOTAL			**1 384.28**	**1 409.12**	**24.84**	**1.79**
VAT		15%	160.26	161.61	1.36	0.85
TOTAL			1 544.53	1 570.73	26.19	1.70
SRA Rate as might be applicable to be added						

Low Consumption with prepaid elect meter			2025/2026	2026/2027	Amount	%
	Valuation	R1 000 000				
Rates			315.91	331.70	15.80	5.00
Sewer	**SE7A1+SE8A**		372.43	391.05	18.62	5.00
Infrastructure Basic Charge Water, Electricity & Sewer			53.54	11.84	-41.70	-77.89
Refuse	**1X Per Week**		268.26	281.67	13.41	5.00
Water		15 kl	374.14	392.85	18.71	5.00
SUB TOTAL			**1 384.28**	**1 409.12**	**24.84**	**1.79**
VAT		15%	160.26	161.61	1.36	0.85
TOTAL			1 544.53	1 570.73	26.19	1.70
SRA Rate as might be applicable to be added						

Low Consumption			2025/2026	2026/2027	Amount	%
Valuation		R500 000				
Rates			149.64	157.12	7.48	5.00
Sewer	SE7A1+SE8A		372.43	391.05	18.62	5.00
Infrastructure Basic Charge Water, Electricity & Sewer			53.54	11.84	-41.70	-77.89
Refuse	1X Per Week		268.26	281.67	13.41	5.00
Water		15 kl	374.14	392.85	18.71	5.00
SUB TOTAL			**1 218.01**	**1 234.54**	**16.52**	**1.36**
VAT		15%	160.26	161.61	1.36	0.85
TOTAL			1 378.27	1 396.15	17.88	1.30
SRA Rate as might be applicable to be added						

Low Consumption with prepaid elect meter			2025/2026	2026/2027	Amount	%
Valuation		R500 000				
Rates			149.64	157.12	7.48	5.00
Sewer	SE7A1+SE8A		372.43	391.05	18.62	5.00
Infrastructure Basic Charge Water, Electricity & Sewer			53.54	11.84	-41.70	-77.89
Refuse	1X Per Week		268.26	281.67	13.41	5.00
Water		15 kl	374.14	392.85	18.71	5.00
SUB TOTAL			**1 218.01**	**1 234.54**	**16.52**	**1.36**
VAT		15%	160.26	161.61	1.36	0.85
TOTAL			1 378.27	1 396.15	17.88	1.30
SRA Rate as might be applicable to be added						

Sub-Economic Consumption (Indigent)			2025/2026	2026/2027	Amount	%
Valuation		R190 000				
Rates			0.00	0.00	0.00	0.00
Sewer	SE7A1		50.09	52.59	2.50	5.00
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	0.00	-41.70	-100.00
Refuse	1X Per Week		0.00	0.00	0.00	0.00
Water		18 kl	158.07	165.97	7.90	5.00
SUB TOTAL			**249.86**	**218.56**	**-31.29**	**-12.52**
VAT		15%	37.48	32.78	-4.69	-12.52
TOTAL			287.34	251.35	-35.99	-12.52
SRA Rate as might be applicable to be added						

Sub-Economic Consumption (Non Indigent)			2025/2026	2026/2027	Amount	%
Valuation		R190 000				
Rates			0.00	0.00	0.00	0.00
Sewer	SE7A1		412.89	433.53	20.64	5.00
Infrastructure Basic Charge Water, Electricity & Sewer			53.54	11.84	-41.70	-77.89
Refuse	1X Per Week		268.26	281.67	13.41	5.00
Water		18 kl	421.32	442.39	21.07	5.00
SUB TOTAL			**1 156.01**	**1 169.44**	**13.42**	**1.16**
VAT		15%	173.40	175.42	2.01	1.16
TOTAL			1 329.42	1 344.85	15.44	1.16
SRA Rate as might be applicable to be added						

Low Consumption			2025/2026	2026/2027	Amount	%
Valuation		R170 000				
Rates			0.00	0.00	0.00	0.00
Sewer	SE7A1+SE8A		278.03	291.94	13.90	5.00
Infrastructure Basic Charge Water, Electricity & Sewer			53.54	11.84	-41.70	-77.89
Refuse	1X Per Week		268.26	281.67	13.41	5.00
Water		8 kl	264.04	277.24	13.20	5.00
SUB TOTAL			**863.88**	**862.69**	**-1.18**	**-0.14**
VAT		15%	129.58	129.40	-0.18	-0.14
TOTAL			993.46	992.10	-1.36	-0.14
SRA Rate as might be applicable to be added						

Low Consumption with prepaid elect meter			2025/2026	2026/2027	Amount	%
Valuation		R170 000				
Rates			0.00	0.00	0.00	0.00
Sewer	SE7A1+SE8A		278.03	291.94	13.90	5.00
Infrastructure Basic Charge Water, Electricity & Sewer			53.54	11.84	-41.70	-77.89
Refuse	1X Per Week		268.26	281.67	13.41	5.00
Water		8 kl	264.04	277.24	13.20	5.00
SUB TOTAL			**863.88**	**862.69**	**-1.18**	**-0.14**
VAT		15%	129.58	129.40	-0.18	-0.14
TOTAL			993.46	992.10	-1.36	-0.14
SRA Rate as might be applicable to be added						

Sub-Economic Consumption (Indigent)			2025/2026	2026/2027	Amount	%
Valuation		R100 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	0.00	-41.70	-100.00
Refuse	**1X Per Week**		0.00	0.00	0.00	0.00
Water		10 kl	0.00	0.00	0.00	0.00
SUB TOTAL			**41.70**	**0.00**	**-41.70**	**-100.00**
VAT		15%	6.26	0.00	-6.26	-100.00
TOTAL			47.96	0.00	-47.96	-100.00
SRA Rate as might be applicable to be added						

Life-Line Consumption (ONE PART) (Indigent)			2025/2026	2026/2027	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	0.00	-41.70	-100.00
Refuse	**1X Per Week**		0.00	0.00	0.00	0.00
Water		8 kl	0.00	0.00	0.00	0.00
SUB TOTAL			**41.70**	**0.00**	**-41.70**	**-100.00**
VAT		15%	6.26	0.00	-6.26	-100.00
TOTAL			47.96	0.00	-47.96	-100.00
SRA Rate as might be applicable to be added						

Sub-Economic Consumption (Indigent)			2025/2026	2026/2027	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	0.00	-41.70	-100.00
Refuse	**1X Per Week**		0.00	0.00	0.00	0.00
Water		6 kl	0.00	0.00	0.00	0.00
SUB TOTAL			**41.70**	**0.00**	**-41.70**	**-100.00**
VAT		15%	6.26	0.00	-6.26	-100.00
TOTAL			47.96	0.00	-47.96	-100.00
SRA Rate as might be applicable to be added						

Conservancy Tanks					
If tariff SE7 is not applicable	2025/2026	2026/2027	Amount	%
Smaller than 6kl	781.74	820.83	39.09	5.00
Greater than 6kl	781.74	820.83	39.09	5.00
Outside urban area Plus per km	22.96	24.11	1.15	5.00
Plus Per hour	469.57	493.04	23.48	5.00
After hours				
Smaller than 6kl	1 563.48	1 641.65	78.17	5.00
Greater than 6kl	1 563.48	1 641.65	78.17	5.00

BUSINESS

Business - Large (Time of Use)				2025/2026	2026/2027	Amount	%
	Valuation	R35 000 000					
Rates				25 459.58	26 732.56	1 272.98	5.00
Sewer	SE7D1+SE8A		30	13 080.21	13 734.22	654.01	5.00
Infrastructure Basic Charge Water, Electricity & Sewer				53.54	11.84	-41.70	-77.89
Refuse	Bins 2X Per Week		30	16 095.60	16 900.38	804.78	5.00
Water		460 kl		29 536.10	31 829.22	2 293.12	7.76
SUB TOTAL				**84 225.03**	**89 208.22**	**4 983.19**	**5.92**
VAT			15%	8 814.82	9 371.35	556.53	6.31
TOTAL				93 039.85	98 579.57	5 539.72	5.95
SRA Rate as might be applicable to be added							

Business - Medium (Three Phase)				2025/2026	2026/2027	Amount	%
	Valuation	R3 200 000					
Rates				2 327.73	2 444.12	116.39	5.00
Sewer	SE7D1+SE8A		1	516.92	542.77	25.85	5.00
Infrastructure Basic Charge Water, Electricity & Sewer				53.54	11.84	-41.70	-77.89
Refuse	1X Per Week		3	804.78	845.02	40.24	5.00
Water		20 kl		578.17	607.08	28.91	5.00
SUB TOTAL				**4 281.14**	**4 450.82**	**169.68**	**3.96**
VAT			15%	293.01	301.01	7.99	2.73
TOTAL				4 574.16	4 751.83	177.67	3.88
SRA Rate as might be applicable to be added							

Business - Small (Three Phase)				2025/2026	2026/2027	Amount	%
	Valuation	R3 200 000					
Rates				2 327.73	2 444.12	116.39	5.00
Sewer	SE7D1+SE8A		1	516.92	542.77	25.85	5.00
Infrastructure Basic Charge Water, Electricity & Sewer				53.54	11.84	-41.70	-77.89
Refuse	1X Per Week		2	536.52	563.35	26.83	5.00
Water		20 kl		578.17	607.08	28.91	5.00
SUB TOTAL				**4 012.88**	**4 169.15**	**156.27**	**3.89**
VAT			15%	252.77	258.75	5.98	2.37
TOTAL				4 265.66	4 427.91	162.25	3.80
SRA Rate as might be applicable to be added							

Business - Small (Three Phase)				2025/2026	2026/2027	Amount	%
	Valuation	R3 200 000					
Rates				2 327.73	2 444.12	116.39	5.00
Sewer	SE7D1+SE8A		1	516.92	542.77	25.85	5.00
Infrastructure Basic Charge Water, Electricity & Sewer				53.54	11.84	-41.70	-77.89
Refuse	1X Per Week		2	536.52	563.35	26.83	5.00
Water		20 kl		578.17	607.08	28.91	5.00
SUB TOTAL				**4 012.88**	**4 169.15**	**156.27**	**3.89**
VAT			15%	252.77	258.75	5.98	2.37
TOTAL				4 265.66	4 427.91	162.25	3.80
SRA Rate as might be applicable to be added							

Business - Small (Three Phase) Prepaid Electricity				2025/2026	2026/2027	Amount	%
	Valuation	R3 200 000					
Rates				2 327.73	2 444.12	116.39	5.00
Sewer	SE7D1+SE8A		1	516.92	542.77	25.85	5.00
Infrastructure Basic Charge Water, Electricity & Sewer				53.54	11.84	-41.70	-77.89
Refuse	1X Per Week		2	536.52	563.35	26.83	5.00
Water		20 kl		578.17	607.08	28.91	5.00
SUB TOTAL				**4 012.88**	**4 169.15**	**156.27**	**3.89**
VAT			15%	252.77	258.75	5.98	2.37
TOTAL				4 265.66	4 427.91	162.25	3.80
SRA Rate as might be applicable to be added							

VACANT ERVEN

Valuation High			2025/2026	2026/2027	Amount	%
	Valuation	R780 000				
Rates			486.33	510.65	24.32	5.00
Sewer can connect	Availability		170.14	178.65	8.51	5.00
Refuse	Availability		134.12	140.83	6.71	5.00
Electricity	Availability		655.62	890.33	234.71	35.80
Water	Availability		186.57	195.90	9.33	5.00
Infrastructure Basic Charge Water, Electricity & Sewer			53.54	11.84	-41.70	-77.89
SUB TOTAL			**1 686.32**	**1 928.19**	**241.87**	**14.34**
VAT		15%	180.00	212.63	32.63	18.13
TOTAL			1 866.32	2 140.82	274.50	14.71
SRA Rate as might be applicable to be added						

Valuation Average			2025/2026	2026/2027	Amount	%
	Valuation	R250 000				
Rates			155.88	163.67	7.79	5.00
Sewer can connect	Availability		170.14	178.65	8.51	5.00
Refuse	Availability		134.12	140.83	6.71	5.00
Electricity	Availability		655.62	890.33	234.71	35.80
Water	Availability		186.57	195.90	9.33	5.00
Infrastructure Basic Charge Water, Electricity & Sewer			53.54	11.84	-41.70	-77.89
SUB TOTAL			**1 355.87**	**1 581.21**	**225.35**	**16.62**
VAT		15%	180.00	212.63	32.63	18.13
TOTAL			1 535.87	1 793.84	257.98	16.80
SRA Rate as might be applicable to be added						

Valuation Lower			2025/2026	2026/2027	Amount	%
	Valuation	R110 000				
Rates			68.59	72.01	3.43	5.00
Sewer can connect	Availability		170.14	178.65	8.51	5.00
Refuse	Availability		134.12	140.83	6.71	5.00
Electricity	Availability		655.62	890.33	234.71	35.80
Water	Availability		186.57	195.90	9.33	5.00
Infrastructure Basic Charge Water, Electricity & Sewer			53.54	11.84	-41.70	-77.89
SUB TOTAL			**1 268.58**	**1 489.56**	**220.98**	**17.42**
VAT		15%	180.00	212.63	32.63	18.13
TOTAL			1 448.58	1 702.19	253.61	17.51
SRA Rate as might be applicable to be added						

Valuation Low			2025/2026	2026/2027	Amount	%
	Valuation	R15 000				
Rates			9.35	9.82	0.47	5.00
Sewer can connect	Availability		170.14	178.65	8.51	5.00
Refuse	Availability		134.12	140.83	6.71	5.00
Electricity	Availability		655.62	890.33	234.71	35.80
Water	Availability		186.57	195.90	9.33	5.00
Infrastructure Basic Charge Water, Electricity & Sewer			53.54	11.84	-41.70	-77.89
SUB TOTAL			**1 209.34**	**1 427.36**	**218.02**	**18.03**
VAT		15%	180.00	212.63	32.63	18.13
TOTAL			1 389.34	1 640.00	250.65	18.04
SRA Rate as might be applicable to be added						

OVERSTRAND MUNICIPALITY: BASKET OF ELECTRICITY TARIFFS 2026/2027

Credit / Prepaid	PHASE/TOU	kWH	Amp	Year	Year	Increase/Decrease	
				2025/2026	2026/2027	Amount	%
RESIDENTIAL							
Prepaid	Single Phase	800	60	3 288.26	3 534.90	246.65	7.50
Prepaid	Single Phase	800	50	3 225.24	3 430.83	205.59	6.37
Prepaid	Single Phase	800	40	3 162.22	3 326.75	164.54	5.20
Prepaid	Single Phase	800	30	3 099.20	3 222.68	123.48	3.98
Prepaid	Single Phase	600	60	2 554.63	2 838.30	283.68	11.10
Prepaid	Single Phase	600	50	2 491.61	2 734.23	242.62	9.74
Prepaid	Single Phase	600	40	2 428.59	2 630.15	201.57	8.30
Prepaid	Single Phase	600	30	2 365.57	2 526.08	160.51	6.79
Prepaid	Single Phase	300	60	1 626.88	1 888.40	261.52	16.08
Prepaid	Single Phase	300	50	1 563.86	1 784.33	220.47	14.10
Prepaid	Single Phase	300	40	1 500.84	1 680.25	179.41	11.95
Prepaid	Single Phase	300	30	1 437.82	1 576.18	138.36	9.62
RESIDENTIAL INDIGENT							
Prepaid	Single Phase	500	30	1 200.56	1 290.42	89.85	7.48
Prepaid	Single Phase	250	30	463.62	518.74	55.12	11.89
Prepaid	Single Phase	150	30	206.05	230.55	24.50	11.89
LIFE LINE INDIGENT							
Prepaid	Single Phase	300	30	592.40	662.84	70.44	11.89
BUSINESS							
TOU	MV			645 636.92	739 934.76	94 297.84	14.61
TOU	LV			679 845.83	786 869.25	107 023.42	15.74
TOU	Small Customer			446 516.10	463 171.61	16 655.51	3.73
Credit	3 Phase	7 000	100	27 075.30	28 380.24	1 304.94	4.82
Credit	3 Phase	7 000	80	26 495.01	27 423.21	928.20	3.50
Credit	3 Phase	7 000	60	25 914.72	26 466.18	551.46	2.13
Credit	3 Phase	7 000	40	25 334.43	25 509.15	174.72	0.69
Prepaid	3 Phase	7 000	100	26 261.45	27 932.66	1 671.21	6.36
Prepaid	3 Phase	7 000	80	25 681.16	26 975.63	1 294.47	5.04
Prepaid	3 Phase	7 000	60	25 100.87	26 018.60	917.73	3.66
Prepaid	3 Phase	7 000	40	24 520.58	25 061.57	540.99	2.21
Credit	3 Phase	4 000	100	17 081.00	18 540.84	1 459.84	8.55
Credit	3 Phase	4 000	80	16 500.71	17 583.81	1 083.10	6.56
Credit	3 Phase	4 000	60	15 920.42	16 626.78	706.36	4.44
Credit	3 Phase	4 000	40	15 340.13	15 669.75	329.62	2.15
Prepaid	3 Phase	4 000	100	16 615.94	18 285.08	1 669.14	10.05
Prepaid	3 Phase	4 000	80	16 035.65	17 328.05	1 292.40	8.06
Prepaid	3 Phase	4 000	60	15 455.36	16 371.02	915.66	5.92
Prepaid	3 Phase	4 000	40	14 875.07	15 413.99	538.92	3.62
Credit	3 Phase	1 000	100	7 086.69	8 701.44	1 614.75	22.79
Credit	3 Phase	1 000	80	6 506.40	7 744.41	1 238.01	19.03
Credit	3 Phase	1 000	60	5 926.11	6 787.38	861.27	14.53
Credit	3 Phase	1 000	40	5 345.82	5 830.35	484.53	9.06
Prepaid	3 Phase	1 000	100	6 970.43	8 637.50	1 667.07	23.92
Prepaid	3 Phase	1 000	80	6 390.14	7 680.47	1 290.33	20.19
Prepaid	3 Phase	1 000	60	5 809.85	6 723.44	913.59	15.72
Prepaid	3 Phase	1 000	40	5 229.56	5 766.41	536.85	10.27

ANNEXURE E

CAPITAL BUDGET & HOUSING PROGRAMME

DRAFT CAPITAL BUDGET 2026/2027 MTREF

Area	Local Area	Ward	Project Description	Project Manager	Funding Source	2026/27 BUDGET COUNCIL FUNDED	2026/27 BUDGET GRANTS	2026/27 BUDGET TOTAL	2027/28 BUDGET COUNCIL FUNDED	2027/28 BUDGET GRANTS	2027/28 BUDGET TOTAL	2028/29 BUDGET COUNCIL FUNDED	2028/29 BUDGET GRANTS	2028/29 BUDGET TOTAL
			EXECUTIVE & COUNCIL			**3 800 000**		**3 800 000**	**50 000**		**50 000**	**50 000**		**50 000**
Overstrand	Overstrand	Overstrand	MINOR ASSETS COUNCIL	D Arrison	Surplus	40 000		40 000	40 000		40 000	40 000		40 000
Overstrand	Overstrand	Overstrand	COMMUNITY PROJECTS(WARD SPECIFIC PROJECTS)	Various	Surplus-NT-WS	3 750 000		3 750 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS-OFFICE OF THE MUNICIPAL MANAGER	D O'Neill	Surplus	10 000		10 000	10 000		10 000	10 000		10 000
			FINANCE & ADMINISTRATION			**3 870 000**		**3 870 000**	**3 370 000**		**3 370 000**	**3 370 000**		**3 370 000**
Overstrand	Overstrand	Overstrand	UPS REPLACEMENT	C Johnson	Surplus	250 000		250 000				500 000		500 000
Overstrand	Overstrand	Overstrand	DATA CENTRE SERVER END OF LIFE REPLACEMENT	C Johnson	Surplus	2 250 000		2 250 000	2 000 000		2 000 000	1 500 000		1 500 000
Overstrand	Overstrand	Overstrand	MINOR ASSETS FINANCIAL SERVICES	Vacant	Surplus	140 000		140 000	140 000		140 000	140 000		140 000
Overstrand	Overstrand	Overstrand	MINOR ASSETS CORPORATE SERVICES	D Arrison	Surplus	30 000		30 000	30 000		30 000	30 000		30 000
Overstrand	Overstrand	Overstrand	MINOR ASSETS ICT ORGANIZATION WIDE	C Johnson	Surplus	1 200 000		1 200 000	1 200 000		1 200 000	1 200 000		1 200 000
			PUBLIC SAFETY			**14 806 476**	**1 025 000**	**15 831 476**	**14 709 520**		**14 709 520**	**20 659 520**		**20 659 520**
Kleinmond	Kleinmond	Multi-ward KM	UPGRADING OF KLEINMOND FIRE STATION	L Smith	Surplus	3 750 000		3 750 000						
Overstrand	Overstrand	Overstrand	CCTV NETWORK (NEW SITES)	L Smith	Surplus				1 045 000		1 045 000			
Hermanus	Hermanus	Multi-ward HM	UPGRADING OF HERMANUS FIRE STATION	L Smith	Surplus							1 455 000		1 455 000
Kleinmond	Kleinmond	Multi-ward KM	CHANGE OF KLEINMOND FIRE STATION EXIT	L Smith	Surplus				495 000		495 000	225 000		225 000
Overstrand	Overstrand	Overstrand	CAR PORTS AT ALL FIRE STATIONS	L Smith	Surplus				1 750 000		1 750 000	1 820 000		1 820 000
Overstrand	Overstrand	Overstrand	FURNITURE FOR NEW OFFICE SPACE	L Smith	Surplus				210 000		210 000			
Hermanus	Hermanus	Multi-ward HM	RE-SURFACE OF HERMANUS DLTC TEST GROUND	R Fraser	Surplus	495 339		495 339	1 000 000		1 000 000	1 000 000		1 000 000
Gansbaai	Gansbaai	Multi-ward GB	ESTABLISHMENT OF GANSBAAI DLTC TEST GROUND	R Fraser	Surplus	2 751 617		2 751 617	2 500 000		2 500 000	2 500 000		2 500 000
Overstrand	Overstrand	Overstrand	MINOR ASSETS MUNICIPAL PUBLIC SAFETY	Vacant	Surplus	309 520		309 520	309 520		309 520	309 520		309 520
Overstrand	Overstrand	Overstrand	MINOR ASSETS MUNICIPAL PUBLIC SAFETY-GENERATORS	L Smith	Prov-MFSCS		1 025 000	1 025 000						
Overstrand	Overstrand	Overstrand	VEHICLES-PUBLIC SAFETY	J Vorster	Surplus	7 500 000		7 500 000	7 400 000		7 400 000	13 350 000		13 350 000
			PLANNING & DEVELOPMENT			**7 450 000**	**700 000**	**8 150 000**	**11 450 000**		**11 450 000**	**7 600 000**		**7 600 000**
Overstrand	Overstrand	Overstrand	MINOR ASSETS PLANNING AND DEVELOPMENT	Vacant	Surplus	200 000		200 000	200 000		200 000	200 000		200 000
Overstrand	Overstrand	Overstrand	MINOR ASSETS INFRASTRUCTURE SERVICES	S Muller	Surplus	750 000		750 000	750 000		750 000	750 000		750 000
Hermanus	Hermanus	Ward 03	NEW ELECTRIC BABOON FENCE	L de Villiers	Surplus				500 000		500 000	1 000 000		1 000 000
Hermanus	Zwelihle	Ward 12	ZWELIHLE BUSINESS HUB	D Hendriks	Prov-RSEP		700 000	700 000						
Hermanus	Hermanus	Ward 03	ERECTION OF STRATEGIC STATIC FENCES FOR NATURE RESEI	L de Villiers	Surplus							1 000 000		1 000 000
Hermanus	Hermanus	Ward 03	BUILDING OF NEW FERNKLOOF NATURE RESERVE OFFICES	L de Villiers	Surplus				1 500 000		1 500 000			
Overstrand	Overstrand	Overstrand	UPGRADING TOWN PLANNING OFFICES	R Kuchar	Surplus	1 000 000		1 000 000						
Overstrand	Overstrand	Overstrand	VEHICLES-INFRASTRUCTURE SERVICES	J Vorster	Surplus	5 500 000		5 500 000	8 500 000		8 500 000	4 650 000		4 650 000
			COMMUNITY SERVICES			**7 592 458**		**7 592 458**	**9 420 480**		**9 420 480**	**7 320 480**		**7 320 480**
Overstrand	Overstrand	Overstrand	MINOR ASSETS COMMUNITY SERVICES	Vacant	Surplus	344 500		344 500	320 480		320 480	320 480		320 480
Overstrand	Overstrand	Overstrand	VEHICLES-COMMUNITY SERVICES	J Vorster	Surplus	4 000 000		4 000 000	4 100 000		4 100 000	2 000 000		2 000 000
Overstrand	Overstrand	Overstrand	FENCING OVERSTRAND WIDE	B Plaatjies	Surplus	3 247 958		3 247 958	5 000 000		5 000 000	5 000 000		5 000 000
			SPORT & RECREATION			**5 644 072**	**5 941 492**	**11 585 564**		**7 442 367**	**7 442 367**	**1 250 000**	**5 000 000**	**6 250 000**
Hermanus	Hawston	Ward 08	UPGRADE HAWSTON SPORT COMPLEX (NEW STADIUM **ROOF**)	D Hendriks	Surplus/MIG	2 044 072	1 982 045	4 026 117		2 442 367	2 442 367	1 250 000		1 250 000
Hermanus	Mount Pleas	Ward 04	UPGRADE MOUNT PLEASANT SPORT GROUNDS	D Hendriks	Surplus/MIG	3 029 000	3 959 447	6 988 447						
Kleinmond	Kleinmond	Ward 09	UPGRADE OF KLEINMOND SPORT FACILITIES	D Hendriks	Surplus	571 000		571 000						
Hermanus	Zwelihle	Ward 06	UPGRADE SPORTGROUNDS	D Hendriks	MIG					5 000 000	5 000 000		5 000 000	5 000 000
			HOUSING				**7 110 200**	**7 110 200**		**33 540 000**	**33 540 000**		**40 000 000**	**40 000 000**
Overstrand	Overstrand	Overstrand	LCH SERVICES	D Hendriks	Prov Gr-HSDG		7 110 200	7 110 200		33 540 000	33 540 000		40 000 000	40 000 000
			ROADS			**4 836 994**	**19 426 508**	**24 263 502**	**1 250 000**	**8 849 633**	**10 099 633**	**1 250 000**	**8 071 162**	**9 321 162**
Gansbaai	Masakhane	Ward 02	REHABILITATE ROADS AND SIDEWALKS MASAKHANE	D Hendriks	MIG		2 794 356	2 794 356						
Hermanus	Mount Pleas	Ward 04	REHABILITATE ROADS (Angelier Street)	D Hendriks	Surplus/MIG	2 011 994	10 737 000	12 748 994		2 100 000	2 100 000			
Kleinmond	Proteadorp	Ward 09	REHABILITATE ROADS & NEW SIDEWALKS PROTEADORP	D Hendriks	Surplus/MIG	2 325 000	5 895 152	8 220 152						
Hermanus	Hawston	Ward 08	HAWSTON CIRCLES	T Marx	Surplus	500 000		500 000	500 000		500 000	500 000		500 000
Overstrand	Overstrand	Overstrand	ROADS, SIDEWALKS, SPEED CALMING	T Steenberg	Surplus				750 000		750 000	750 000		750 000
Hermanus	Hermanus	Ward 03	HERMANUS TAXI RANK	D Hendriks	MIG					6 749 633	6 749 633		8 071 162	8 071 162
			ELECTRICITY			**33 755 156**	**30 139 000**	**63 894 156**	**38 100 000**	**9 983 000**	**48 083 000**	**36 200 000**	**13 434 000**	**49 634 000**
Gansbaai	Gansbaai	Ward 02	GANSBAAI ELECTRICAL DEPOT ALTERATIONS	G Lotter	EL28/29				500 000		500 000	1 000 000		1 000 000
Overstrand	Overstrand	Overstrand	ELECTRIFICATION OF LOW COST HOUSING AREAS + ESDM	G Lotter	INEP		30 139 000	30 139 000		9 983 000	9 983 000		13 434 000	13 434 000
Overstrand	Overstrand	Overstrand	OVERSTRAND MV/LV UPGRADE REPLACEMENT	G Lotter	EL27/28/29	20 100 000		20 100 000	22 000 000		22 000 000	20 000 000		20 000 000
Hermanus	Onrus	Ward 13	ADDITIONAL WORKSPACE AT ELECTRICAL DEPOT-ONRUS	G Lotter	EL26-R/O	1 155 156		1 155 156						
Kleinmond	Kleinmond	Ward 09	KLEINMOND ELECTRICAL DEPOT ALTERATIONS	G Lotter	EL27/28/29	500 000		500 000	1 000 000		1 000 000			
Hermanus	Hermanus	Ward 03	NEW STILL STREET 66KV 11KV SUBSTATION	G Lotter	EL27/28/29	10 000 000		10 000 000	10 000 000		10 000 000	10 000 000		10 000 000
Overstrand	Overstrand	Overstrand	ELECTRIFICATION OF HOUSING AREAS	G Lotter	Surplus				1 500 000		1 500 000	1 500 000		1 500 000
Hermanus	Hermanus	Ward 03	HIGH MAST LIGHTS REPLACEMENT	G Lotter	EL28/29				1 100 000		1 100 000	1 200 000		1 200 000
Overstrand	Overstrand	Overstrand	ELECTRICITY TRANSFORMERS CAPITAL REPLACEMENT CONTI	S Muller	EL27/28/29	2 000 000		2 000 000	2 000 000		2 000 000	2 500 000		2 500 000

DRAFT CAPITAL BUDGET 2026/2027 MTREF

Area	Local Area	Ward	Project Description	Project Manager	Funding Source	2026/27 BUDGET COUNCIL FUNDED	2026/27 BUDGET GRANTS	2026/27 BUDGET TOTAL	2027/28 BUDGET COUNCIL FUNDED	2027/28 BUDGET GRANTS	2027/28 BUDGET TOTAL	2028/29 BUDGET COUNCIL FUNDED	2028/29 BUDGET GRANTS	2028/29 BUDGET TOTAL
			WATER			**48 500 000**	**26 242 000**	**74 742 000**	**81 900 000**		**81 900 000**	**81 300 000**	**3 000 000**	**84 300 000**
Overstrand	Overstrand	Overstrand	REFURBISHMENT OF BULK WATER INFRASTRUCTURE	H Blignaut	EL27/28/29	1 000 000		1 000 000	1 000 000		1 000 000	1 000 000		1 000 000
Overstrand	Overstrand	Overstrand	FENCING AT WATER INSTALLATIONS	H Blignaut	EL27/28	500 000		500 000	500 000		500 000			
Overstrand	Overstrand	Overstrand	REPLACEMENT OF OVERSTRAND WATER PIPES (F1/2)	H Blignaut	EL27/28	12 600 000		12 600 000	5 000 000		5 000 000			
Overstrand	Overstrand	Overstrand	REPLACEMENT OF OVERSTRAND WATER PIPES (F2/2)	H Blignaut	EL/SIDAFF				55 000 000		55 000 000	55 000 000		55 000 000
Kleinmond	Kleinmond	Multi-ward KM	REFURBISHMENT OF BUFFELS RIVER WTW(F1/2)	H Blignaut	WSIG		26 242 000	26 242 000					3 000 000	3 000 000
Kleinmond	Kleinmond	Multi-ward KM	REFURBISHMENT OF BUFFELS RIVER WTW(F2/2)	H Blignaut	EL27	19 650 000		19 650 000						
Overstrand	Overstrand	Overstrand	WATER FACILITIES CONTINGENCY	H Blignaut	EL27/28/29	500 000		500 000	500 000		500 000	500 000		500 000
Hermanus	Hermanus	Multi-ward HM	PREEKSTOEL WTW OFFICE SPACE	H Blignaut	EL27	1 250 000		1 250 000						
Hermanus	Hermanus	Multi-ward HM	UPGRADE HERMANUS WELL FIELDS PHASE 2	H Blignaut	EL27/28	6 000 000		6 000 000	4 000 000		4 000 000			
Gansbaai	Pearly Beach	Ward 11	PEARLY BEACH GROUNDWATER DEVELOPMENT	H Blignaut	EL27	3 000 000		3 000 000						
Hermanus	Onrus River	Ward 13	NEW RESERVOIR ONRUS RIVER	H Blignaut	EL27/28/29	1 500 000		1 500 000	6 500 000		6 500 000	7 000 000		7 000 000
Kleinmond	Betty's Bay	Ward 10	NEW RESERVOIR VOORBERG	H Blignaut	EL27/28/29	1 500 000		1 500 000	6 500 000		6 500 000	7 000 000		7 000 000
Gansbaai	Gansbaai	Multi-ward GB	NEW BOOSTER PUMP STATION AND PIPELINE GANSBAAI TO DE	H Blignaut	EL28/29				1 000 000		1 000 000	7 000 000		7 000 000
Overstrand	Overstrand	Overstrand	TELEMETRY SYSTEM UPGRADE-WATER	H Blignaut	EL27/28/29	300 000		300 000	400 000		400 000	300 000		300 000
Hermanus	Onrus River	Ward 13	NEW RESERVOIR KIDBROOKE	H Blignaut	EL28/29				500 000		500 000	1 500 000		1 500 000
Hermanus	Hermanus	Ward 03	PREEKSTOEL WTW SLUDGE HANDLING SYSTEM	H Blignaut	EL28/29				1 000 000		1 000 000	2 000 000		2 000 000
Gansbaai	Pearly Beach	Ward 11	REPLACEMENT OF WATER MAIN PEARLY BEACH	J Solomons	EL27	700 000		700 000						
			SEWERAGE			**16 700 000**	**1 000 000**	**17 700 000**	**44 600 000**	**12 630 000**	**57 230 000**	**49 000 000**	**16 662 838**	**65 662 838**
Overstrand	Overstrand	Overstrand	SEWERAGE FACILITIES CONTINGENCY	H Blignaut	EL27/28/29	700 000		700 000	700 000		700 000	700 000		700 000
Overstrand	Overstrand	Overstrand	FENCING AT SEWERAGE INSTALLATIONS	H Blignaut	EL27/28/29	800 000		800 000	600 000		600 000	600 000		600 000
Overstrand	Overstrand	Overstrand	UPGRADING OF PUMPSTATIONS AND RISING MAINS	H Blignaut	EL27/28/29	10 740 000		10 740 000	10 000 000		10 000 000	10 000 000		10 000 000
Hermanus	Hawston	Ward 08	HAWSTON WWTW REFURBISH AND UPGRADE(F1/2)	H Blignaut	EL27/28/29	2 260 000		2 260 000	16 000 000		16 000 000	9 000 000		9 000 000
Hermanus	Hawston	Ward 08	HAWSTON WWTW REFURBISH AND UPGRADE(F2/2)	H Blignaut	MIG		1 000 000	1 000 000		12 630 000	12 630 000		16 662 838	16 662 838
Overstrand	Overstrand	Overstrand	TELEMETRY SYSTEM UPGRADE-SEWERAGE	H Blignaut	EL27/28/29	200 000		200 000	300 000		300 000	300 000		300 000
Hermanus	Hawston	Ward 08	HAWSTON SEWER NETWORK EXTENSION	H Blignaut	EL27	2 000 000		2 000 000						
Hermanus	Hermanus	Ward 03	HERMANUS SEWER NETWORK EXTENSION	H Blignaut	SIDAFF EL				17 000 000		17 000 000	17 000 000		17 000 000
Hermanus	Hermanus	Multi-ward HM	HERMANUS WWTW CAPACITY UPGRADE	H Blignaut	EL29							11 400 000		11 400 000
			STORMWATER			**2 000 000**		**2 000 000**	**8 250 000**		**8 250 000**	**7 000 000**		**7 000 000**
Hermanus	Fisherhaven	Ward 08	STORMWATER SYSTEM UPGRADING	T Marx	Surplus	2 000 000		2 000 000	2 000 000		2 000 000	2 000 000		2 000 000
Overstrand	Overstrand	Overstrand	STORMWATER AND SUBSURFACE DRAINAGE SYSTEM	T Steenberg	Surplus				3 750 000		3 750 000	5 000 000		5 000 000
Gansbaai	Franskraal	Ward 11	STORMWATER AND SUBSURFACE DRAINAGE SYSTEM	J Solomons	Surplus				2 500 000		2 500 000			
			WASTE MANAGEMENT			**2 200 000**		**2 200 000**	**8 900 000**		**8 900 000**	**7 000 000**		**7 000 000**
Kleinmond	Kleinmond	Multi-ward KM	RELOCATION OF TRANSFER STATION	D Hendriks	EL27/28				5 000 000		5 000 000	6 000 000		6 000 000
Hermanus	Hermanus	Multi-ward HM	HERMANUS TRANSFER STATION UPGRADE CHIPPING AREA	C Mitchell	EL28				2 500 000		2 500 000			
Gansbaai	Pearly Beach	Ward 11	PEARLY BEACH DROP OFF UPGRADE	C Mitchell	EL27	2 200 000		2 200 000						
Overstrand	Overstrand	Overstrand	ORGANIC WASTE DIVERSION PROJECT	C Mitchell	EL28/29				1 400 000		1 400 000	1 000 000		1 000 000
			GRAND TOTAL			**151 155 156**	**91 584 200**	**242 739 356**	**222 000 000**	**72 445 000**	**294 445 000**	**222 000 000**	**86 168 000**	**308 168 000**
			EXTERNAL LOAN 27/28/29(GENERAL CAPITAL)			100 000 000		100 000 000	100 000 000		100 000 000	100 000 000		100 000 000
			SUSTAINABLE INFRA DEV AND FINANCE FACILITY PROGR(SIDAFF EL)						72 000 000		72 000 000	72 000 000		72 000 000
			EXTERNAL LOAN 26(ROLL OVER)			1 155 156		1 155 156						
			SURPLUS			46 250 000		46 250 000	50 000 000		50 000 000	50 000 000		50 000 000
			SURPLUS-NON-TARIFF-WARD SPECIFIC PROJECTS			3 750 000		3 750 000						
			Prov Gr-HUMAN SETTLEMENTS DEV GR				7 110 200	7 110 200		33 540 000	33 540 000		40 000 000	40 000 000
			PROV-REGIONAL SOCIO-ECONOMIC PROJECTS (RSEP) PROGRAMME				700 000	700 000						
			MUN FIRE SERV CAPACITY SUPPORT GRANT				1 025 000	1 025 000						
			INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME				30 139 000	30 139 000		9 983 000	9 983 000		13 434 000	13 434 000
			WATER SERVICES INFRASTRUCTURE GRANT (WSIG)				26 242 000	26 242 000					3 000 000	3 000 000
			MUNICIPAL INFRASTRUCUTRE GRANT				26 368 000	26 368 000		28 922 000	28 922 000		29 734 000	29 734 000
			GRAND TOTAL			**151 155 156**	**91 584 200**	**242 739 356**	**222 000 000**	**72 445 000**	**294 445 000**	**222 000 000**	**86 168 000**	**308 168 000**

DRAFT 3 YEAR HOUSING BUDGET 2026-2029

Project	2026/2027	2027/2028	2028/2029
Blompark TS Phase 4 (139)	R 375 300.00		
Masakhane TS (Transfers)			
Stanford TS Phase 1 (150)	R 1 471 500.00		
TOTAL OPEX	**R 1 846 800.00**	**R -**	**R -**
Masakhane UISP (104 sites)			
Masakhane UISP Wetcores Phase 4			
Mount Pleasant IRDP Infill Phase 3 (85 sites)			
Kleinmond IRDP	R 1 110 200.00	R 2 000 000.00	R 7 000 000.00
Kleinmond Overhills UISP	R 1 000 000.00	R 7 000 000.00	R 5 000 000.00
Schulphoek (Internal Services)		R 10 000 000.00	R 7 000 000.00
Schulphoek (Bulk Services)	R 1 860 000.00	R 11 800 000.00	R 5 000 000.00
Buffeljagsbaai	R 140 000.00	R 200 000.00	R 3 000 000.00
Greater Hermanus PHSHDA	R 3 000 000.00	R 1 540 000.00	R 10 000 000.00
Stanford Extension (Planning)		R 500 000.00	R 1 500 000.00
Gansbaai Extension (Planning)		R 500 000.00	R 1 500 000.00
TOTAL CAPEX	**R 7 110 200.00**	**R 33 540 000.00**	**R 40 000 000.00**
GRAND TOTAL	**R 8 957 000.00**	**R 33 540 000.00**	**R 40 000 000.00**
GAZETTED AMOUNTS			
HSDG GRANT	R 5 957 000.00	R 4 540 000.00	R 20 000 000.00
ISUP GRANT	R 3 000 000.00	R 29 000 000.00	R 20 000 000.00
TOTAL DORA ALLOCATION	**R 8 957 000.00**	**R 33 540 000.00**	**R 40 000 000.00**

NOTE: THE ABOVE BUDGET WAS DONE IN ACCORDANCE WITH THE PROVINCIAL HUMAN SETTLEMENT BUSINESS PLAN AS SUBMITTED TO THE NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS FOR APPROVAL

ANNEXURE F

SERVICE LEVEL STANDARDS

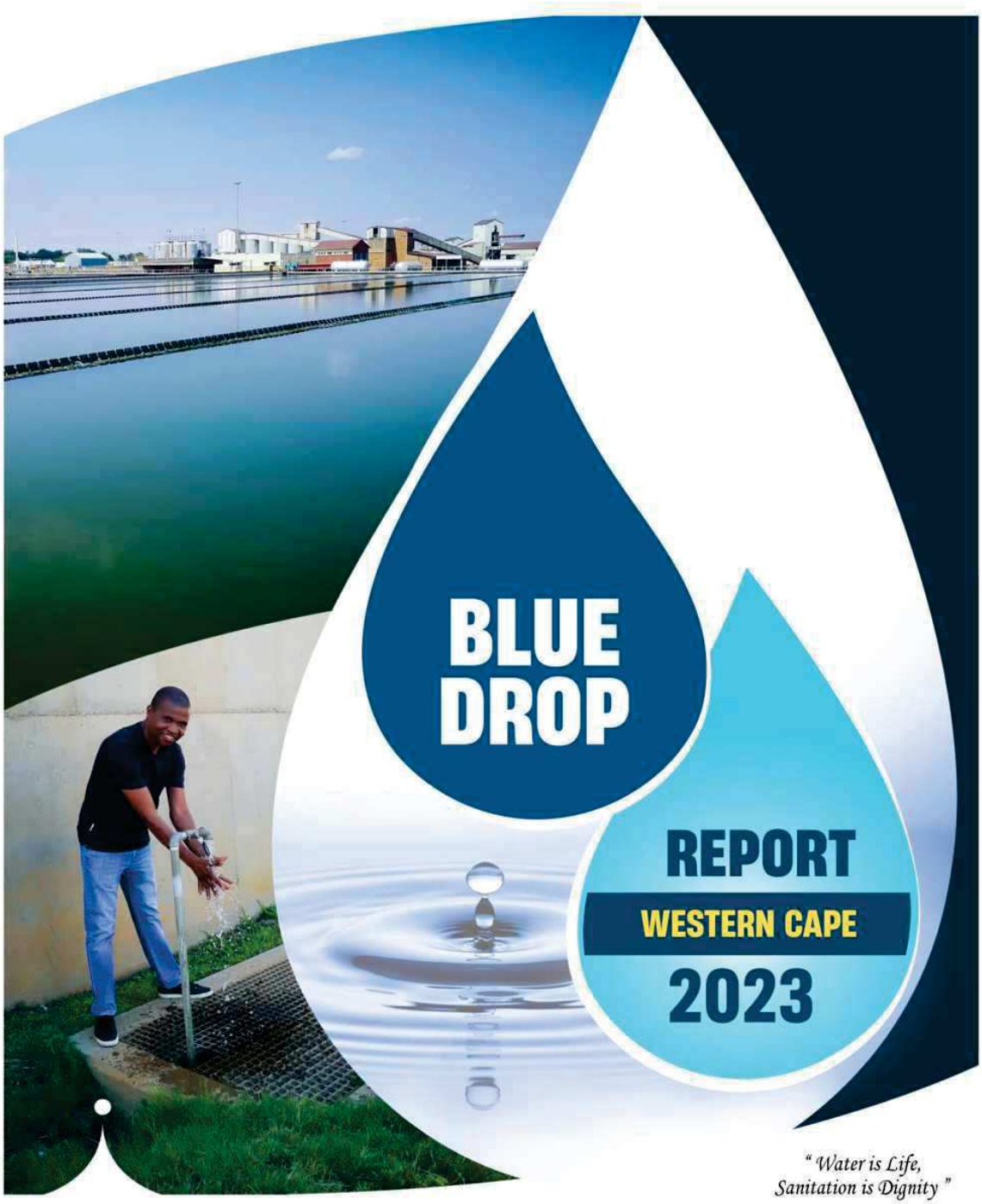
Province: Municipality(WC032) - Schedule of Service Delivery Standards	
Description	
Standard	**Service Level 2026/2027**
Solid Waste Removal	
Premise based removal (Residential Frequency)	WEEKLY
Premise based removal (Business Frequency)	UP TO 7 TIMES PER WEEK (AS PER REQUEST)
Bulk Removal (Frequency)	NO
Removal Bags provided(Yes/No)	YES, MAXIMUM OF 2 (CLEAR BAGS) PER WEEK FOR RECYCLING
Garden refuse removal Included (Yes/No)	YES (1 bag) PER WEEK
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)	72 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)	Overstrand Green Drop Score 2022: 89% Blue Drop Assessment Report 2023: 99,9% Overstrand No Drop Score 2023: 101%
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)	24.00
Up to 5 service connection affected (number of hours)	24.00
Up to 20 service connection affected (number of hours)	24.00
Feeder pipe larger than 800mm (number of hours)	N/A
What is the average minimum water flow in your municipality?	Average 4.3 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)	NO
How much do you estimate is the cost saving in utilizing the ripple control system?	N/A
What is the frequency of meters being read? (per month, per year)	Monthly
Are estimated consumption calculated at 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 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
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

Description	
Standard	**Service Level 2026/2027**
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 in general 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)	24.00
Sewer blocked pipes: Large pipes? (Hours)	24.00
Sewer blocked pipes: Small pipes? (Hours)	24.00
Spillage clean-up? (hours)	24.00
Replacement of manhole covers? (Hours)	120.00
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)	360.00
Time taken to repair a road following an open trench service crossing? (Hours)	360.00
Time taken to repair walkways? (Hours)	720.00
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)	Zero unauthorised and wasteful expenditure
Are the financial statement outsources? (Yes/No)	No
Are there Council adopted business process instructuing 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: Client Contact Centre (Customer Relations Management Dept)	
Reaction time on enquiries and requests?	1 to 10 days - written enquiries 1 day - Citizen App service requests
Time to respond to a verbal customer enquiry or request? (working days)	1 to 10 days
Time to respond to a written customer enquiry or request? (working days)	1 to 10 days - written enquiries 1 day - Citizen App service requests
Time to resolve a customer enquiry or request? (working days)	As per individual service delivery standard for each dept (for ex. Tankers = 3 days for normal and 24h for emergency) General enquiires = 1 to 10 days
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
Is there a reduction in the number of complaints or not? (Yes/No)	We do not distinguish between complaints and service requests so not possible to say
Finance	

Description	
Standard	**Service Level 2026/2027**
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 including KPI monitoring
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)	4,25 min
What is the average reaction time of the ambulance service to an incident in the urban area? (minutes)	Service not rendered by the municipality
What is the average reaction time of the ambulance service to an incident in the rural area? (minutes)	Service not rendered by the municipality
Economic development	
How many economic development projects does the municipality drive?	18
How many economic development programme are deemed to be catalytic in creating an enabling environment to unlock key economic growth projects?	9
What percentage of the projects have created sustainable job security?	60%
Does the municipality have any incentive plans in place to create an conducive environment for economic development? (Yes/No)	Yes (Investment Incentive policy)
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



BLUE DROP REPORT

WESTERN CAPE 2023

" Water is Life, Sanitation is Dignity "

water & sanitation

Department:
Water and Sanitation
REPUBLIC OF SOUTH AFRICA

2030 NDP

4.20 Overstrand Local Municipality

Municipal Blue Drop Score		
Blue Drop Score 2023	%	99.99%
Blue Drop Score 2014	%	90.79%
Blue Drop Score 2012	%	96.82%
Blue Drop Score 2011	%	90.56%

Key Performance Area	Weight	Baardskeerdersbos	Buffeljags Bay	Buffelsrivier	Greater Gansbaai
Bulk/WSP		-	-	-	-
Capacity Management	15%	100.00%	100.00%	100.00%	100.00%
DWQ Risk Management	20%	96.00%	95.00%	96.00%	95.29%
Financial Management	10%	100.00%	100.00%	100.00%	100.00%
Technical Management	20%	98.50%	83.50%	100.00%	98.81%
DWQ Compliance	35%	98.00%	100.00%	100.00%	100.00%
Bonus	10%	100.00%	100.00%	100.00%	100.00%
Penalties	10%	0.00%	0.00%	0.00%	0.00%
Disqualifiers		None	None	None	None
Blue Drop Score 2023	%	99.70%	98.20%	99.99%	99.99%
Blue Drop Score 2014	%	63.90%	71.80%	87.20%	88.30%
Blue Drop Score 2012	%	91.60%	93.80%	95.00%	97.10%
Blue Drop Score 2011	%	93.70%	75.40%	95.10%	95.10%
System Design Capacity	kL/d	185	80	5 500	8 100
System Available Capacity	kL/d	185	28	5 500	8 100
System Input Value	kL/d	37	14	2 020	3 743
Capacity Utilisation	%	20.00%	50.00%	36.73%	46.22%
Average Daily Consumption	l/p/d	289	92	610	183
Resource Abstracted From		Boreholes	Borehole	Buffels River Dam	Klipgat & De Kelders Grotte Fountain, Kraaibosch & Franskraal Dams
Microbiological Compliance	%	98.70%	99.99%	99.99%	99.05%
Chemical Health Compliance	%	98.51%	98.28%	99.47%	98.85%
Risk Defined Compliance	%	97.97%	98.04%	96.79%	99.70%
VROOM	Rand	-	-	R311 735	-
BDRR 2023	%	9.57%	14.21%	15.08%	19.97%
BDRR 2022	%	12.80%	16.20%	16.70%	17.00%

Key Performance Area	Weight	Greater Hermanus	Kleinmond	Pearly Beach	Stanford
Bulk/WSP		-	-	-	-
Capacity Management	15%	100.00%	100.00%	100.00%	100.00%
DWQ Risk Management	20%	96.00%	96.00%	96.00%	96.00%
Financial Management	10%	100.00%	100.00%	100.00%	100.00%
Technical Management	20%	100.00%	98.50%	98.50%	98.50%
DWQ Compliance	35%	100.00%	100.00%	100.00%	100.00%
Bonus	10%	100.00%	100.00%	100.00%	100.00%
Penalties	10%	0.00%	0.00%	0.00%	0.00%
Disqualifiers		None	None	None	None
Blue Drop Score 2023	%	**99.99%**	**99.99%**	**99.99%**	**99.99%**
Blue Drop Score 2014	%	96.40%	85.60%	87.40%	90.90%
Blue Drop Score 2012	%	97.90%	95.00%	95.20%	92.70%
Blue Drop Score 2011	%	87.20%	93.10%	94.30%	95.20%
System Design Capacity	kL/d	38 000	5 800	1 440	1 000
System Available Capacity	kL/d	38 000	5 800	1 440	2 000
System Input Value	kL/d	11 154	2 260	380	720
Capacity Utilisation	%	29.35%	38.97%	26.39%	36.00%
Average Daily Consumption	l/p/d	159	273	301	119
Resource Abstracted From		De Bos Dam; Gateway Borehole Field (5 boreholes); Volmoed and Camphill borehole fields (7 boreholes)	Palmiet River and Dorpsfontein	Pearly Beach Dam & Koekemoer Dam	Stanford Spring Kouevlakte Boreholes
Microbiological Compliance	%	98.53%	99.99%	97.30%	98.77%
Chemical Health Compliance	%	99.76%	98.73%	98.80%	98.11%
Risk Defined Compliance	%	99.59%	99.71%	99.43%	99.05%
VROOM	Rand	**R2 153 802**	-	-	-
BDRR 2023	%	18.44%	14.53%	13.39%	15.98%
BDRR 2022	%	20.70%	16.20%	13.80%	17.80%

Introductions

The Overstrand Local Municipality (OLM) supplies approximately 109 703 people with potable water through its 8 water supply systems, with a total SIV of 20.33 Ml/day and a combined design capacity of 61.11 Ml/day. The OLM is the Water Services Authority responsible for 100% of the total SIV and sub-contracts the operation of all the treatment plants to VEOLIA water service providers. The distribution network is solely maintained by the Overstrand Local Municipality:

- The Baardskeerdersbos Supply system abstracts raw water from boreholes for treatment at the Baardskeerdersbos WTP (OLM) which serves 128 people, delivered at an SIV of 37 kl/d.
- The Buffeljags Bay Supply system abstracts raw water from boreholes for treatment at the Buffelsjags Bay WTW (OLM) which serves 154 people, delivered at an SIV of 14 kl/d.
- The Buffelsrivier Supply system abstracts raw water from the Buffels River Dam for treatment at the Buffelsriver WTP (OLM) which serves 3 312 people, delivered at an SIV of 2 020 kl/d.

- The Greater Gansbaai Supply system serves 20 479 people, delivered at a total SIV of 37 kl/d. The system abstracts raw water from the Klipgat & De Kelders Grotte Fountain for treatment at the De Kelders WTP (OLM) at an SIV of 763 kl/d, and the Kraaibosch and Franskraal Dams for treatment at the Franskraal WTP (OLM) at an SIV of 2 980 kl/d.
- The Greater Hermanus Supply system abstracts raw water from the De Bos Dam, Gateway Borehole Field (5 boreholes) and Volmoed and Camphill borehole fields (7 boreholes) for treatment at the Preekstoel WTP (OLM) which serves 70 038 people, delivered at an SIV of 11 154 kl/d.
- The Kleinmond Supply system abstracts raw water from the Palmiet River and Dorpsfontein for treatment at the Kleinmond WTP (OLM) which serves 8 279 people, delivered at an SIV of 2 260 kl/d.
- The Pearly Beach Supply system abstracts raw water from the Pearly Beach and Koekemoer Dams for treatment at the Pearly Beach WTP (OLM) which serves 1 263 people, delivered at an SIV of 380 kl/d.
- The Stanford Supply system abstracts raw water from the Stanford Spring Kouevlakte Boreholes for treatment at the Stanford Water Treatment Works (OLM) which serves 6 050 people, delivered at an SIV of 720 kl/d.

Regulator's Comments

The Overstrand Local Municipality (OLM) was represented by the Director of Engineering planning and accompanied by two technical managers as well as the operations manager from VEOLIA appointed for the operation of all the treatment works for the OLM. The WSI representatives were very well prepared for the Blue Drop assessment, well informed of all aspects of their systems, and provided an outstanding portfolio of evidence which made the audit process easy and efficient. The OLM had a significant decline in its Blue Drop score history from 93.70% in 2011 to 63.90% in 2014.

The regulator would like to applaud the OLM for their commitment to a high standard of service delivery by taking the initiative in appointing VEOLIA for the operation of their treatment plants. With very-low risk ratings, and excellent compliance for both microbiological and chemical acute health across all their systems it is plain to see the value added by this appointment is plain to see, which resulted in a praiseworthy overall Blue Drop score of 99.99%.

The WSI completed comprehensive high-quality water safety plans for all their systems including extensive proof of implementation and monthly reports on the performance and O&M expenditures on all their plants. Their operational monitoring, data capturing, and analysis is commendable, and they have well-defined and implemented compliance monitoring and risk-based monitoring programs. The team was questioned on their knowledge of the risks identified in the WaSP and was able to readily identify the major risk in the catchments, at the treatment works and within the network including the mitigation measures and status of implementation thereof.

The WSI provided detailed system assessments informed by high-quality process audits including technical site assessments, water reticulation inspections/assessments, and IWA water balances.

The maintenance teams are sufficiently capacitated and managed with competent staff and term contracts are in place for outsourcing of specialised maintenance.

A capital budget was provided together with a five-year forecast. The budget for the audit year was R7.17 mil for bulk (delivery and treatment) projects and R30.16 Mil for network/distribution with respective expenditures of R7.15 mil and R29.48 mil. The projects were listed as follows:

Capital works executed under bulk contract:

- Security Fencing Water Facilities. Hawston and Pearly Beach Booster WPS (budget R1.0 mil; spent: R0.99 mil)
- Replace Kraaibsoch Booster Pump; Replace membranes at Pearly Beach WTW; Replace Membranes at De Bos WTW; Refurbish sand filters; install solar pump and DAF upgrade at Pearly Beach (budget R 2.18 mil; spent: R 2.17 mil)
- Refurbishment of Bulk Water Pipelines (All systems) (budget R1.988 mil; expenditure: R1.986 mil).
- Upgrade access roads to Kleinmond and Buffelsrivier WTW (budget R2.0 mil; expenditure: R1.99 mil)

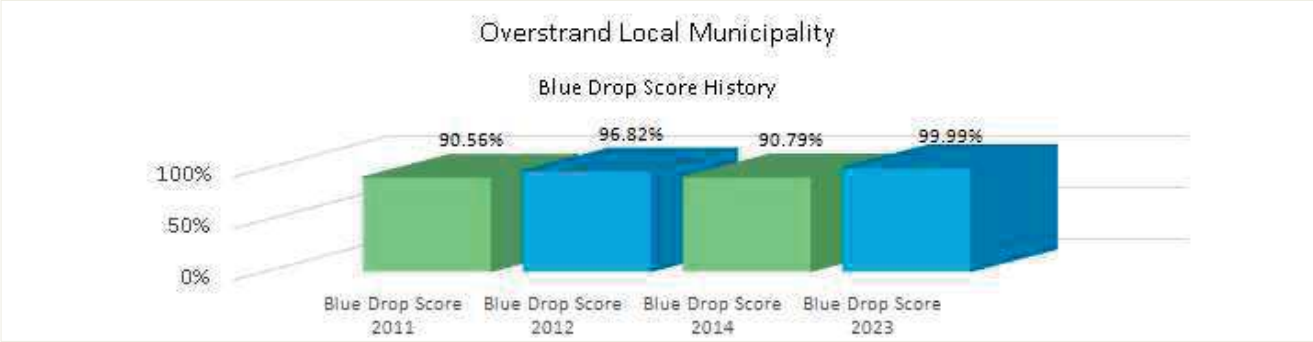
Capital projects implemented by the Municipality:

- Replacement of Overstrand water pipes (f1/3) - (budget R7.05 mil; expenditure: R7.05 mil).
- Replacement of Overstrand water pipes (f2/3) - (budget R8.00mil; expenditure: R8.00 mil).
- Replacement of Overstrand water pipes (f3/3) - (budget R3.62 mil; expenditure: R3.62 mil).
- Upgrade Hermanus well fields phase 2- (budget R3.59 mil; expenditure: R3.58 mil).
- Water master plan implementation- (budget R7.22 mil; expenditure: R7.22 mil).

Blue Drop Findings

The OLM, across all their system, has very few shortcomings.

- The WSI should ensure that all their Water Use Licenses are in place for Raw Water Abstraction.
- The WSI to ensure Up-to-date proof of accuracy for flow meters of the Buffelsjags WSS.
- Although the WSI are complying with the regulations for Process controllers and supervisors required for this audit period, the WSI should ensure compliance with the newly promulgated requirement of regulation 3630 for future.



Technical Site Assessment

The ***Preekstoel WTP*** was inspected to verify the Blue Drop audit findings and received a technical site assessment score of 94%. The plant is owned by the Overstand LM and operated by a private company, Veolia. The works comprises of 3 plants, a 21 Ml/d conventional treatment, a 7 Ml/d chemical oxidation plant ($KMnO_4$), and a 10 Ml/d biological filter plant for Fe & Mn removal giving a combined treatment capacity of 38 ML/d. The works was found to be in prime condition, excellently managed and maintained and only required some minor general concrete repairs and general upkeep of the buildings. The inspected raw water pump station requires refurbishment of corroded valves and pipes, and a gland leakage sump / pump should be considered. Due to the chemical oxidation process, non-corrosive materials should be considered in areas. All considered the total VROOM amount comes to R 56 679/ML. The final water quality produced by the treatment plant is excellent with a Microbiological (Acute Health) compliance of 98.53% (samples taken fortnightly), and a Chemical compliance (Acute and Chronic Health) of >99.90% and 99.75% respectively. The Operational, Aesthetic and Risk Def compliance monitoring are also excellent, scoring 99.23%, 99.91% and 99.59% respectively. The team on site is aware of what is listed in the safety plan on risks associated from the catchment to the reticulation system. Workplace satisfaction has been indicated as 90% with training identified as the only aspect to improve.

The Blue Drop Watch Report 2023 can be consulted for more detail.



Cascading Inlet for conventional treatment - Preekstoel WTW



KMnO4 treated water entering settling tank - Chemical Oxidation Treatment- Preekstoel WTW



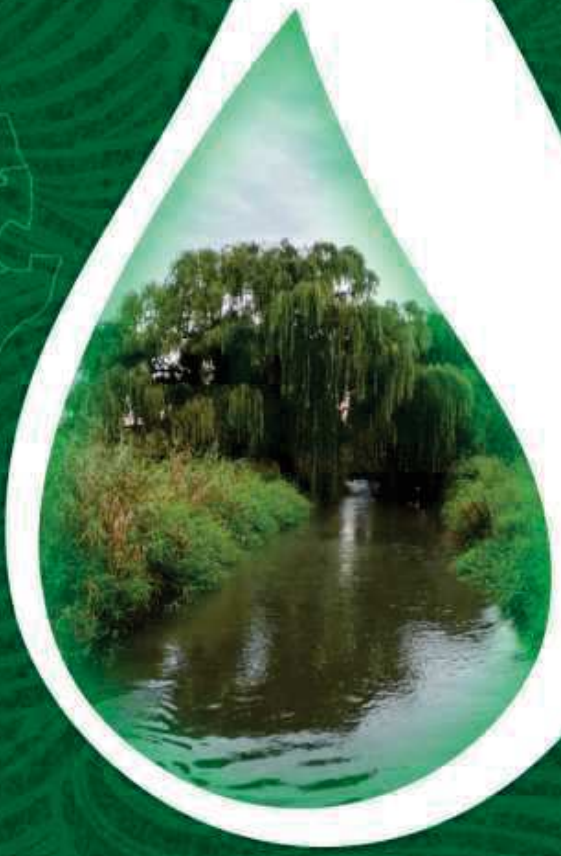
Biofiltration Plant - Preekstoel WTW

GREEN DROP

Western Cape

2022





" Water is Life, Sanitation is Dignity "

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

2030 NDP

green drop
CERTIFICATION
waste water service
REGULATION

4.18 Overstrand Local Municipality

Water Service Institution	**Overstrand Local Municipality**
Water Service Provider	Veolia Water

Municipal Green Drop Score	
2021 Green Drop Score	89%→
2013 Green Drop Score	89%
2011 Green Drop Score	89%
2009 Green Drop Score	63%

VROOM Impression (Towards restoring functionality):

1. Flow distribution to SSTs
2. Lime storage facility
3. Security
4. Scum control

VROOM Estimate:

- R10,200,000

Key Performance Area	Weight	Gansbaai	Hawston	Hermanus	Kleinmond
A. Capacity Management	15%	100.0%	100.0%	100.0%	100.0%
B. Environmental Management	15%	91.0%	85.0%	85.0%	86.0%
C. Financial Management	20%	98.0%	98.0%	98.0%	78.0%
D. Technical Management	20%	97.5%	97.5%	97.5%	93.5%
E. Effluent & Sludge Compliance	30%	70.0%	50.0%	85.0%	64.0%
F. Bonus		94.0%	94.0%	94.0%	94.0%
G. Penalties		0.0%	0.0%	0.0%	0.0%
H. Disqualifiers		None	None	None	None
Green Drop Score (2021)		96%->89%	89%	96%->89%	88%
2013 Green Drop Score		92%	90%	91%	78%
2011 Green Drop Score		76%	88%	92%	83%
2009 Green Drop Score		66%	57%	66%	66%
System Design Capacity	Ml/d	2	1	12	2
Design Capacity Utilisation (%)		43%	61%	54%	76%
Resource Discharged into		Irrigation – Sports complex	Maturation Pond into Wetland	Ocean	Reed- bed/wetland area linked to sea
Microbiological Compliance	%	68%	80%	87%	91%
Chemical Compliance	%	86%	74%	98%	51%
Physical Compliance	%	95%	62%	100%	88%
Wastewater Risk Rating (CRR% of CRR_{max})		Gansbaai	Hawston	Hermanus	Kleinmond
CRR (2011)	%	31.0%	33.0%	35.0%	44.0%
CRR (2013)	%	35.3%	29.0%	45.0%	47.0%
CRR (2021)	%	41.2%	52.9%	36.4%	47.1%

Key Performance Area	Weight	Pearly Beach	Stanford
A. Capacity Management	15%	100.0%	100.0%
B. Environmental Management	15%	98.8%	92.0%
C. Financial Management	20%	97.5%	98.0%
D. Technical Management	20%	97.1%	97.5%
E. Effluent & Sludge Compliance	30%	62.5%	50.0%
F. Bonus		56.0%	94.0%
G. Penalties		-25.0%	0.0%
H. Disqualifiers		None	None
Green Drop Score (2021)		88%	90%->89%

Key Performance Area	Weight	Pearly Beach	Stanford
2013 Green Drop Score		NA	**93%**
2011 Green Drop Score		NA	**83%**
2009 Green Drop Score		NA	**61%**
System Design Capacity	Ml/d	0.259	1.2
Design Capacity Utilisation (%)		31%	89%
Resource Discharged into		An aquifer	Constructed reed bed to Klein River
Microbiological Compliance	%	100%	82%
Chemical Compliance	%	58%	78%
Physical Compliance	%	27%	82%
Wastewater Risk Rating (CRR% of CRR_{max})		**Pearly Beach**	**Stanford**
CRR (2011)	%	NA	44.0%
CRR (2013)	%	NA	29.0%
CRR (2021)	%	52.9%	64.7%

Regulator's Comment:

Overstrand Local Municipality and WSP Veolia delivered a sterling performance that was awarded with an overall 89% Green Drop score.The municipality continues to maintain a remarkable record of 89% over 10 years, marked by a highlight committed, competent team. In addition, Gansbaai, Hermanus and Stanford were serious contenders for Green Drop Certification, which regrettably had to be waived due to not achieving excellent standards (>90%) on their final microbiological and/or chemical qualities. The WSA should be able to attain Certification status in 2023 if this matter can be resolved.

The Regulator is impressed with the level of preparation and professional conduct during the audit, represented by managers in various roles, supported by Veolia Water. All required information was loaded onto IRIS for various KPAs prior which ensure a seamless preliminary assessment. The team then used the main audit and verification audit events to maximise their scores by providing clarification and further evidence on sludge classification (landfilling), stormwater- and water demand management and capital projects. The striking performance and sustained services are not surprising if noting the strength of the engineering, technical, scientific, and laboratory competence, supported by committed senior management and municipal leadership. Perfect score (100%) were achieved for KPA Capacity Management for the expertise, supported by comprehensive operation, maintenance, and monitoring plans and records, including financials and energy management. Human capacity is optimised via the adoption of automation and telemetry. This aspect must be taken up with the Regulator to align with capacity requirements to ensure that any risks associated with such innovations are managed. Flow monitoring is in place for inflow and outflow, and online monitoring for night flows (Myciti) is in place. Energy optimisation via LED is standard procedure and CO_2 equivalents are calculated to monitor the benefit. Well done. These best practices set a high standard for wastewater services in South Africa.

In a nutshell, the municipality performance exceptionally well in all KPA areas (>90%), with the exception of Effluent and Sludge Compliance. Areas for improvement include the laboratory turn-around time, monitoring of dedicated sludge streams and performance evaluation against design expectations, flow meter calibration/verification, sludge classification according to the WRC guidelines (noting new landfill regulations).

The adoption of site specific W_2RAP process is an encouraging; notably that risk management is informed and influenced by a process audit, sewer master plan and supported by budget for implementation. Improvement should focus on having (independent) Risk Reviews every 6 months to monitor (quantify) risk movement. The Regulator congratulates Overstrand and hope the 2023 audit cycle will result in an exponential improvement until Green Drop excellence is achieved for all six (6) systems.

Green Drop findings:

1. All WWTW achieved a full score for capacity management, thereby verifying the availability of registered and qualified process controllers, maintenance teams (inhouse and outsourced services), engineering, technical (technicians and technologists) and scientific expertise tied to wastewater management and asset planning
2. W_2RAPs are in place and implemented, and its impact monitored though operational monitoring and compliance monitoring
3. All systems presented financial evidence viz. allocated budgets and expenditure, treatment cost (R/m^3 treated), energy costs (R/kWh), and contracts for external services
4. Six (6) of 6 WWTWs logged full records for compliance monitoring, including biomonitoring

5. Operational monitoring with online meters for most process streams are implemented. Gaps are still noted with regard to sludge monitoring of dedicated streams, e.g. in and output from settlers and thickeners, anaerobic digesters, belt presses, drying beds, etc.
6. High quality reports were presented for process audits, sewage inspection reports, sewer master planning
7. Bylaws are updated and enforced
8. 12 months of data uploaded on IRIS for all 6 WWTWs, supported by relevant site-specific water use authorisation and general authorisations
9. Sludge classification for landfill disposal is done, but not complemented by WRC classification – the latter not only intending to guide disposal but also to monitor the quality of biosolids produced by the site
10. No penalties and no directives were issued for any systems
11. No plants in the critical or high-risk positions
12. Capital projects are part of a three-year plan, with 2021 projects listed as follows:
    - R6,700,000: Sewer network extension in Gansbaai WWTWs and associated infrastructure
    - R16,154,000: Hawston WWTW refurbishment on civil and mechanical equipment's for various unit processes.
    - R8,836,000: Hermanus WWTW refurbishments and associated infrastructure
    - R1,645,000: Kleinmond WWTW refurbishment and associated infrastructure
    - R1,797,000: Stanford WWTW refurbishment and associated infrastructure.



Technical Site Assessment

Hermanus WWTW 74%

The ***Hermanus WWTW*** was inspected to verify the Green Drop audit findings:

- The network and pumpstation was in good condition, noticed for routine maintenance and adequate response to sewage blockages
- Trespassing seems to be a risk at the WWTW, compounded by land invasion close to the site. Neighbours to the WWTW resort to jumping over the fence to access their residence. Overstrand has plans to raise the wall to secure the facility and mitigate security risks
- Plant infrastructure is aging; however, its lifespan is extended via preventative maintenance strategies. All equipment is functional
- The site office displays certificates for PCs and WWTW – a satisfactory working environment is observed
- Operational monitoring, daily logbook or maintenance records were in place
- Safety signs were displayed at various unit processes i.e., chlorination, belt presses, lime storage, reactors, etc.
- Parts of the site was untidy and not evident of good groundskeeping - used as storage whilst network upgrades/refurbishments underway. Good housekeeping was evident at the maturation ponds
- Sludge drying beds were not well kept and used only during emergency. Belt presses are used for primary sludge handling
- Veolia Water developed a reactor control- and sludge management plan
- All required documents were presented on site including comprehensive O&M manual with manufacturers specs, PFD and model of plant, and record of all maintenance issues (job cards, works orders, tracking of outstanding jobs).

		
Reactor audit and optimisation studies in pursuit of best practice	*MLSS, DO and sludge age maintained at optimal levels by process controllers*	*Flow distribution uneven and deliver high flows to 1 of 4 clarifiers. Work done during TSA to rectify this design defect.*

ANNEXURE H

NT BUDGET CIRCULARS

NATIONAL TREASURY

MFMA Circular No. 132

Municipal Finance Management Act No. 56 of 2003

Municipal Budget Circular for the 2026/27 MTREF

CONTENTS:

1. THE SOUTH AFRICAN ECONOMY AND INFLATION TARGETS: 3
2. KEY FOCUS AREAS FOR THE 2026/27 BUDGET PROCESS: 3
   - 2.1 LOCAL GOVERNMENT ALLOCATIONS 4
   - 2.2 REPORTING REQUIREMENTS FOR DISASTER ALLOCATIONS, METRO TRADING SERVICES PROGRAMME (MTSP) – ROLLOVER AND THE STOPPING AND RE-ALLOCATION GUIDELINES 6
   - 2.3 CRITERIA FOR THE RELEASE OF THE EQUITABLE SHARE 9
   - 2.4 STOPPING AND RE-ALLOCATION GUIDELINES 10
3. 2026 LOCAL GOVERNMENT ELECTIONS AND THE BUDGET PROCESS 11
   - 3.1 TRANSITIONAL PROCESSES – DEVELOPMENT AND ADOPTION OF IDPS DURING THE 2026 ELECTION YEAR 11
   - 3.2 HAND-OVER REPORTS FOR THE NEWLY ELECTED COUNCILS 12
4. REVENUE MANAGEMENT 13
   - 4.1 PRIORITISE FUNDING THE ELECTRICITY REVENUE PROTECTION PROGRAMME 13
   - 4.2 REVENUE MANAGEMENT ASSESSMENT TOOL 13
   - 4.3 COST REFLECTIVE TARIFF TOOL 14
   - 4.4 ELECTRICITY TARIFFS 15
   - 4.5 MUNICIPAL VALUATION ROLL RECONCILIATION TOOL 16
   - 4.6 PROHIBITION ON VENDING SYSTEM(S) / THIRD PARTY VENDING SOLUTIONS WITHOUT CONSULTING THE NATIONAL TREASURY 16
   - 4.6A SMART METER END-TO-END SOLUTIONS 17
   - 4.6B LARGE POWER USERS (LPU) – ADVANCED METERING INFRASTRUCTURE (AMI) 18
   - 4.6C REQUEST FOR METER STATISTICAL INFORMATION IN TERMS OF MFMA SECTION 74 19
   - 4.6D SMART METERING FINANCING SOLUTIONS 20
   - 4.6E TRANSVERSAL CONTRACT FOR THE PROCUREMENT OF SMART METERING END-TO-END SOLUTIONS 20
   - 4.7 TRAINING TOOLS OF THE NATIONAL TREASURY 20
   - 4.8 GOMUNI PORTAL – REVENUE MANAGEMENT DOCUMENT UPLOADS REQUIRED 21
   - 4.9 MONITORING – WATER DEBT RELIEF 21
   - 4.10 DELIVERY AGENCY AGREEMENT(S) (DAA) WITH ESKOM 22
5. BUDGET AND OTHER MANAGEMENT ISSUES: 23
   - 5.1 NATIONAL TREASURY GUIDELINE ON BUDGETING FOR A FUNDED BUDGET 23
   - 5.2 EMPLOYEE RELATED COSTS 23
   - 5.3 REMUNERATION OF COUNCILORS 24
   - 5.4 USING SECTION 67 TRANSFERS TO PAY FOR COUNCILLOR FUNERAL COSTS 24
   - 5.5 REVIEW OF HUMAN RESOURCE POLICIES, BENEFITS NOT PROVIDED FOR IN COLLECTIVE AGREEMENTS 24
   - 5.6 SUBMISSION OF PAYROLL INFORMATION ON CENTRAL SUPPLIER DATABASE 25
   - 5.7 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE REDUCTION AND IMPLEMENTATION OF CONSEQUENCE MANAGEMENT 25
   - 5.8 FRUITLESS AND WASTEFUL EXTERNAL LEGAL AND CONSULTANT COSTS 26
   - 5.9 FRUITLESS AND WASTEFUL EXPENDITURE AUDIT FINDING DISPUTES 26
   - 5.10 REQUEST FOR INFORMATION REGARDING PROCUREMENT SPEND, EMPLOYEE RELATED DATA AND AUDIT MANAGEMENT REPORTS 26
   - 5.11 ADDITIONAL IN-YEAR REPORTING REQUIREMENTS 27
6 MUNICIPAL STANDARD CHART OF ACCOUNTS (*m*SCOA): 27

6.1 RELEASE OF VERSION 7.1 OF THE CHART 27
6.2 IMPORTANT CHANGES IN *m*SCOA CHART VERSION 7.1 28

7 THE MUNICIPAL BUDGET AND REPORTING REGULATIONS: 32
7.1 ASSISTANCE WITH THE COMPILATION OF BUDGETS 32

8 SUBMITTING BUDGET DOCUMENTATION AND A SCHEDULES FOR THE 2026/27 MTREF 33
8.1 SUBMISSIONS TO THE NATIONAL TREASURY 33
8.2 TIME FRAMES FOR SUBMISSION 33
8.3 UPDATING OF CONTACT DETAILS ON GOMUNI 34
8.4 TRAINING ON GOMUNI AND *m*SCOA 34

Introduction:

This budget circular provides guidance to municipalities on the compilation of the 2026/27 Medium Term Revenue and Expenditure Framework (MTREF). It is linked to the Municipal Budget and Reporting Regulations (MBRR) and the Municipal Standard Chart of Accounts (*m*SCOA) and aims to support municipalities' budget preparation processes to ensure minimum requirements are met.

Among the objectives of this budget circular is to demonstrate how municipalities should undertake annual budget preparation in accordance with the budget and financial management reform agenda by focusing 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 are not covered in this circular.

1. The South African economy and inflation targets:

South Africa's economy is expected to grow by 1.2 per cent in 2025/26, down from the 1.4 per cent estimated in the 2025/26 budget. Real GDP growth is forecast to strengthen, averaging 1.8 per cent over the medium-term, supported by a revival in investment as new infrastructure allocations take effect and reform implementation builds.

The following macro-economic forecasts must be considered when preparing the 2026/27 MTREF municipal budgets.

Table 1: Macroeconomic performance and projections, 2023 – 2029

Fiscal year	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	Actual	Actual	Estimate	Forecast		
CPI Inflation	6.9%	5.9%	4.4.%	3.3%	3.7%	3.3%	3.2%

Source: National Treasury Budget Review 2025.

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

Headline inflation declined to 4.4 per cent in the fourth quarter of 2024/25, resulting in average inflation of 4.4 per cent for the year. Consumer inflation is projected to average 3.3 per cent in 2025/26 and 3.7 per cent in 2026/27. In the short term, reducing the inflation target to 3 per cent will result in more cuts in interest rates than would be the case under a 4.5 per cent target. Over time, a lower target will decrease inflation and inflation expectations, creating the space for permanently lower interest rates, which will support household spending and investment – boosting economic growth and job creation.

The lower inflation will support higher levels of real economic growth. South Africa's inflation target will be more in line with its trading partners and peer economies, making the economy more competitive. Household spending and private investment will rise due to higher real disposable income and lower borrowing costs.

2. Key focus areas for the 2026/27 budget process:

2.1 Local government allocations

Over the 2026 Medium-Term Expenditure Framework (MTEF), the government proposes an allocation of 9.7 per cent to local government. Local government funding is projected to increase from R192.9 billion in 2026/27 to R204.9 billion in 2028/29. In 2026/27, this increase comprises R110.6 billion for the local government equitable share, R17.6 billion from the general fuel levy sharing with metropolitan municipalities, and R64.6 billion for both direct and indirect conditional grants. The increased allocations to local government reflect the government's commitment to social protection as a cornerstone of its fiscal strategy, ensuring ongoing support for indigent populations and the expansion of critical infrastructure through conditional grants. These figures represent the preliminary fiscal framework outlined in the 2025 Medium Term Budget Policy Statement; final details will be provided in the 2026 Budget Review.

Notable changes to the conditional grants system

The government has finalised its review of the conditional grant system and developed a range of reforms based on the results. These are reforms aimed at rationalising conditional grants and enhancing their effectiveness, and some have already been implemented in 2025/26 already. Reforms over the 2026 MTREF will include:

- **Electricity** – The merging of the Integrated National Electrification Programme grant and the Energy Efficiency Demand Side Management grant focuses on energy efficiency and renewable energy programmes that can lead to more sustainable energy provision and enable the achievement of long-term goals;
- **Water and sanitation** – The Water Services Infrastructure Grant, Regional Bulk Infrastructure Grant and Municipal Infrastructure Grant will be reviewed to address overlaps in water services provision;
- **Transport** – The Public Transport Network Grant will be phased out over the MTEF, and new arrangements will be explored for integrated public transport and improvements to higher-density housing to maximise benefits;
- **National Treasury grants** – The Infrastructure Skills Development Grant and Neighbourhood Development Partnership Grant will be discontinued and will be replaced with better-designed instruments that will simplify oversight, reduce administrative burden, and channel more resources to actual delivery;
- **Metro Trading Services** – An amount of R19.3 billion over the MTEF for infrastructure associated with municipal trading services will be shifted from the *Urban Settlements Development Grant* to the performance-based *Urban Development Financing Grant*; and
- **Municipal Infrastructure Grant** – there will be the introduction of a performance-based split delivery model (direct and indirect). An indirect delivery model will only be used to rebuild (not replace) municipal capacity. The role of MISA and DBSA in the indirect delivery models will be elevated, coupled with time-bound capability plans aimed at restoring direct funding.

We kindly advise municipalities to utilise the indicative numbers that were presented in the 2025 Division of Revenue Act when developing their 2026/27 MTREF calculations. It is also crucial to make considerations to the proposed amendments to baselines that were presented in the 2025 MTBPS, as they may have an impact. We recommend this be prioritised in all budgetary planning for the upcoming fiscal year. In terms of the outer year allocations (2028/29 financial year), it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as presented in the 2025 Division of Revenue Act for 2026/27. The Division of Revenue Bill, 2025, which includes the annexures outlining allocations to each municipality is available at:
https://www.treasury.gov.za/documents/National%20Budget/2025May/

The Integrated National Electrification Programme and the Energy Efficiency and Demand Side Management grant will be merged in the 2026 Budget to streamline electrification funding, while the Public Transport Network Grant will be discontinued due to its failure to meet intended

objectives. The phased changes arise from the review of local government conditional grants to address infrastructure delivery inefficiencies.

Division Of Revenue Amendment Bill, 2025 (DoRAB)

Changes to local government allocations –

Additional funding to the Municipal Disaster Recovery Grant*:* An additional R496 million is allocated to the Municipal Disaster Recovery Grant to support the reconstruction and rehabilitation of municipal infrastructure that was damaged by the floods and storm surges that struck the Eastern Cape between March and June 2025.

Additional funding to the Urban Development Financing Grant: An additional R2.1 billion is provided to the Urban Development Financing Grant to strengthen the metro trading services component. This allocation had already been provisionally set aside on a provisional basis when the main budget was presented in May 2025.

Roll over of funds in the Public Transport Network Grant: An amount of R303 million is rolled over in the Public Transport Network Grant to enable the eThekwini Metropolitan Municipality to proceed with essential work needed to operationalise Corridor 3 of its Integrated Public Transport Network operational.

Reprioritisation from the Urban Settlements Development Grant (USDG) – R5.7 billion, R6.4 billion and R7.2 billion are shifted in the respective years of the 2026 MTEF period from the Urban Settlements Development Grant to the Metro Trading Services component of the Urban Development Financing Grant to strengthen core utility functions.

Rescheduling of BFI funding in the Regional Bulk Infrastructure Grant (RBIG) – Over the medium term, an additional R2.1 billion is allocated to the Regional Bulk Infrastructure Grant to finance the Polokwane wastewater treatment works project through the Budget Facility for Infrastructure.

Reforms in the Municipal Infrastructure Grant (MIG) – Government is reforming MIG to control underspending, misuse of funds and capacity constraints. Municipalities with proven capacity will retain direct transfers, while those with ongoing capacity or governance failures will shift to indirect transfers through entities such as the Municipal Infrastructure Support Agency (MISA) and the Development Bank of Southern Africa (DBSA), supported by time-bound capability plans to restore direct access. This approach accelerates service delivery while strengthening long-term municipal capability.

Changes to conditional grant frameworks and allocations –

The framework of the MDRG – Recovery will be amended to ring-fence the additional funds for the reconstruction and rehabilitation of municipal infrastructure damaged by the disasters that occurred in the Eastern Cape between March and June 2025.

The framework of the *Urban Development Financing Grant* – is amended to reflect the revised 2025/26 baseline following the additional R2.1 billion for metro trading services.

Details per municipality of the changes to allocations for the municipal disaster recovery grant, urban development financing grant, and the public transport network grant that have been described in Part 2 of the explanatory memorandum to the Division of Revenue Amendment Bill will be gazetted.

All amended frameworks will be gazetted in terms of section 15(2) of the 2025 DoRA, after consulting Parliament.

2.2 Reporting requirements for Disaster Allocations, Metro Trading Services Programme (MTSP) – Rollover and the stopping and re-allocation guidelines

Reporting requirements for Disaster Allocations

The Division of Revenue Act, 2025 (Act No. 2 of 2025) (DoRA) provides for the unallocated funds to local government through the Municipal Disaster Response Grant schedule 7B (MDRG 7B) and the Municipal Recovery Grant schedule 5B (MDRG 5B). The main purpose of the MDRG 7B is to provide for the immediate release of funds for disaster response if an occurrence cannot be adequately addressed in line with section 2(1)(b) of the Disaster Management Act, 2002 (Act No. 57 of 2002) while the MDRG 5B main goal is to rehabilitate and reconstruct municipal infrastructure damaged by a disaster.

These allocations remain unallocated until a declaration of a disaster by the Minister of Cooperative Governance and Traditional Affairs (CoGTA) in terms of Section 23(1)(b) of the Disaster Management Act, 2002 (Act No. 57 of 2002).

Section 25 of the 2025 DoRA provides that:

(3) (a) The transferring officer may, with the approval of the National Treasury, make one or more transfers of a Schedule 7 allocation to a province or municipality for a classified disaster, within 100 days after the date of the classification of the disaster.
(c) The National Treasury must, within 21 days after the end of the 100-day period envisaged in paragraph (a), by notice in the Gazette, publish all transfers of a Schedule 7 allocation made for a classified disaster.
(f) The funds approved in terms of paragraph (a) must be included in municipal adjustments budgets.

Any additional disaster funding that may be approved by the National Treasury also through section 19 (6) of the DoRA which states that "On a joint request by the transferring officer and the National Disaster Management Centre (NDMC), the National Treasury may approve that a conditional allocation in Schedule 4, 5 or 6, or a portion thereof, be reallocated to pay for the alleviation of the impact of a classified disaster or the reconstruction or rehabilitation of infrastructure damage caused by a classified disaster. Before the National Treasury approves a reallocation, the receiving officer of the conditional allocation in Schedule 4 or 5 or the transferring officer of a Schedule 6 allocation must confirm that the affected funds are not committed in terms of any statutory or contractual obligation". These funds will then form part of the total disaster allocation for that financial year.

Upon approval by the National Treasury either through section 25(3)(a) or section 19(6), municipalities are then required to follow all reporting prescripts in terms of DoRA. Therefore, in terms of the duties of receiving officer in respect of schedule 5 or 7 allocations, section 12 requires municipalities to report expenditure and transfers received monthly, not later than 10 working days after the end of each month. Furthermore, a municipality must submit a quarterly non-financial performance report within 30 days after the end of each quarter. Lastly, municipalities must evaluate the financial and non-financial performance of the municipality, in respect of programmes partially or fully funded by a schedule 5 allocation and submit such evaluation to the transferring officer and the relevant provincial treasury within two months after the end of the 2025/26 financial year applicable to a municipality.

In addition to the reporting requirements outlined in section 12 of DoRA, municipalities must also adhere to the reporting guidelines specified in the disaster management frameworks. They are required to implement all approved projects and ensure that allocated funds are used for their intended purposes. Municipalities should submit disaster assessment reports and funding requests, signed by the Accounting Officer to the Provincial Disaster Management Centre (PDMC) within fourteen (14) days of the disaster classification. Additionally, municipalities must provide a performance report, including supporting evidence (such as payment certificates, photographs, and invoices) demonstrating the progress of project implementation, to the PDMC within 30 days after the end of the quarter in which the funds were utilized.

Rollover of the Urban Development Financing Grant: Metro Trading Service Component

Rollover requests for the incentive grant and Metro Trading Services component will follow the standard conditional grant guidelines. However, cities are required to submit applications by 31 July 2026 rather than the usual 31 August deadline. Metros are additionally required to provide their bank balances / statements as at June 2026 to demonstrate that unspent funds are cash-backed (also see the additional in-year reporting requirements in paragraph 5.12 below). Further details on the criteria and guidelines will be provided in the March 2026 MFMA Circular.

2.3 Metro Trading Services Reform Incentive

Metro Trading Services Reform: Implications for the 2025/26 Adjustments Budget and 2026/27 Budget Preparation

The Metro Trading Services Reform (MTSR) is transitioning from early implementation in 2025/26 into its first full operational year in 2026/27. The reform introduces a performance-based financing incentive through the **Metro Trading Services component of the Urban Development Financing Grant (UDFG-MTS)**, designed to improve accountability, financial management, and operational performance in water and sanitation, electricity and energy, and solid waste management.

Metro trading services are participating in the reform in two cohorts, according to year of entry into the reform:

- **Cohort 1, entering the reform in 2025/26, includes:**
  - Water and Sanitation: Buffalo City, City of Cape Town, City of Johannesburg, City of Tshwane, eThekwini and Mangaung
  - Electricity and Energy: Buffalo City, City of Cape Town, City of Ekurhuleni, City of Johannesburg, City of Tshwane and eThekwini
- **Cohort 2, entering the reform in 2026/27, includes:**
  - Solid Waste Management: all metros
  - Water and Sanitation: Ekurhuleni and Nelson Mandela Bay
  - Electricity and Energy: Mangaung and Nelson Mandela Bay

This section outlines the implications for the **2025/26 adjustments budget** and **2026/27 MTREF budget** and highlights key requirements for metros.

Implications for the 2025/26 Adjustments Budget (Cohort 1 metros)

For Cohort 1, 2025/26 is Year 1 of the MTSR, with an in-year allocation, based on independent verification of metro compliance with reform entry requirements, to participating Water and Sanitation and Electricity and Energy trading services following the national adjustments budget in November 2025.

Key requirements for Cohort 1 metro 2025/26 adjustments budget are:

- **Provision for the UDFG-MTS allocation:** Cohort 1 metros must include the in-year UDFG-MTS allocation in their 2025/26 adjustments budget, following its approval in the 2025 National Adjusted budget/DORA amendment bill. This is the performance reward for submission and Council approval of A3-PIAP v1 and the making of the Minimum Commitments;
- **Ring-fencing and alignment with PIAP activities:** Adjusted budgets must ensure incentive funds are used for MTSP-related operational and capital reforms only. Budget shifts may be required to align spending with PIAP implementation, especially early reform activity packages and organisational readiness measures; and
- **Updating A3-PIAP-linked spending profiles:** A3-PIAP v1 (approved June 2025) contains indicative spending plans. These must now be reflected in adjustments budgets, with corresponding procurement plan adjustments where necessary. It is expected that these funds in the adjustments budget reflect reform start-up and priority spending, such as those associated with the Minimum Commitments, identified through financial modelling and in updated trading service business and investment plans. As Year 1 has a typical reporting schedule, metros must ensure internal systems are aligned to enable two quarterly spending reports and one annual performance report.

Preparing the 2026/27 Budget (Cohort 1 and Cohort 2)

For Cohort 1 metro trading services, 2026/27 is the first implementation year, to achieve performance targets set in the A3-PIAP v2 (to be Council-approved by June 2026). That performance can only be verified during 2027/28. During 2026/27, Cohort 1 performance will be verified only on maintening of the Minimum Commitments.

Budget preparation must include:

- **Funding full A3-PIAP implementation:** Operational and capital budgets must support Year 2 reform milestones, aligned with financial models and updated business and investment plans, including strengthening core management capacity, reducing technical and commercial losses, improving revenue performance, and undertaking priority network upgrades in support of the relevant A3 PIAP indicators;
- **Integrating expected incentive revenue**: Budgets must incorporate the **verified Year 1 incentive allocation for 2026/27**, reflected under the UDFG-MTS component and aligned with relevant *m*SCOA posting level accounts; and
- **Ensuring alignment between the A3-PIAP v2 and MTREF:** A3-PIAP v2 is the binding multi-year plan for performance measurement and should drive reprioritisation within the 2026/27 MTREF. Final sectoral allocation decisions (within the permissible Water and Sanitation, Electricity and Energy and Solid Waste Management ranges) must be reflected in the tables and adopted budgets; and

Cohort 2 metros entering the programme in 2026/27 must finalise and obtain Council approval of A3-PIAP v1 by June 2026 and budget for preparatory reform activities, including any diagnostic assessments, organisational restructuring, and development of business and investment plans.

Independent Verification: role and process

The Independent Verification Agent (IVA) verifies metro performance to inform a performance score. This score is used by the grant manager to determine each trading service's share of the incentive allocation. The IVA verifies **metro performance against the Minimum Commitments** (made, achieved and maintained) and **annual performance** against scalable performance indicators.

Metros must upload all performance claims and evidence to the National Treasury's MTSR online portal (in development and scheduled for rollout in early 2026). Metros must also prepare

internal data, reporting and governance arrangements to use this portal from the first 2026 submission cycle onward.

The IVA timeline relevant to 2026/27 budgeting is as follows:

- 15 August 2026: first performance evidence uploads for 2025/26;
- 30 September 2026: final evidence uploads for 2025/26;
- 31 October 2026: IVA submits verification outcomes to NT grant manager;
- November 2026: National Steering Committee confirms results; and
- February 2027: incentive allocations communicated via Budget Allocation Letters from NT grant manager.

Streamlined and Integrated Reporting Requirements

While the MTSR includes its **own quarterly and annual reporting requirements, which are** necessary for performance verification and incentive administration, the reform has been explicitly designed to **leverage existing metro reporting systems** to avoid duplication or unnecessary administrative burden.

The MTSR therefore aligns with and draws upon: ***m*SCOA implementation**; **Section 71 monthly and quarterly reporting; MFMA Circular No. 88; and conditional grant reporting.** MTSR seeks to **minimise additional reporting** and strengthen existing systems rather than create parallel processes.

Reference to Existing Guidance

This Circular should be read together with**: MTSR Guidance Notes 1–5, MTSR Guidance, Note 4 Addendum Indicator Definition Addendum, MTSR Sector Resource Documents (W&S, E&E, SWM), the forthcoming MTSP Programme Operations Manual (POM), 2025, UDFG Framework and any further technical guidance.**

2.3 Criteria for the release of the Equitable Share

The criteria for the release of the equitable as covered in MFMA Circular No. 122 remain relevant and are still applicable to the release of equitable share instalments in the 2026/27 financial year.

Failure to comply with the criteria will result in the National Treasury invoking section 38 of the MFMA which empowers National Treasury to withhold a municipality's equitable share if the municipality commits a serious or persistent breach of the measures established in terms of Section 216(2) of the Constitution which includes reporting obligations set out in the MFMA and National Treasury requests for information in terms of Section 74 of the MFMA.

The following criteria will be applied in relation to addressing **UIFWe** and the implementation of consequence management as required in terms of Chapter 15 of the MFMA, read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings:

- The municipality's UIFWe balance (audited) as at 30 June 2025 has not decreased by 75 per cent in the unaudited 2025/2026 AFS as submitted to the AGSA;
- The municipality did not have a disciplinary board in place as at 30 June 2026; and/or
- Notwithstanding the municipality having a DC Board in place, not all UIFWe matters have been referred to the DC Board during the 2024/2025 financial period and/or
- Municipalities have not instituted disciplinary measures stemming from UIFWe incurred up to 30 June 2025 in the 2025/26 financial year.

The National Treasury will start using the prevention of UIFWe as required in terms of sections 62 and 78 as a criteria from the 2026/27 financial year. It is therefore crucial for municipalities

to start implementing measures to curb the incurrence of UIFWe as required in terms of sections 62 and 78 of the MFMA.

In addition, those municipalities currently under mandatory intervention in terms of Section 139(5) of the Constitution and who fail to comply with submitting monthly progress reports on the implementation of the financial recovery plan in terms of Section 146(1)(c) of the MFMA, will also be eligible to have their equitable share allocations withheld with effect from the 2026/27 financial year.

The Joint Circular issued by the Ministers of CoGTA and Finance on 8 September 2025 with regard to Free Basic Services will also be considered as a criteria going forward.

2.4 Stopping and re-allocation guidelines

Following the 2025/26 mid-year expenditure reports (second quarter) in terms of section 10 of the 2025 DoRA and section 72 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), National Treasury intends to invoke section 18 of DoRA which provides that the National Treasury may in its discretion or on request of a transferring officer or a receiving officer stop the transfer of a schedule 4B or 5B allocation, or a portion thereof to a municipality if the National Treasury anticipates that a municipality shall substantially underspend on the allocation, or any programme, partially or fully funded by the allocation, in the 2025/26 financial year. Further, in terms of section 18(2) of DoRA, a request by a transferring officer or a receiving officer to stop the transfer of a schedule 4B or 5B allocation, or a portion thereof must be submitted to the National Treasury by **31 January 2026.**

As part of the annual process for the stopping of the grants that underperform, National Treasury will engage with transferring officers to identify municipalities that are at risk of underspending based on their in-year performance using both the performance reports submitted by transferring officers and the verified *m*SCOA data strings. While the process remains standardised across departments, a differential approach may be applied where justified. This recognises that certain grants may face distinct performance dynamics. However, this process will not compromise overall consistency, fiscal prudence or accountability.

Stopping criteria

National Treasury will within 14 days from receiving the recommendations from the transferring officers issue letters to municipalities with the intention to stop the allocations based on recommendations from transferring officers and/or at the National Treasury's own discretion/assessment. Municipalities are requested to submit representations to National Treasury, providing motivation for the following:

- Expenditure reported as at 31 December 2025 (40 per cent for allocations under R100 million and 45 percent for allocations over R100 million);
- Progress report against approved projects (provide list/names of approved projects);
- Representation on the cash coverage for grants transferred (ring fencing) (Liquidity ratio);
- Representation on the initial cash flow projections against actual performance;
- Progress report on any approved rollover for 2025/26 financial year;
- Commitment that the allocated funds are committed and that they will be fully spent by the end of the financial year, 30 June 2026, i.e., commitment that the municipality will not request rollovers against the funds proposed to be stopped;
- Representation on all projects awarded after the second quarter of the municipal financial year as at 31 December 2025;

- Representation on any commitments made against Supply Chain Management Regulation 32 projects in terms of the Supply Chain Management policy and chapter 11 of the MFMA and progress made against these projects;
- Declaration by the municipality on the amount that should be stopped by National Treasury where the municipality anticipates that it will not fully utilise grant funds before 30 June 2026;
- All reporting must be accurate and aligned to *m*SCOA system; and
- An acceleration plan against the 2025/26 approved implementation plan.

The National Treasury will then give notice in the Gazette of the stopping of an allocation or a portion thereof in terms of section 18 (5), and include in the notice, the effective date and reason for the stopping.

Reallocations:

According to section 19 of DoRA, when a schedule 4B or 5B allocation, or a portion thereof, is stopped in terms of section 18, the National Treasury may, after consultation with the transferring officer and the relevant provincial treasury, determine the portion of the allocation to be reallocated, as the same type of allocation as it was allocated originally, to one or more provinces or municipalities, on condition that the allocation must be spent by the end of the 2025/26 financial year.

Once stopping of funds has been confirmed through consultation, National Treasury reassesses the performance and reallocates funds to municipalities that demonstrate capacity to absorb additional allocations. Reallocation follows a structured sequence guided by the points mentioned below to preserve the benefit of funds within the original location. Funds are allocated:

- First within the same district;
- Then within the same province; and
- Only then nationally, in cases where no suitable recipient exists within the province.

Municipalities become eligible for additional funding if they have spent at least 70 per cent or more of their original allocation, have credible and shovel-ready projects, demonstrate strong compliance with MFMA and DoRA reporting requirements and maintain realistic cash-flow projections. Historical performance including their ability to manage additional allocations in previous years is also considered.

Where applicable, Water Services Authorities may be prioritised for water and sanitation projects due to service delivery imperatives, while non-WSA municipalities may receive priority for well-prepared and impactful roads projects.

3. 2026 Local Government Elections and the budget process

3.1 Transitional processes – development and adoption of IDPs during the 2026 election year

The 2025/26 municipal financial year represents the last year of the current municipal councils' electoral term. The the next municipal election to usher in new councils is expected to take place between November 2026 and January 2027 in terms of section 24(2) of the Municipal Structures Act, 2000 (Act No. 32 of 2000) (MSA).

It is acknowledged that the period within which the coming election's date is expected takes place after the start of a new financial year. This scenario poses a latent challenge in so far as adherence to legislated timeframes regarding the adoption of the 5-year Integrated Development Plan (IDP) and the subsequent implementation.

Given the fact that the IDP and budget would need to be reviewed and adopted by 30 June 2026, the current council has an obligation to ensure that these stipulations are complied with. In this regard, the current council is expected to continue reviewing the IDP and ensuring that it is adopted within the legislated timeframe.

Section 25 (3) of the MSA does allow the municipal council to adopt the IDP of the preceding council. However, should the incoming council be unhappy with the priorities set by the current council, in this case, municipal councils are advised to consider the existing adopted IDP and resolve to initiate or not to initiate an amendment procedure as guided by the MSA and the Municipal Performance and Planning Regulations (2001).

The Department of Cooperative Governance (DCoG), through the Chief Directorate: Development Planning, is rolling out the revised IDP guidelines to municipalities. These guidelines are aimed amongst others, at guiding municipalities regarding the adoption of IDPs during an election year.

3.2 Hand-over reports for the newly elected councils

Each municipal manager, working together with the CFO and senior managers, is encouraged to prepare a hand-over report that can be tabled at the first meeting of the newly elected council. The purpose of this hand-over report is to provide the new councils with important orientation information regarding the municipality, the state of its finances, service delivery and capital programme, as well as key issues that need to be addressed.

It is proposed that the hand-over report should include:

- An overview of the demographic and socio-economic characteristics of the municipality;
- An overview of the organisational structure of the municipality, with the names and numbers of senior managers;
- An overview of key municipal policies that councillors need to be aware of, and where they can obtain the full text of such policies;
- An overview of issues that still need to be addressed in relation to the municipality's turnaround strategy (where applicable);
- An overview of the municipality's financial health, with specific reference to:
    - Its cash and investments, and its funding of commitments (Table A8);
    - Cash coverage of normal operations (see Supporting Table SA10);
    - Creditors outstanding for more than 30 days and the reasons for delayed settlement;
    - Current revenue collection levels and debtors outstanding for more than 30 days; and
    - The extent of existing loans and associated finance and redemption payments.
- The municipality's 2024/25 audit outcome and its strategy to address audit issues;
- An overview of the provision of basic services, including plans to address backlogs;
- An overview of the state of the municipality's assets, with particular reference to the asset management plan, and repairs and maintenance requirements;
- A list of the main infrastructure projects planned for the 2026/27 budget and MTREF;
- A list of key processes requiring council input over the next six months, e.g. revision of the IDP, approval of specific policies etc. and
- Any other information deemed to be important to the transitioning process.

In addition to the hand-over report, each new councillor should be given the municipalities' revised IDP, the adopted 2026/27 MTREF budget, the mid-year budget and performance

assessment report for 2026/27, the latest monthly financial statement, and the annual report for 2024/25.

Municipal managers should submit their municipality's hand-over report to the relevant provincial department responsible for local government, to the Department of Co-operative Governance (DCoG) and National and Provincial Treasuries.

4. Revenue Management

4.1 Prioritise funding the Electricity Revenue Protection Programme

Past years' increasing electricity tariffs continue to strain consumers' ability to afford this service. Municipalities (with the electricity function) as a result, at higher risk of non-technical losses, particularly related to theft and illegal by-passing. Many municipalities do not have dedicated Revenue Protection staff in place or have reduced their operational funding for Revenue Protection culminating in reduced collections and a related strain on cash flow and the ability to pay creditors. Municipalities are advised to prioritise the following Revenue Protection measures in 2026/27 and future MTREFs if not already implemented:

- A dedicated Revenue Protection Unit for Electricity, Water, Wastewater and Refuse services administered by the senior manager responsible for the municipal Electricity Infrastructure Directorate, taking into consideration the recommendations and standards set out in NRS055 (Code of Practice for Revenue Protection);
- Allocating adequate funds in the budget to fund the municipality's Electricity, Water, Wastewater and Refuse services and the Revenue Protection Unit's operational needs;
- In allocating funding, the business threat of increasing non-technical losses to the municipality's particular specifics must be considered to achieve a balance, while ensuring the Revenue Protection staff organogram and operational program is adequately funded and able to fulfil its role;
- The municipality to demonstrate in its MTREF submission (narrative and *m*SCOA data strings) that a percentage of the revenue from the Energy, Water, Wastewater and Refuse function is ring-fenced to fund the municipal Revenue Protection Programme operational need(s) towards developing the program to fruition; and
- The municipality must implement the Municipal Systems Act principle of consolidated billing and strengthen the revenue policies to use electricity and water (in Eskom supply areas or where the municipality does not have the electricity function) to collect on the consolidated municipal bill. The policies should explicitly provide for credit control in this manner.

4.2 Revenue Management Assessment Tool

Every municipality, in anticipation of the annual budget process and its review of critical revenue management related policies, should assess and review its revenue management value chain to identify any gaps, duplications, and / or inefficiencies, aligning with the approved organogram and related delegations. Refer to MFMA Budget Circular No. 126 (Annexure B: Submission checklist: Revenue Management Documents), MFMA Budget Circular No. 128 (Item 7.3 contained in Annexure A) and MFMA Budget Circular No.130 (Item 3.2 contained in Annexure A). The municipality is required to annually submit its assessment or review thereof to the National Treasury in the format of the Municipal Revenue Management Assessment Tool – to be uploaded to the National Treasury GoMuni upload portal annually as part of the Revenue Management Documents that are required.

The Revenue Assessment Tool was developed through the collaboration of the National Treasury, the Department of Cooperative Governance (DCoG) and the South African Local Government Association (SALGA) to integrate and align our support in this area, prevent duplicated efforts and facilitate stronger and systemic change across municipalities through the Single Integrated Revenue Management Framework (SIRMF).

The SIRMF is a national framework for revenue management that guides and outlines the intervention and leadership role both municipalities and oversight bodies should play in addressing challenges relating to the revenue management value chain and ultimately financial sustainability. The SIRMF emphasises the significant role of National and Provincial Government in supporting municipalities in the process of revenue management improvement and how the relevant departments will coordinate their support and their monitoring and evaluation role(s).

The SIRMF aligns with the existing statutory framework and emphasises compliance. The related tasks and responsibilities set out in the SIRMF provides guidance on how municipalities can enhance revenue management as a key approach to increasing the municipality's viability and sustainability. Completing the Municipal Revenue Assessment Tool can assist the municipal council, senior management team and oversight bodies to assess, understand, and improve critical revenue management practices of the municipality.

The tool provides an indication of gaps, flaws, duplications, inefficiencies, and risks in the existing revenue value chain that could compromise or affect whether the revenue component of the budget sufficiently caters for long-term planning and is credible and funded. It further provides a comprehensive overview of current revenue management processes by identifying strengths, weaknesses, and areas that need improvement. The tool focuses on eighteen (18) critical areas within the revenue management value chain and helps pinpoint specific areas to optimise revenue collection processes ultimately.

All municipalities had to complete the tool during the 2025/26 MTREF and are required, as part of the upcoming 2026/27 MTREF preparation process to thoroughly review the revenue value chain and affect changes to the tool reflective of such review as may be needed. As part of the review, the municipality must record clear progress and corrective actions undertaken in relation to each focus area identified during the municipality's 2025/26 compilation of the tool. It is noted that municipalities with revenue collection rates below 85 per cent (per the 2024/25 annual financial statements (AFS) and all municipalities participating in both the Municipal (Eskom) and or Water Debt Relief programs must annually undertake the full exercise (not only a review) until they achieve an average annual collection of 95 per cent as outlined in MFMA Circular No. 71.

The National Treasury recently strengthened Functional Area nine (9) – Finance Department Functions of the tool to enable municipalities to capture comments under this functional area. With effect from December 2025, any municipality compiling and or reviewing its revenue value chain as required in terms of this circular must use the **updated Municipal Revenue Assessment Tool included as Annexure A to this Circular**. The entire tool must be uploaded together with all the required worksheets included.

4.3 Cost Reflective Tariff Tool

As part of the budget process, the municipality must annually undertake an assessment to determine if the intended and implemented tariffs are cost reflective, whether all critical cost components were considered in the tariff calculation(s), whether the Local Government Equitable Share component relating to basic services were allocated to the actual service(s) and to demonstrate that the Revenue Component of the budget is credible and funded; etc. To facilitate this exercise, the municipality must complete and submit this calculation(s) and or tariff assessment in the format of the National Treasury Tariff Tool as part of its tabled, adopted and adjusted MTREF submissions to the National Treasury GoMuni portal (refer MFMA Budget

Circular No. 129. The Cost Reflective Tariff Tool outcomes must also be reported to and approved by Council as part of the respective tabled and adopted MTREF submissions.

If the Tariff Tool indicates significant tariff shortfalls, any major tariff increases should be phased in over two to three years and can be approved for the outer years (2027/28,2028/29 and 2029/30). Thus, the indicative tariffs should be phased in over a period of three years.

The National Treasury Tariff Tool was updated to provide alternative methods of wastewater tariff modelling and to allow municipalities to allocate the municipality-specific percentage of indirect cost allocated across the different services. The municipality must ensure that the percentage allocated to indirect costs used in the Tariff Tool compilation perfectly aligns with the municipality's Budget- and Tariff-related Policies submitted as part of the tabled, adopted, and adjusted MTREF submissions. With effect 2025/26 (Quarter 3), metropolitan- and secondary cities are also required to complete and upload the Cost Reflective Tariff Tool in the National Treasury Tariff Tool format to the GoMuni portal as part of the tabled, adopted, and adjusted MTREF submissions.

Should the municipality through the completion of the Tariff Tool identify major flaws and or gaps in any tariff, the National Treasury recommend it is prudent for the municipality to undertake a full Cost of Supply study (COS) for that service since tariff gaps may be indicative of an unfunded revenue component of the municipality's MTREF. With effect from 2025/26 (Quarter 3), all municipalities must use the **updated National Treasury Tariff Tool included as Annexure B to this Circular. A Tariff Tool procedural manual is also included in Annexure B to this Circular** to assist municipalities in undertaking the Tariff Tool exercise.

4.4 Electricity Tariffs

Cost of Supply Study (COS) and NERSA D-forms for electricity tariff applications

The submission of tariff applications is an obligation enshrined in the Electricity Regulation Act, 2006 ('ERA') (as amended), read with the MFMA and incorporated in the licence conditions of licensees (also municipalities). Municipalities are therefore reminded that all municipal tariff applications for the 2026/27 financial year must be accompanied by the required Cost of Supply (COS) studies and **submitted to NERSA before the outer deadline of 12 December 2025**. Failure to comply with these requirements will result in the municipality being prohibited from making any adjustment to the electricity tariffs for the 2026/27 financial year. NERSA already confirmed to municipalities that only complete municipal applications received before 12 December 2025 will be processed and approved for implementation with effect from 01 July 2026.

Failure to apply to NERSA for approval of tariffs is a breach of the licence conditions and a violation of the provisions of the ERA. Section 15 of the ERA prevents any licensee from charging a tariff that is not approved by the Regulator. Licensed distributors should note that their current tariffs will expire on 30 June 2026 and that there will be no automatic extension, as the tariffs are approved annually.

To facilitate timely submissions to NERSA and the opportunity to supplement where NERSA identify any gaps in municipal submissions, the National Treasury urges municipalities to annually before 31 October submit to NERSA and subsequently upload to the GoMuni Portal, the municipality's:

- Latest **updated and or reviewed COS** (approved by Council) supporting its Electricity tariffs application for the MTREF to NERSA and parallel upload such to the GoMuni Revenue Portal. The COS must be uploaded to the GoMuni Revenue Portal in PDF format (the content must be in the NERSA content format), and include a file heading of: **"Demarcation Code_Municipality Name_Cost of Supply Study (period)"**;

- **NERSA D-forms** submitted to NERSA, supporting its Electricity tariffs application for the 2026/27 MTREF to the GoMuni Revenue Portal in the Excel format required by NERSA, and include a file heading of: **"Demarcation Code_Municipality Name_NERSA D-form (period)"**; and
- **NERSA's letter approving the municipality's energy tariffs** for the MTREF annually with the tabled and adopted MTREFs. The municipality must upload the letter with the correct saving convention: **"Demarcation Code_Municipality Name_NERSA tariff approval (period)"**.

4.5 Municipal Valuation Roll Reconciliation Tool

Reference is made to MFMA Circulars No. 93 (paragraph 3), No.98 (paragraph 4.1), No. 123 (paragraph 5.1), No. 126, (paragraph 3.1), and No. 130 (paragraph 3.5). To ensure the municipality's rates base is complete, aligns with the Municipal Property Rates Act (MPRA) section 23-Part A: Register of the latest consolidated general valuation roll (GVR), and the MPRA categories. With effect 2025/26 (Quarter 3), the municipality needs to monthly undertake the reconciliation in the format of the **updated National Treasury Municipal Valuation Roll Reconciliation Tool included in Annexure C to this Circular**. Municipalities will note that although, the tool interface remained the same, changes were made to some formula calculations to simplify the municipal experience of the tool.

The municipality must submit the completed tool together with the related documentation to the National Treasury GoMuni portal as follows:	**Timeframe**
1. The municipality's list of Property Rates tariffs approved by council for the financial year reported on, together with the Council resolution that approved such.	Annually, with the tabled and adopted MTREF's
2. The municipality's time schedule for implementing its new general valuation roll (GVR) (aligned to the MPRA).	Annually
3. The Municipal Property Rates Act (MPRA) (section 23): Part A Register of the latest consolidated general valuation roll (GVR). *****Note –*** *The municipality to submit an updated Part A GVR to the GoMuni portal every time that it undertakes a supplementary GVR.*	Annually or every time that a supplementary GVR is undertaken
4. Municipality Valuation Roll Reconciliation – undertake monthly but only required to submit quarterly. The monthly reconciliation should be maintained and made available on request to the Treasuries and or the Department of Cooperative Governance (DCoG).	Quarterly and only upon request of NT / relevant PT / CoGTA monthly
5. Property Rates Transaction List (for the 3rd month of every quarter) – in excel format.	Only upon request of NT / relevant PT

To assist municipalities in complying with these requirements, the National Treasury will provide follow-up training.

4.6 Prohibition on vending system(s) / third party vending solutions without consulting the National Treasury

Municipalities are cautioned on the iterations on private service offerings of vending system(s) / solution(s) offered to municipalities. These include service provider(s) funding metering solutions for municipalities, parallel to a pre-paid solution (requiring a vending platform) – these service providers then collect on behalf of the municipality in exchange for a fee. However, in several cases, the service provider does not remit to the municipality what is collected and /or claims a fee that is out of proportion to what is reasonable. This is worsened by many municipalities not undertaking weekly /monthly reconciliation of what they provide / sell (also via prepaid) vs. the revenue they receive from the service provider(s).

The MFMA, read together with the recently assented Public Procurement Act, provides a clear framework for procurement in local government. The MFMA regulatory framework, in terms of section 116, read with MFMA Circular No. 62, furthermore, provides clear guidance on how amendments to contracts should be undertaken. In our view, any offerings beyond the initial scope of the contract should not be considered a contract amendment but rather a material change or extension of scope, warranting a whole new separate procurement process.

The National Treasury therefore confirms that with immediate effect, no municipality may enter into or extend any related vending system(s) / solution(s) without the views of the provincial and National Treasury. Should any municipal official and / or political office bearer fail to honour this prohibition, she / he could render themselves personally liable for any related financial loss over and above potential criminal liability for financial misconduct.

Any municipality procuring must first request the National Treasury and relevant provincial treasury for written input. The municipality should send any request for the written input of the National Treasury together with the proposed contract for such a service offering to: both RevenueManagement@treasury.gov.za and RT29.LGBA@treasury.gov.za and Wayne.McComans@treasury.gov.za for the attention of Mr. Sadesh Ramjathan, Director: Local Government Budget Analysis: Revenue Section, and Mr. Wayne McComans, Chief Director: MFMA Implementation and parallel to the relevant Provincial Treasury.

Municipalities are advised that the Office of the Chief Procurement Officer (OCPO) will soon initiate a tender process for a transversal contract establishing a panel of vending service providers. In the interim, until the panel is awarded and operational, municipalities must obtain prior written approval from National Treasury before procuring any new vending service providers. Permission to proceed with any such vending contract will only be authorized with the express written permission of National Treasury. Once the panel is awarded and operational, municipalities must procure vending services from the approved vendors. Should a municipality elect not to utilise the transversal contract, a comprehensive motivation, including full reasons, must be submitted to National Treasury for consideration.

4.6A Smart Meter end-to-end solutions

“Smart Meters” means meters that are components of an integrated end-to-end solution procured under the National Treasury’s transversal contract **RT29-2024**, or any future transversal contract replacing RT29-2024. This solution includes smart meter hardware, installation, the central platform, systems integration, training and skills transfer, support, and ongoing monitoring.

Municipalities are reminded that a smart meter is not just the physical device and are cautioned against only procuring the meter hardware. The latter is insufficient and will not deliver the intended benefits of smart metering. The full value is realised only when the meter is connected to a functioning platform, integrated with the billing system, supported by trained staff, and monitored continuously. Buying only the device is similar to purchasing a cell phone without a SIM card and network service: the handset exists, but the core functionality is unavailable. The same principle applies to smart metering.

The integrated solution under RT29-2024 is designed to support key municipal priorities:

- Improved service delivery through accurate, timely consumption data, fewer billing disputes, and quicker identification of faults and tampering;
- Financial sustainability through better revenue collection, reduced technical and non-technical losses, and more reliable cash flow; and
- Transparency and accountability through auditable metering data, consistent reporting, and better information for council, management, and oversight bodies.

An end-to-end solution ensures seamless data transfer from the meter to the back-office systems, enabling automated billing, exception reporting, and management dashboards. It also embeds structured training, and skills transfer so that municipal officials can operate and manage the system, rather than relying indefinitely on service providers. Support and monitoring components are essential to keep the system stable, secure and functional over time.

Municipalities are cautioned against partial procurement, such as buying only the meter hardware or bypassing the transversal contract for individual components. This often results in:

- Incomplete or manual integration with billing and finance systems;
- Limited or no training and skills transfer to municipal staff;
- Weak monitoring and reporting, undermining loss-reduction and revenue-enhancement efforts; and
- Poor value for money, project failures and potential audit concerns.

Municipalities are encouraged to use plain language when communicating smart metering projects internally and with council. Avoid unnecessary technical jargon and frame the discussion around strategic objectives: better service delivery, stronger revenue, and improved governance. It is useful to briefly explain to council as part of any decision-making process related to smart metering:

- why the full integrated solution is required;
- reference the terms and safeguards built into RT29-2024 or its successor;
- the components of the smart metering solution (meter, communication, platform, integration, training, support, monitoring); and
- The risks of procuring only one component versus an end-to-end system; etc.

It will assist non-technical stakeholders to better understand and assess the difference between a “device-only” purchase vs a true smart metering solution towards facilitating that any smart metering procurement is well planned, budgeted and implemented as a complete, integrated solution envisaged in RT29-2024.

4.6B Large Power Users (LPU) – Advanced Metering Infrastructure (AMI)

Advanced Metering Infrastructure (AMI) for Large Power Users (LPUs) is not a technical luxury. It is a core financial control that helps municipalities stabilise cash flow, protect the bulk supply (i.e. Eskom) account, and reduce audit findings related to billing and losses. The National Treasury urges municipalities to treat AMI as essential revenue infrastructure and to plan, fund and implement for such accordingly.

Municipalities manage a large number of meters and should invest in bulk intake points to reconcile the volume of electricity consumed. If the LPU (Three Phase Direct Connect and

Three Phase CT/VT Connect) are not measured accurately, the municipality will under-bill, lose revenue, and struggle to reconcile its bulk electricity (i.e. Eskom) account. AMI directly addresses this risk.

Three Phase Direct Connect Smart Electricity Meter and Three Phase CT/VT Connect Smart Electricity Meter requires Cellular Communication & Platform access – these smart meters require 2-way communication to transmit data from the meters to the Head-End System or Dashboards and vice versa.

A current transformer (CT) is a devise that acts as a step-down transformer to be connected to metering devices. It is used with AMI to measure the large current for meters/ relays etc. LPU customers normally have potential transformers (PT's) also known as a Voltage Transformers (VT) as part of the customer metering By capturing the full load of these customers, smart LPU meters close gaps where older or incorrect metering leads to under-registration and hidden revenue leakage. Three-phase meters are critical for industrial and commercial users with complex load profiles. They support correct billing for businesses, reduce disputes and manual corrections, and improve predictability of revenue from this important customer group.

Check meters at bulk intake points provide an independent reading against which bulk supply invoices can and should be reconciled. This strengthens the municipality's position when validating bulk charges, detecting errors quickly and supporting credible disputes where required. Zonal meters divide the distribution network into manageable areas and make it possible to identify where technical and non-technical losses are concentrated, instead of relying on system-wide estimates. Statistical meters provide the data needed for demand forecasting, tariff design, and investment planning, including time-of-use and other advanced tariff structures.

In combination, CT/VT direct connect meters, three-phase meters, check meters, zonal meters and statistical meters give municipalities the ability to eliminate billing anomalies, reduce losses and strengthen cash flow. For example, correcting even a modest under-billing of five per cent on the top twenty LPUs can generate additional annual revenue sufficient to cover a substantial portion of the capital or lease cost of the metering programme.

Over the 2026 MTREF and beyond, municipalities are expected to identify all LPUs, bulk intake points and key zones that must be brought onto AMI, and to prioritise funding for this rollout ahead of non-essential projects. AMI commitments should be clearly reflected in the capital budget, the revenue-enhancement or loss-reduction strategy, and in the assumptions used for medium-term revenue projections. AMI data must also be used to refine tariff models, update loss-reduction targets, and support the monthly MFMA Section 71 in-year monitoring and reporting.

National Treasury and sector stakeholders will increasingly rely on AMI-derived information to assess revenue performance, system losses and the risk of non-payment of bulk supply. Municipalities are therefore encouraged to plan and fund AMI as a central part of their financial recovery and sustainability agenda, rather than as a stand-alone ICT or technical project.

4.6C Request for Meter Statistical Information in terms of MFMA Section 74

The National Treasury, in terms of MFMA section 74 requests municipalities to provide certain minimum statistical meter information and in the format of the "**Meter Statistical information – Water and Electricity" workbook included as Annexure D to this Circular**. The template workbook is designed to help municipalities move from high-level smart metering decisions to concrete MTREF's, credible schedules, and monthly reporting. It brings together municipal details, meter requirements, trading services information, and budget information in one place so that electricity and water smart metering can be planned, costed, and monitored in a

consistent way. Municipalities are expected to complete and submit this template bi-annually (before the 10th working day of January and July) as part of the relevant MFMA Section 71 and or 72 statement(s). The submissions should cover meter data and key trading service information for the preceding six-month period.

The Municipal Meter Requirements:

- The electricity sheet of the template workbook that needs to be completed, gathers detailed information on existing and planned electricity meters. It records, by ward or area, the number of smart, conventional and prepaid meters, unmetered points, and new meter requirements. This part of the workbook establishes the baseline and the size of the gap that the smart metering project must address. It allows municipalities to see clearly where the largest shortfalls and opportunities are within their electricity network; and
- The water sheet of the template workbook performs the same function for water services. It records ward-level water meter data, including existing meters, unmetered connections and new meter requirements. Together, the electricity and water requirements sheets define the total scope of metering work that must be funded and implemented, rather than relying on rough estimates.

4.6D Smart Metering Financing Solutions

Municipalities are cautioned against concluding agreements with service providers that are offering smart meter solutions at unreasonable costs. The National Treasury LGBA Chief Directorate, in collaboration with the Office of the Chief Procurement Officer (OCPO) are developing alternative funding solutions that will be more affordable, equitable, fair, and transparent, while also protecting municipalities and their revenue sources. Official notification regarding these solutions will be communicated in due course. Municipalities are advised to wait for this official communication before finalising any smart meter-related agreements, or alternatively to formally request the National Treasury's input on such solutions before proceeding. Requests can be directed to RevenueManagement@treasury.gov.za for the attention of Mr Sadesh Ramjathan.

4.6E Transversal Contract for the procurement of Smart Metering end-to-end solutions

Municipalities must note and consider the guidance and contact information to participate in the transversal contract RT29-2024. It contains compulsory documentation and a step-by-step participation guideline which can be accessed on the National Treasury website at http://www.treasury.gov.za/divisions/ocpo/ostb/contracts/default.aspx under RT29-2024. Municipalities must familiarise themselves with the RT29-2024 pricing schedule and related documentation published on the National Treasury before submitting their participation application.

Applications to participate will be assessed against the municipal MTREF and cash flow, with affordability and sustainability evaluated by the relevant Local Government Budget Analysis (LGBA) directorate, in consultation with the National Treasury Revenue Management directorate towards facilitating that smart metering procurement and implementation is planned, budgeted, and implemented as an integrated solution.

4.7 Training Tools of the National Treasury

Revenue Management Assessment Tool

Municipalities must submit the Revenue Management Assessment Tool annually, as set out above. Training was already undertaken across all provinces, and the National Treasury will facilitate follow-up training during 2026/27, upon request, only for municipalities, provincial treasuries, and technical advisors deployed to municipalities and provincial treasuries.

Municipalities and provincial treasuries can request training through the relevant Provincial Treasury, which is responsible for coordinating training requests. It is noted that any National Treasury-deployed technical advisor may directly request training from the National Treasury as may be required. Requests for training and any related queries must be directed to RevenueManagement@treasury.gov.za and Sadesh.ramjathan@treasury.gov.za for the attention of Mr Sadesh Ramjathan.

Tariff Tool

All municipalities, including metropolitan and secondary cities, must undertake a tariff assessment in the format of the updated National Treasury Tariff Tool, as explained above. The National Treasury will facilitate training during January to March 2026, and thereafter, upon request only, to municipalities, provincial treasuries, and technical advisors deployed to municipalities and provincial treasuries. Training must be scheduled for a **full day,** and would be more relevant towards municipal processes if scheduled:

- Before and/ or during the **Adjustments Budget preparation** (for re-allocations);
- Before and/ or during the **Tabled Budget process** (to evaluate tariff changes); or
- Before the **final MTREF submission** to Council for approval.

Municipalities and provincial treasuries can request training via the relevant Provincial Treasury. Any National Treasury deployed technical advisor may directly request training as may be required. Requests for training and any related queries must be directed to RevenueManagement@treasury.gov.za and Sadesh.ramjathan@treasury.gov.za for the attention of Mr. Sadesh Ramjathan.

Municipal Valuation Roll Reconciliation Tool

The National Treasury confirms the guidance already provided in MFMA Circulars No. 130 and above to the effect that ALL municipalities must reconcile valuation rolls monthly and submit them quarterly to the National Treasury, together with the related documentation set out above. The latest format of the tool must be used as set-out above.

The National Treasury will facilitate follow-up training during January to March 2026, and thereafter, upon request, only to municipalities, provincial treasuries, and technical advisors deployed to municipalities and provincial treasuries on the Municipal Valuation Roll Reconciliation Tool. Training must be scheduled for at least **two full days** and can be facilitated at any time since municipalities perform this task monthly. Municipalities and provincial treasuries can request training via the relevant Provincial Treasury. Any National Treasury deployed technical advisor may directly request training as may be required. Requests for training and any related queries must be directed to RevenueManagement@treasury.gov.za and Sadesh.ramjathan@treasury.gov.za for the attention of Mr Sadesh Ramjathan.

4.8 GoMuni Portal – Revenue Management Document Uploads required

All municipalities are required to upload, annually, to the GoMuni Upload Portal, the Revenue Management-related documents included in Annexure E to this Circular, in the specified format and within the timeframes indicated. It is noted that **items 10 and 17** in **Annexure E** are only relevant to Water Debt Relief participants, and items **13, 15 and 16** to Municipal (Eskom) Debt Relief participants. In relation to items **10, 13, 15, 16, and 17, all other municipalities must submit a zero (empty) form to prevent these items from** reflecting as outstanding.

4.9 Monitoring – Water Debt Relief

As outlined in paragraph 5.2 of the Water Debt Relief Guideline of the Department of Water and Sanitation (DWS), the DWS in collaboration with the relevant Water Trading Entity (WTE) and or Water Board (WB) and or Water User Association (WUA), National Treasury, and Provincial Treasury, will closely monitor the municipality's compliance with the conditions of its water debt relief approval.

The relevant National Treasury (non-delegated municipalities)) or provincial treasury (delegated municipalities)[1] monthly to assess the municipality's compliance with the conditions and issue **the compliance certificate in the format of Annexure F attached to this Budget Circular** to the DWS, and relevant WTE/WB/WUA via: munic.incentive@dws.gov.za and to the municipality in one email no later than 20 working days after month-end. It is the responsibility of the DWS to ensure that the certificate, together with any DWS input as may be relevant reaches the relevant WTE/WB/WUA within one (1) working day of the Treasuries submission.

The relevant WTE/WB/WUA Is to consider any inputs as part of its own assessment and monthly report on any participating municipality's compliance via email to: munic.incentive@dws.gov.za and RevenueManagement@treasury.gov.za and to the municipality, including issuing a non-compliance letter at its sole discretion as may be relevant.

The National Treasury issued guidance to all Municipal (Eskom) and Water Debt Relief participants, guiding on the reporting required as part of the monthly MFMA section 71 statement. Municipalities must closely adhere to this guidance and the relevant Treasury assessments as part of the monthly compliance certification of any debt relief participant.

Municipalities must upload their Water Debt Relief application, together with the DWS approval letter, as a single PDF to the GoMuni Revenue Upload Portal.

4.10 Delivery Agency Agreement(s) (DAA) with Eskom

Municipalities intending to enter into Delivery Agency Agreement(s) with Eskom should take note of the following with immediate effect.

Step 1: ***The Municipal Systems Act (MSA) section 78 process is a requirement before the DAA can be concluded***. The National Treasury and the Department of Cooperative Governance (DCoG) legal services jointly confirm that the process in section 78 of the MSA must be followed before a municipality may enter into any DAA that proposes that Eskom take over the electricity function from and/or operate the service on behalf of the municipality. Section 78(1) of the MSA provides the process to be undertaken when deciding on a mechanism to provide a municipal service in the municipality or a part of the municipality, or to review any existing mechanism, and would need to be applied first.

The municipality may, before it decides on an appropriate mechanism, explore the possibility of providing the service through an external mechanism under MSA section 76(b). Once a municipality has decided to utilise an external mechanism, such as entering into an agreement with an organ of state to provide the service, it may do so, considering section 110(2)(b) of the MFMA in order to contract directly with an organ of state, in this case, Eskom.

The MSA section 78 criteria and process must be complied with regardless of whether the electricity license will remain that of the municipality in terms of the proposed DAA.

The MSA does not prescribe any period or deadlines within which this process must be concluded, and the municipality, planning diligently, may comply with this process within the shortest possible period without jeopardising or delegitimising it. DCoG and SALGA confirmed that they can assist municipalities with the MSA section 78 process and should partner to

[1] Refer MFMA Circular Number 20 (Delegations).

provide support in this regard. Concluding a DAA with Eskom without following the MSA section 78 required process will be illegal, and all expenditure incurred in terms of such a DAA will be irregular under the MFMA.

Step 2*: A standardised DAA.* The National Treasury, DCoG, and the Department of Electricity and Energy (DEE), working with Eskom and SALGA, are to agree on standardised terms and conditions for DAAs. It is important that municipalities maintain the standardised terms in the agreement and not deviate from them. Additional terms may be included based on municipal-specific circumstances. It will be necessary for the municipality to obtain comments from its respective provincial treasury and provincial CoGTAs before signing the DAA.

Step 3: *Municipalities participating in Municipal (Eskom) Debt Relief* must, in parallel to the MSA Section 78(3) process, inform and obtain the inputs of the Treasuries and DCoG, demonstrating that the proposed DAA will facilitate the municipality's compliance with the debt relief conditions set out in the National Treasury's 2023 approval letter.

The municipality should send any request (refer step 2 and or 3 above) for the written input of the National Treasury together with the feasibility study (MSA Section 78(3)(c)) and the proposed DAA (any additions and or deviations must clearly be highlighted in the request) to: both RevenueManagement@treasury.gov.za and Wayne.McComans@treasury.gov.za for the attention of Mr. Sadesh Ramjathan, Director: Local Government Budget Analysis: Revenue Section, and Mr. Wayne McComans, Chief Director: MFMA Implementation and parallel to the relevant Provincial Treasury and DCoG.

Step 4: *Submission of the DAA*. All municipalities signing a DAA with Eskom must submit the signed DAA together with the municipal council resolution approving such to the National Treasury to: RevenueManagement@treasury.gov.za for the attention of Mr. Sadesh Ramjathan, Director: Local Government Budget Analysis: Revenue Section and parallel to the relevant Provincial Treasury and CoGTAs.

5. Budget and other management issues:

5.1 National Treasury Guideline on Budgeting for a Funded Budget

National Treasury is concerned by the many unfunded budgets adopted by municipalities. Municipal funding plans are not realistic or credible and there is insufficient effort to achieve financial turnaround and to progress from an unfunded budget to one that is funded. Municipalities are reminded to consult the National Treasury Guideline on budgeting for a funded budget issued during the 2018/19 MTREF to assist municipalities in preparing a funded MTREF budget and or use the guideline to develop credible funding plans. **For ease of reference the 2018/19 Guideline is included as Annexure G to this Circular.**

5.2 Employee related Costs

The salary and wage collective agreement was signed by the parties of the South African Local Government Bargaining Council (SALGBC) on Friday, 6 September 2024. It is a five-year agreement effective from July 1, 2024, to June 30, 2029.

In respect of the 2026/27 financial year, all employees covered by this agreement shall receive, with effect from 1 July 2026, a salary increase linked to the Consumer Price Index (CPI) plus 0.75 per cent.

Municipalities should reflect these negotiated salary increases in the budget submissions.

5.3 Remuneration of Councilors

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. It is anticipated that this salary determination will also consider the fiscal constraints. Municipalities should also consider guidance provided above on salary increases for municipal officials during this process. Any overpayment to councilors contrary to the upper limits as published by the Minister of Cooperative Governance and Traditional Affairs will be irregular expenditure in terms of section 167 of the MFMA and must be recovered from the councilor(s) concerned.

5.4 Using section 67 transfers to pay for councillor funeral costs

In terms of MFMA Circular 131 – Funds Transferred by Municipalities to Organisations and Bodies Outside the Government, section 67 of the MFMA provides a mechanism for municipalities to make transfers to organisations or bodies outside of government.

National Treasury is aware that municipalities are erroneously applying the provisions of section 67 of the MFMA to pay for deceased councillors' funeral costs. This practice is not permissible and constitutes non-compliance to Section 67 of the MFMA; and such transfer of funds is deemed irregular expenditure. This practice must immediately be stopped.

Any council policy which makes provision for the use of section 67 of the MFMA to make payment for councillor funeral costs must be rescinded with immediate effect.

Municipalities must comply with section 167(1)(a) of the MFMA which provides that a municipality may remunerate its political office-bearers and members of its political structures, but only within the framework of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998), setting the upper limits of the salaries, allowances and benefits for those political office-bearers and members.

5.5 Review of human resource policies, benefits not provided for in collective agreements

Municipalities face rising financial pressure from providing in-service and post-employment benefits that are not covered by any South African Local Government Bargaining Council (SALGBC) collective agreement or supported by a long-term affordability assessment. These benefits create long-term liabilities and spending that are not aligned with the MFMA while municipalities overreach by setting unaffordable tariffs to accommodate such expenses in the budget. To support financial sustainability, municipalities must review all benefits provided to current and former employees to identify benefits that fall outside SALGBC agreements and identify any practices or policies that create irregular, unnecessary, or unaffordable expenditure.

Examples of benefits not provided for in SALGBC agreements include annual leave encashment during service (not linked to termination of services) and post-employment medical aid contributions. These benefits strain operating budgets and expose municipalities to irregular, unauthorised, fruitless, and wasteful expenditure. They cost millions each year and, in the case of post-employment medical aid, create liabilities that run into billions for municipalities. When post-employment medical aid contribution is paid for former employees, the municipality receives no value in return.

For the 2026/27 budget, municipalities must accordingly identify all benefits paid to current or former employees that are not within the SALGBC agreements, or a valid council policy supported by a long-term affordability and compliance assessment. Where such benefits exist, for example, annual leave encashment during service, municipalities must consult with labour

unions and discontinue the expenditure. Another option is that municipalities may consider a phased approach to discontinue the expenditure over two or three years, subject to affordability.

In the case of post-employment medical aid benefits, these must not be granted to employees appointed from a future date, for example, from 1 July 2026. Where a municipality provides the benefit without a policy, it must adopt a policy that reflects existing practice while excluding future employees from receiving the benefit and setting upper limits on the municipality's contributions. The policy and council decision must specify the effective date of exclusion for future employees. Benefits such as post-employment medical aid should not be extended to senior managers or councillors covered by the annual upper-limits gazette notices.

Accounting officers must ensure that human resource policies, payroll practices, and benefit structures comply with the law, and that any unauthorised or unaffordable benefits are stopped in accordance with the correct procedure. All municipalities must, accordingly, as part of their annual review of their 2026/27 budget-related policies, review all human resource benefit policies to identify benefits the municipality should discontinue with effect from 1 July 2026, on affordability grounds. Accounting officers remain responsible for preventing irregular, fruitless, and wasteful expenditure, and the contemplated policy reviews must be conducted by municipal staff, not consultants.

5.6 Submission of payroll information on Central Supplier Database

In recent years, more municipalities and municipal entities are incurring irregular expenditure due to awards made to persons in the service of the state, including municipal officials and councillors.

On 01 September 2015, the National Treasury launched the Central Supplier Database (CSD), which became fully effective for municipalities and municipal entities from 1 July 2016. The CSD provides a myriad of services, including the verification of state employees. Whilst information for National and provincial officials is available, municipalities and municipal entities are not consistent in submitting information to the CSD.

This lack of information has resulted in municipalities and municipal entities inadvertently making awards to persons in the service of the state, including awards made to their own officials and councillors. As such, municipalities and municipal entities are urged to submit all the relevant information to CSD.

This will enable all municipalities and municipal entities to be able to verify information and avoid possible non-compliance findings timeously.

5.7 Unauthorised, irregular, fruitless and wasteful expenditure reduction and implementation of consequence management

As previously explained in MFMA Circular no. 129, municipalities are continuing to incur unauthorised, irregular, fruitless and wasteful expenditure (UIFWE) year-on-year. Whilst more municipalities are establishing disciplinary boards, such boards are not investigating matters as required, or where such investigations are undertaken, municipal councils are not implementing the disciplinary boards' recommendations.

Municipalities are required to submit an action plan which must address the period from 02 January 2025 to 31 August 2026. The action plan should include monthly calendar actions that will allow for the monitoring of the action plan implementation.

The action plan should include the following information:

- plan to process the UIFWE balances up to 30 June 2025 by 31 August 2025, and how future UIFWE will be prevented with specific UIFWE prevention controls;

- the key process changes (including administrative processes) the municipality will implement to ensure that the UIFWE balances are processed to adhere to the August 2025 deadline; and
- the process to be followed to establish and appoint members of the disciplinary board and address the backlog of financial misconduct referrals to the disciplinary board. This should include processes and procedures for the referral of matters to the disciplinary board.

This action plan must be uploaded to the *Muni eMonitor* as part of the evidence for UIFWE reporting.

5.8 Fruitless and Wasteful External Legal and Consultant Costs

National Treasury has observed that municipalities (including municipal entities) incur legal and consulting fees on matters that could have been avoided had officials followed proper procedures, or had officials or councillors not been negligent or acted deliberately, thereby causing legal disputes. These costs place pressure on operating budgets and provide no value to the municipality. Legal or consultant fees arising from non-compliance, negligence, inaction, deliberate conduct, flawed processes, or attempts to justify irregular decisions constitute fruitless and wasteful expenditure under the MFMA.

Legal costs linked to labour matters where procedures were not followed by the municipality, or for justified reasons, or to council matters involving unlawful meetings or invalid decisions, are avoidable and must be treated as wasted legal costs. Municipalities must also not incur legal costs to defend officials or councillors where there is clear negligence, misconduct, or deliberate misrepresentation of facts, including cases where material facts are withheld or altered, resulting in legal and consultant costs. Appointing lawyers or consultants to create a predetermined outcome, rationalise irregular conduct, or shield individuals from consequences exposes the municipality to irregular, fruitless and wasteful expenditure. Municipalities are reminded to exercise caution and prudence regarding such matters.

This section does not prevent a municipality from defending or instituting legal proceedings arising from a genuine and bona fide legal dispute. It also does not prevent a municipality from bringing self-review proceedings to set aside its own irregular or unlawful decisions.

5.9 Fruitless and Wasteful Expenditure Audit Finding Disputes

A recent concern noticed is the use of external consultants or lawyers to oppose Auditor-General South Africa (AGSA) audit findings, or to prepare opinions (including legal opinions) aimed at disputing audit findings that the municipality cannot justify in law or that do not align with the facts, or where material facts are distorted or have not been provided to the AGSA. Municipalities and municipal entities are forewarned not to use external lawyers and consultants to respond to or dispute AGSA audit findings but instead follow AGSA's dispute resolution procedures to address audit disputes. Municipal officials are also specifically warned not to provide misleading or incomplete information to the AGSA to obtain a specific outcome, as these actions or inactions will qualify as both financial misconduct under sections 171 (municipalities) and 172 (municipal entities) of the MFMA and as a financial offence in terms of section 173 of the MFMA.

5.10 Request for information regarding procurement spend, employee related data and audit management reports

The National Treasury aims to strengthen public trust and foster public accountability in the procurement systems of government. This initiative will be achieved by, amongst others, making the procurement systems more transparent through the publication of procurement information of institutions. An Instruction on Procurement Information Transparency has been issued by the National Treasury for the publication of the dashboard and requesting procurement information from procurement systems of all departments, public entities, and

constitutional institutions. The published information will include, but is not limited to, supplier and ownership details, the nature, value, quantity of procurement transactions, and payments made to suppliers.

One of the key principles underpinning the MFMA read with the Municipal Supply Chain Management Regulations is that of transparency. Therefore, a letter, signed by the Director General of the National Treasury in terms of section 74 of the MFMA, will be written to municipalities wherein similar information as referred to in the preceding paragraph is requested. The information requested is inclusive of personnel data within municipalities. The employee information requested should be available on the HR sub-systems of all municipalities. Municipalities should liaise with their respective system vendors to extract this information in the required template format directly from their relevant sub-systems.

5.11 Additional in-year reporting requirements

Reference is made to MFMA Circular No. 67 point 5.5. Municipalities must provide additional information and supporting documentation to the National Treasury as part of the submission of the Section 71 input forms. This information will assist in improving the quality of the quarterly published local government performance information. Additional information and supporting documentation include:

- An extract of the trial balances from the general ledger;
- Copies of the actual monthly bank statements (reflecting the opening and closing bank balances) for the primary bank account;
- Bank reconciliation for the reporting period in the primary bank account; and
- Copies of the quarterly tabled section 71 documents in the prescribed Schedule C format including the applicable council resolution.

6 Municipal Standard Chart of Accounts (*m*SCOA):

6.1 Release of Version 7.1 of the Chart

Version 7.1 of the *m*SCOA chart is released with this circular and must be used to compile the 2026/27 MTREF. The linkages to chart version 7.1 can be downloaded from the Local Government Database and Reporting System (LGDRS) on the following link under the *m*SCOA/ List *m*SCOA WIP account linkages menu option:

https://lg.treasury.gov.za/ibi_apps/signin

The reports on the Local Government Database and Reporting System (LGDRS) are populated from financial and non-financial data strings. Municipalities must therefore use the linkages on GoMuni referred to above and not the formulas in the regulated Municipal Budget and Reporting Regulation (MBRR) Schedules when generating their data strings.

The MBRR Schedules (A to F) and non-financial data string (A1S) will be aligned to chart version 7.1. A protected version of these Schedules for version 7.1 of the A1S will be available by 31 January 2026 on the MFMA Webpage and the LGDRS under GoPublic / Explore mSCOA on the links below:

http://mfma.treasury.gov.za/RegulationsandGazettes/Municipal%20Budget%20and%20Reporting%20Regulations/Pages/default.aspx

https://lg.treasury.gov.za/ibi_apps/portal/Explore_mSCOA

Municipalities must verify that the A1S data string does not contain spaces and special characters prior to submission to the GoMuni Upload portal, as this will result in the data not pulling through on table A10 of the A1 system generated schedule.

To ensure that all integrated municipal system solutions have incorporated the required changes for *m*SCOA chart version 7.1, several municipalities across all systems will be required to submit test data to the LGDRS in January and February 2026. Communication in this regard will follow in January 2026.

For the National Treasury to consider a new chart change in version 7.2 of the chart, the issue must be logged with all relevant details and supporting documents on the *m*SCOA Frequently Asked Question (FAQ) portal by 31 August 2026. The *m*SCOA FAQ portal can be accessed by all registered GoMuni users on the following link:
https://lg.treasury.gov.za/ibi_apps/signin

Importantly, when an FAQ is logged, it is considered by the FAQ committee after it has been investigated. If the FAQ members do not find grounds for a chart change, the FAQ will be closed with an explanation. If there is merit for a chart change in the next version of the chart, the matter is referred to the *m*SCOA Technical and Steering Committees for recommendation and approval. This process concludes annually by the end of October. The FAQ process will therefore not provide quick responses to queries.

If a query pertains to GoMuni related issues (such as the **A**, **B** and **C** Schedules) and not a chart change, then an email with all relevant detail, supporting documents and screenshots must be sent to lgdataqueries@treaury.gov.za.

6.2 Important changes in *m*SCOA chart version 7.1

Capitalisation of conversion costs to water inventory

MFMA Budget Circular No 129 dated 6 December 2024 detailed the requirements for the accounting treatment of water inventory costs in terms of Generally Recognised Accounting Practises (GRAP) 1.104, 12 (paragraphs 19 to 28) and 17.22. *m*SCOA chart version 7.1 addresses the capitalisation of conversion cost from the nature of the expense to Water Inventory as required in terms of these GRAP standards.

In addition, the Accounting Standards Board (ASB) FAQ 3.3 guides the measurement of Water Inventory as follows:

- *Entities need to develop their own accounting policies to measure water using the principles in GRAP 12.*
- *After the entity demonstrates that it can recognise the water, it is initially measured as follows:*
  - *Costs incurred to bring the inventory to its current location and condition including related infrastructure costs. Some examples include costs of extraction and depreciation; plus*
  - *Costs of conversion.*

As per the guidance provided in the GRAP standards and ASB, the capitalisation of conversion costs should align with the principle applied to Employee Related Costs (Cost Capitalisation to PPE). Toward this end, the following credit accounts have been included in version 7.1 of the *m*SCOA chart:

Account	Change in chart version 7.1

1	Basic Salary - Capitalisation of Costs to Property, Plant and Equipment (PPE), Water Inventory	• Credit account adjusted • Updated the description and definition to include Water Inventory for all posting levels
2	Capitalisation of Electricity Costs	Credit account added
3	Contracted Services (Maintenance)	Credit accounts added for: • Capitalisation of Maintenance of Building and Facilities • Capitalisation of Maintenance of Equipment • Capitalisation of Maintenance of Unspecified Assets
4	Capitalisation of Depreciation of Water Treatment Works	Credit accounts added
5	Operational Costs	Credit accounts added for: • Capitalisation of Courier and Delivery Services Costs • Capitalisation of Vehicle Tracking Costs • Capitalisation of Wet Fuel Costs • Capitalisation of Licences Costs

The chart was also updated to allow for the accumulation of the following additions to water inventory: system input volume:

- Water Treatment Works: Acquisitions;
- Bulk Purchases: Acquisitions; and
- Natural Resources: Acquisitions.

Alignment of cash flow linkages

In terms of GRAP 2, cash flows should be classified in accordance with the nature of the activity to which they relate (operating, investing or financing) which requires that:

- The item for *Interest, Insurance Refund and Retentions* must be accounted for both operating and investing activities based on the nature of the transactions; and
- The *Interest on Short-Term investment* (greater than 90 days) and *Long-Term Investments* must be populated within investing activities. Short-Term Investments is disclosed on the Statement of Financial Performance.

To give effect to this GRAP standard, a new operational funding source, Insurance Refunds, has been created under the Investing Activities of MBRR tables A7 and SA30. Therefore, with effect from version 7.1 of the *m*SCOA chart:

- The VAT Receipts will be populated using the Bank Deposits (IA001001 – "DEPOSITS") and VAT Receipt funding source. The VAT Control account receipts will not be used for this purpose;
- Construction Contract Revenue will no longer form part of Sales of Goods and Rendering of Services. A new funding source was created to separately populate Construction Contract Revenue as part of Other Revenue on the MBRR supporting table SA30; and

- Development Charges will no longer form part of Operational Revenue. A new funding source was created to separately populate Development Charges as part of Other Revenue on MBRR supporting table SA30.

The structure of the MBRR table A7 and its related cash flow linkages has also been aligned with the *m*SCOA chart version 7.1. The updated linkages to the MBRR supporting table SA30 are attached as **Annexure H**: Cash Flow Linkages.

Intercompany Transfers

In terms of the MFMA, municipalities with entities must submit budgets, in-year Section 71 reports, annual financial statements and annual reports for the parent municipality, as well as consolidated documents for both the parent and its entity. Furthermore, in accordance with GRAP 35 paragraph 39, a controlling entity shall prepare consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.

The consolidation procedures prescribed in GRAP 35 paragraph 41(a) and (c) state that consolidated financial statements combine like items of assets, liabilities, net assets, revenue, expenses, and cash flows of the controlling entity with those of its controlled entities. Consolidated financial statements should eliminate in full intra-economic entity assets, liabilities, net assets, revenue, expenses, and cash flows relating to transactions between entities of the economic entity (surpluses or deficits resulting from intra-economic entity transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intra-economic entity losses may indicate an impairment that requires recognition in the consolidated financial statements.

To support the implementation of the process outlined in GRAP 35 paragraph 41(c), *m*SCOA chart version 7.1 has been revised to enable the proper recording and reporting of all intercompany and parent–subsidiary transactions. These revisions introduce new and updated items relating to assets, liabilities, net assets, and expenses, which may be found on the *m*SCOA chart version 7.1 and represented as follows:

- Assets: Non-current Assets: Intercompany/Parent-subsidiary Transactions;
- Assets: Current Assets: Intercompany/Parent-subsidiary Transactions;
- Liabilities: Non-current Liabilities: Intercompany/Parent-subsidiary Transactions and Net Assets: Intercompany/Parent-subsidiary Transactions; and
- Expenditure: Intercompany/Parent-subsidiary Transactions.

The intercompany items available on the chart makes provision for the elimination of transactions between the entity and the parent and should be considered where possible during the preparation of your respective budget to ensure budgeted financial information between municipalities and their entities is accurately reflected and remains consistent across all reporting levels.

In terms of MBRR No. 39, the annual budget and supporting documentation of a municipal entity must be in the format specified in Schedule D and include all the required tables, charts and explanatory information considering any guidelines issued by the Minister in terms of section 168(1)(a) of the MFMA. Municipalities with entities must submit the necessary documents to the GoMuni Upload portal in accordance with the prescribed Regulations.

6.3 Improving *m*SCOA implementation

*m*SCOA e-Road Map

Municipalities are required to develop and implement a *m*SCOA road map to address gaps in the implementation of the *m*SCOA Regulations and the minimum business processes and system specifications articulated in MFMA Circular No 80 and its Annexure B.

The *m*SCOA road map has been incorporated as a module into the web-based Financial Management Capability Maturity Model (FMCMM). From the 2026/27 MTREF, all municipalities will be required to prepare their *m*SCOA road maps on the FMCMM web-based platform. The web-based *m*SCOA Road Map assesses compliance with regards to *m*SCOA implementation for the following focus area:

- System landscape, i.e. the ICT architecture that enables compliance with the *m*SCOA requirements articulated in MFMA Circular No 80 and its Annexure B;
- Governance and institutional arrangements to drive compliance with the *m*SCOA requirements articulated in MFMA Circular No 80 and its Annexure B;
- The functionality of the integrated system solution, as per the requirements articulated in MFMA Circular No 80 and its Annexure B; and
- Proficiency of municipal officials in utilising the integrated financial system solution.

Gaps in implementation will require the development of an action plan in the FMCMM web-based platform. Progress on the implementation of the *m*SCOA road map will be monitored via the FMCMM platform by National and Provincial Treasuries. From the 2026/27 financial year, this will form the basis for decisions on the withholding of the equitable share pertaining to *m*SCOA non-compliance, as well as the *m*SCOA compliance certificate to be issued by the National Treasury in respect of the Metro Trading Services reform.

Regulation of the minimum business process and system specifications for *m*SCOA

The National Treasury will conclude the consultation and preparatory work to regulate the minimum business process and system requirements for *m*SCOA in 2026/27. Once promulgated, the regulations will be applicable to municipalities and their entities.

Municipalities are encouraged to start preparing for these regulations by addressing gaps in the current *m*SCOA implementation and resolving them prior to the promulgation of the regulations on the minimum business process and system requirements for *m*SCOA.

All consultation documents that were presented at the Integrated Consultative Forums (ICF) can be located on the MFMA Webpage under *m*SCOA – Municipal Standard Chart of Accounts/ Regulations on Minimum Business Processes and Technical Specifications for *m*SCOA/ Working Groups on the following link:

https://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChartOfAccountsFinal/mSCOA%20Minimum%20Requirements/Forms/AllItems.aspx

The draft documents are also available on the *m*SCOA one drive for comments and inputs on the following link and provide sufficient guidance to municipalities and system vendors to prepare for the new regulations prior to promulgation:

E1 Draft Regulations - Consultation - Shared

All comments and submissions are requested **by 31 January 2026** and must be submitted to mscoa@treasury.gov.za to allow for consolidation and inclusion in the final regulations.

6.4 Improving *m*SCOA data string credibility

Introducing a 3rd validation rule

Currently, the LGDRS implements automated stage 1 and 2 validations to ensure that credible data strings are submitted to the GoMuni Upload portal. The stage 1 validations verifies that the file structure is correct, while the stage 2 validation verifies that the *m*SCOA chart has been used correctly across 18 validation areas. Details on the stage 2 LGDRS validations are attached as **Annexure I**.

A third stage automated validation will be introduced from the 2026/27 MTREF to validate the credibility of *m*SCOA data strings. Details in this regard will be communicated when available.

7 The Municipal Budget and Reporting Regulations:

7.1 Assistance with the compilation of budgets

If municipalities require advice with the compilation of their respective budgets, specifically the budget documents or Schedule A, they should direct their enquiries to their respective provincial treasuries or to the following National Treasury officials:

Province	Responsible NT officials	Tel. No.	Email
Eastern Cape Buffalo City	Matjatji Mashoeshoe Pitso Zwane Mandla Gilimani	012-315 5553/ 0609242914 012-315 5171 012-315 5807/0661198036	Matjatji.Mashoeshoe@treasury.gov.za Pitso.Zwane@Treasury.gov.za Mandla.Gilimani@treasury.gov.za
Free State	Cethekile Moshane	012-315 5079	Cethekile.moshane@treasury.gov.za
Gauteng City of Tshwane and City of Johannesburg City of Ekurhuleni	Matjatji Mashoeshoe Pitso Zwane Willem Voigt Makgabo Mabotja Khanyisile Khosa Kgomotso Baloyi Lunathi Dumani	012-315 5553 012-315 7538 012-315 5830 012-315 5156 012-315 5866/082 887 2968	Matjatji.Mashoeshoe@treasury.gov.za Pitso.Zwane@Treasury.gov.za WillemCordes.Voigt@treasury.gov.za Makgabo.Mabotja@treasury.gov.za khanyisile.khoza@treasury.gov.za Kgomotso.Baloyi@treasury.gov.za Lunathi.dumani@treasury.gov.za
KwaZulu-Natal eThekwini uMhlathuze	Kgomotso Baloyi Lunathi Dumani Kevin Bell Sifiso Mabaso Matjatji Mashoeshoe Pitso Zwane	012-315 5866 012-315 5725 012-315 5952/060 923 7343 012-315 5553/060 326 6885 012 315 7538	Kgomotso.Baloyi@treasury.gov.za Lunathi.dumani@treasury.gov.za Kevin.Bell@treasury.gov.za Sifiso.mabaso@treasury.gov.za Matjatji.Mashoeshoe@treasury.gov.za Pitso.Zwane@Treasury.gov.za
Limpopo	Sifiso Mabaso Jabulile Ngwenya	012-315 5952/060 923 7343	Sifiso.Mabaso@treasury.gov.za Jabulile.ngwenya@treasury.gov.za
Mpumalanga	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Northern Cape	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
North West Mafikeng	Willem Voigt Makgabo Mabotja Khanyisile Khosa Cethekile Moshane	012-315 5830 012-315 5156 012-315 5079	WillemCordes.Voigt@treasury.gov.za Makgabo.Mabotja@treasury.gov.za khanyisile.khoza@treasury.gov.za Cethekile.moshane@treasury.gov.za
Western Cape Cape Town George	Willem Voigt Khanyisile Khoza Kgomotso Baloyi Sifiso Mabaso	012-315 5830 012-315 5385 012-315 5866/082 887 2968 012-315 5952/ 060 923 7343	WillemCordes.Voigt@treasury.gov.za khanyisile.khoza@treasury.gov.za Kgomotso.Baloyi@treasury.gov.za Sifiso.Mabaso@treasury.gov.za

Technical issues on GoMuni Website	Data management		lgdataqueries@treasury.gov.za
Local government Conditional Grants			Sello.mashaba@treasury.gov.za Pretty.mavhungu@treasury.gov.za Marvin.ngobeni@treasury.gov.za Akanyang.modise@treasury.gov.za Sandra.admams@treasury.gov.za
Municipal (Eskom) and or Water Debt Relief and Smart Metering	LGBA: Revenue Section (Sadesh Ramjathan)		revenuemanagement@treasury.gov.za

8 Submitting budget documentation and A schedules for the 2026/27 MTREF

8.1 Submissions to the National Treasury

Municipalities are reminded to submit documents and queries to the correct portals/ mailboxes. These portals/ mailboxes are:

- https://lg.treasury.gov.za/ibi_apps/welcome (GoMuni Upload Portal) – All documents required in terms of legislation by approved registered users, including: *m*SCOA Data Strings; Budget-related, in-year and year-end documents and schedules (A, B and C); Revenue and MFRS Documents (as per MFMA Circular No. 126) procurement spent reports, etc.;
- lgdataqueries@treasury.gov.za – Database related and submission queries;
- lgdocuments@treasury.gov.za – Only Provincial Treasuries may send contact details to lgdocuments@treasury.gov.za; and
- *m*SCOA Regulations@treasury.gov.za – all inputs and comments relating to the intended mSCOA Regulations on the minimum business processes and system specifications; and
- Rolloverapplication@treasury.gov.za – all rollover applications and queries related to the conditional grants.

Any document/ queries that are submitted to the incorrect portal/ mailbox will not be processed and the submission status report will continue to reflect the documents as outstanding.

8.2 Time frames for submission

The LGDRS will be locked at 00:00 on the 10th working day of every month for the submission of data strings due, as required in terms of section 71 of the MFMA. Closed periods will not be opened to correct errors or to accommodate non-submission of data strings, regardless of whether a Schedule G application was done or not.

Municipalities must therefore verify the credibility and accuracy of the information in their financial system prior to closing the month on the ERP system and submitting the *m*SCOA data strings to the LGDRS.

The GoMuni Upload portal can be accessed by registered users on the following link:

https://lg.treasury.gov.za/ibi_apps/signin

Since the 2020/21 MTREF, municipalities are no longer required to submit hard copies of all required documents, including budget-related documents, Annual Financial Statements, and Annual Reports, to the National Treasury via post or courier services. PDF versions of documents must be submitted to the GoMuni Upload portal.

8.3 Updating of contact details on GoMuni

Municipalities are reminded that it is their responsibility to ensure the minimum, that is, to update their contact details monthly on the LGDRS as and when changes occur. Often emails containing important information and deadlines are returned ("undeliverable") and do not reach the intended LGDRS users because of outdated contact information. Updates to contact details made by municipal officials on the LGDRS are validated and approved for upload by the Contacts Administrators who were nominated by the Municipal Manager for this purpose within each municipality.

Registered LGDRS users can download the contact details for their municipality on the LGDRS by logging-in to GoMuni on the following link and then accessing the report under Database/Contacts/Reporting/Contact information:

https://lg.treasury.gov.za/ibi_apps/signin

The names of the respective Contact Administrators for each municipality are indicated in the contact information list on the LGDRS.

8.4 Training on GoMuni and *m*SCOA

The National Treasury training schedule and registration links for 2026 to assist municipalities, national and provincial government departments and other stakeholders that require new or refresher training on how to draw reports on the LGDRS and technical support on *m*SCOA, is available on the GoMuni/ Go Training portal on the following link:

https://lg.treasury.gov.za/ibi_apps/portal/GoMuni_Navigation

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
05 December 2025

NATIONAL TREASURY

MFMA Circular No. 134

Municipal Finance Management Act No. 56 of 2003

Municipal Budget Circular for the 2026/27 MTREF

CONTENTS:

1. THE SOUTH AFRICAN ECONOMY AND INFLATION TARGETS 2
2. KEY FOCUS AREAS FOR THE 2026/27 BUDGET PROCESS 3
   - 2.1 Local government conditional grants and unconditional grants allocations 3
   - 2.2 Post 2025 MTBPS changes 4
   - 2.3 Review of the local government fiscal framework 5
   - 2.4 Update on the review of the conditional grants 5
   - 2.5 Water crisis in South Africa 6
   - 2.6 Impact of infrastructure degradation on the economy 6
   - 2.7 Metro Trading Services Reform (MTSR) 7
   - 2.8 Criteria for the release of the Equitable Share 9
   - 2.9 Criteria for the rollover of conditional grant funds 10
   - 2.10 Unspent conditional grant funds for 2025/26 11
   - 2.11 Rollover of the Urban Development Financing Grant: metro trading services component 12
3. BUDGET AND OTHER MANAGEMENT ISSUES 12
   - 3.1 2026/27 Municipal Budget Tabling Timelines 12
   - 3.2 Timeline for approving the revised Service Delivery and Budget Implementation Plan (SDBIP) following the approval of the adjustment budget 13
   - 3.3 Caution to manage transition risk 13
   - 3.4 Warning not to enter into contracts having future budgetary implications as part of electioneering 14
   - 3.5 Cost reflective tariffs 14
   - 3.6 Budgeting for a Funded Budget 14
4. MUNICIPAL STANDARD CHART OF ACCOUNTS (*m*SCOA) 14
   - 4.1 Alignment of cash flow linkages 14
   - 4.2 Guidance on submission of *m*SCOA roadmaps 15
   - 4.4 Stage 3 validation 16
   - 4.5 Retentions 17
   - 4.6 Virement data strings and report 17
   - 4.7 The Urban Development Financing Grant 18
   - 4.8 Reporting pertaining to the Metro Trading Services Reform 18
5. SUBMITTING DOCUMENTS TO THE GOMUNI UPLOAD PORTAL 19
   - 5.1 Submission of additional information 19

ALL ENQUIRIES SHOULD BE DIRECTED TO: 20

6. THE MUNICIPAL BUDGET AND REPORTING REGULATIONS 20
   - 6.1 Assistance with the compilation of budgets 20

ANNEXURE A – PREVIOUS MFMA CIRCULARS 23

Introduction

This budget circular provides guidance to municipalities with their compilation of the 2026/27 Medium Term Revenue and Expenditure Framework (MTREF). It is linked to the Municipal Budget and Reporting Regulations (MBRR) and the Municipal Standard Chart of Accounts (*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 management reform agenda by focussing on key "game changers". These game-changers include ensuring that municipal budgets are funded, revenue management is optimised, assets are managed efficiently, supply chain management processes are adhered to, *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 are not covered in this circular.

1. The South African economy and inflation targets

GDP growth is expected to average 1.8 per cent from 2026 to 2028. Medium-term growth will be underpinned by household consumption supported by further gains in real purchasing power, moderately stronger wage growth, easing inflation, wealth gains from rising asset prices, improved consumer sentiment and better credit conditions. Continued investments in renewable energy and easing structural constraints are expected to support higher investment. Key factors for achieving faster economic growth and creating much-needed jobs include greater collaboration with the private sector in energy and transport, rapid implementation of structural reforms, easing of regulatory constraints and increased infrastructure investment.

The following macro-economic forecasts must be considered when preparing the 2026/27 MTREF municipal budgets.

Table 1: Macroeconomic performance and projections, 2025 - 2029

Fiscal year	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	Estimate	Forecast		
CPI Inflation	4.4%	3.2%	3.4%	3.3%	3.2%

Source: National Treasury Budget Review 2026.

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.

Inflation is expected to increase from 3.2 per cent in 2025 to 3.4 per cent in 2026, driven by higher food prices (particularly meat due to supply disruptions linked to foot-and mouth disease). Inflation is forecast to ease to 3.3 per cent in 2027 and 3.2 per cent in 2028, but risks from geopolitical tensions, exchange rate volatility, administered prices and animal disease outbreaks remain elevated. The reduction of the inflation target to 3 per cent with a 1 percentage point tolerance band will structurally reduce inflation, helping to protect real income levels.

In April 2024, the National Treasury initiated a comprehensive review of the budget process, with the goal of identifying and implementing reforms that would enhance the efficiency, transparency, and effectiveness of public resource allocation. It has resulted in a set of accountable reform proposals outlined below.

Targeted And Responsible Savings (TARS) and Spending Reviews

These MTEF guidelines introduce a new mechanism entitled Targeted and Responsible Savings (TARS), which is intended to identify and remove low-priority or underperforming programmes from the budget to reduce aggregate expenditure and, where appropriate, reallocate funding towards the priorities of governments outlined in the Medium-Term Development Plan (MTDP).

In line with the government's commitment to identify wasteful, inefficient, underperforming, and low priority programmes and ensure a more streamlined and effective allocation of resources. At national level the following initiatives are being utilised for the identification of programmes to be included the TARS process:

- Spending reviews;
- Previous work should be updated where appropriate to inform implementation;
- Outcomes of new sectoral reviews such as the Active Labour Market Policy (ALMP) and the review of infrastructure conditional grants should be implemented;
- New data driven approaches;
- Use of technology to eliminate double dipping in social grants and other programmes (e.g. community works programme);
- Annual audit of ghost workers and payroll irregularities;
- Updated proposals on public entity and departmental rationalisation;
- Resolve inefficiencies in public sector wage bill;
- Implement personnel expenditure review completed by the Department of Public; Service and Administration (DPSA);
- Finalise extended review of public entities remuneration; and
- Technical baseline analysis and institutional reviews to ensure that departments and public entities are appropriately aligned to mandates.

All municipalities are encouraged as part of the annual municipal budget preparations process to progressively introduce the same approach which will enable the Council of a municipality to consider more appropriate the trade-offs when policy choices are made in conclude the budget for a specific cycle. Depending on the response observed by the National Treasury, further guidance will be issue in future.

2. Key focus areas for the 2026/27 budget process

2.1 Local government conditional grants and unconditional grants allocations

For the 2026/27 financial year, the overall direct allocations to local government amount to R182.3 billion, made up of R110.1 billion in the local government equitable share; R54.7 billion in direct conditional grants and R17.5 billion in the General fuel levy sharing with metros. These allocations alleviate some of the financial pressures, particularly in basic services, where the costs of providing services are rising. The overall direct allocations to local government grow by an annual average rate of 3.1 per cent and the local government equitable share and related allocations grow by 4.4 per cent over the 2026 MTEF period.

Notable changes to the conditional grants system

Given the ongoing review of the conditional grants system, there are several local government reforms proposed to conditional grants. The reforms are aimed at streamlining funding flows, reducing duplications, and aligning recurrent obligations with the appropriate funding base:

- The merger of the baselines of the integrated national electrification programme grant, and the energy efficiency demand side management grant in 2026/27 to focus on energy

efficiency and renewable energy programmes that can lead to more sustainable energy provision and enable the achievement of long-term energy security goals;
- The Infrastructure Skills Development Grant (ISDG) will remain under the management of the National Treasury for the next three financial years when it will cease to exist as a conditional grant. To assist this transformation, the grant has ceased the intake of new graduates to allow the current graduate cohort to complete their training; and
- To protect infrastructure investment from municipal dysfunction, a general clause has been introduced in the 2026 Division of Revenue Bill. It will enable the National Treasury to redirect infrastructure grants from local municipalities that have proven incapable of implementation to the Development Bank of Southern Africa, the Municipal Infrastructure Support Agent or capable district municipalities.

2.2 Post 2025 MTBPS changes

There are a number of reductions, several further cuts beyond the CPI adjustments and reprioritisations proposed in the 2025 MTBPS and these are effected to make funds available for other government priorities. These include:

Reprioritisations

- A shift of R300 million in 2026/27 from the municipal infrastructure grant to the Department of Cooperative Governance's vote for the once-off gratuity payment to outgoing councillors after the local government elections;
- A shift of R536 million in 2026/27 from the direct component of the municipal infrastructure grant to the indirect component to address infrastructure delivery issues; and
- A shift of R19.2 billion (R5.7 billion in 2026/27, R6.4 billion in 2027/28 and R7.1 billion in 2028/29) from the urban settlements development grant to the metro trading services component of the urban development financing grant to strengthen core utility functions; and an additional incentive allocation of R8.6 billion over the MTEF period towards the metro trading services component of the urban development financing grant, confirmed from the provisional allocations made in 2025.

Reduction

- The public transport network grant will be reduced by R8.3 billion over the MTEF period as part of the Targeted and Responsible Savings (TARS) process. This total reduction includes the R3 billion saving previously identified during the Medium-Term Budget Policy Statement (MTBPS), as well as further reprioritisations of R1.3 billion in 2026/27, R1.5 billion in 2027/28, and R2.5 billion in 2028/29. These additional funds are redirected to PRASA to accelerate the modernisation and replacement of critical rail signalling infrastructure.

Addition

- An addition of R2.1 billion over the MTEF period to the regional bulk infrastructure grant for a regional wastewater treatment works project in Polokwane, funded through the Budget Facility for Infrastructure.

Further reductions

- To make funds available and support the continuation of the implementation of the Presidential Employment Stimulus, reductions have been made on some conditional grants from the 2026 financial year. A reduction of R491 million in 2026/27 from the informal settlements upgrading partnership grant; a reduction of R784 million in 2026/27

from the integrated national electrification programme (Eskom) grant and a reduction of R921 million in 2026/27 from the municipal infrastructure grant.

Discontinuation

- The discontinuation of the indirect neighbourhood development partnership grant, with its baseline of R219 million over the MTEF shifted to the Vote of the National Treasury and earmarked to support government's infrastructure reforms.

Correction

- The correction of the BFI allocations for eThekwini Metropolitan Municipality, allocated through the urban development financing grant. The full allocation of R379 million for the non-revenue water project was erroneously allocated to eThekwini instead of being split between the municipality and the Infrastructure Fund as per the agreed work package. eThekwini's allocation in the urban development financing grant is reduced by R144 million over the MTEF and allocated to the Infrastructure Fund.

2.3 Review of the local government fiscal framework

Government continues to be fully committed to a comprehensive review of the local government fiscal framework, and the Budget Forum has approved a detailed programme of action to guide this work, including detailed terms of reference and the procurement of specialist expertise to undertake the technical analysis. The review will consider the financial viability, effectiveness, stability and long-term sustainability of the local government fiscal framework, through a detailed examination of the policies, practices and mechanisms that govern how resources are allocated, managed and used at municipal level, because this examination is crucial to understanding the current state of local government finance. The work is organised around five core thematic areas: a national baseline profile of the local government fiscal framework, including distressed and better-performing municipalities, and refinement of the problem statement, the local government equitable share formula, local government expenditure reviews, fiscal leakages in local government, and additional revenue options, including undersubscribed existing instruments, new own-revenue sources and improved municipal borrowing to enhance infrastructure investment and maintenance.

Oversight and engagement structures have been established, including a Reference Group to provide expert input and validate findings, with four meetings aligned with key deliverables, a Working Group to coordinate technical inputs and monitor progress, with online meetings every two months, and a Core Project Management Group to manage execution, research and reporting, with fortnightly meetings. The review also provides for interviews and up to four online sessions with chief financial officers, municipal managers and senior planners from a sample of 32 municipalities, to ensure that the findings are credible, evidence-based and grounded in municipal realities.

The work will be undertaken over the 2026 MTEF period, and therefore, for this review to succeed and to reflect the realities on the ground, it is essential that all municipalities provide the requested data as a matter of urgency, including complete and reliable personnel information. Consequently, we urge those municipalities that have not yet submitted the required datasets to do so without delay, so that the analysis can be robust, comparable and fully representative of the sector.

2.4 Update on the review of the conditional grants

The review process has been underpinned by extensive consultation processes since July 2024 during which the National Treasury presented the findings and recommendations of the review.

Most of the proposed reforms are intended for medium- to long-term implementation, while a select few have been prioritised for short-term introduction within the 2025 MTEF period. Further consultations have been conducted following the tabling of the 2025 Budget, focusing on reforms earmarked for medium- to long-term implementation. These ongoing engagements include impact assessments and preparatory work aimed at ensuring the successful rollout of the proposed changes. Over the 2026 MTEF period, government will roll out several local and provincial government reforms aimed at streamlining funding flows, reducing duplication, and aligning recurrent obligations with the appropriate funding base. These reforms are detailed in part 5 of the Explanatory Memorandum to the 2026 Division of Revenue under the relevant conditional grants.

2.5 Water crisis in South Africa

Water services across South Africa are becoming increasingly unreliable. Too many communities now experience intermittent supply, infrastructure failures and declining water quality.

105 out of 144 Water Service Authorities (WSAs) scored poor or critical in terms of the performance of their drinking water systems (Blue Drop) and/or wastewater systems (Green Drop) in the most recent reports. This means that water and sanitation services are failing in 73 per cent of WSAs – widespread failure of municipal water and sanitation services indicates a systemic problem. By September 2025, 53 out of the 105 worst performing WSAs had not yet produced corrective action plans to address their 2023 Blue, Green and No Drop report results.

At the same time, water demand is expected to exceed supply in several regions due to population growth, urbanisation, inefficient water use and climate change.

These pressures are already evident in major economic centres across the country, impacting on development and economic growth. Although South Africa is naturally water-scarce, the current crisis is primarily driven by municipal infrastructure and governance failures, while the uncertainty introduced by climate change multiplies all water related risks.

High water losses, ageing and poorly maintained infrastructure, weak financial management as well as growing municipal debts to water boards are placing the entire water value chain at risk. Water revenues are rarely reinvested into maintaining and upgrading infrastructure.

The Department of Water and Sanitation is advancing legislative and policy reforms. In parallel, the Metro Trading Services Reform, which was initially conceptualised around water services, utilises a performance-linked incentive grant to reward metros for improved governance, financial and operational performance. This reform will ensure that revenues from water and sanitation are reinvested directly into critical infrastructure to turnaround the vicious cycle of deteriorating water services in all eight metros (**Annexure A** – Water Scarcity issues dealt with in previous budget circulars).

2.6 Impact of infrastructure degradation on the economy

Widespread infrastructure failures, ageing assets and persistent underinvestment are increasingly constraining economic growth and service delivery across South Africa. Water, sanitation, electricity and transport infrastructure has been particularly affected.

The absence of functional and well-maintained basic service infrastructure disrupts business operations, increases operating costs and undermines investor confidence, stifling development and GDP growth. Industries that depend on reliable bulk services, such as mining, manufacturing, agriculture and logistics are impacted, with outages and service interruptions reducing productivity and raising the cost of doing business.

Deteriorating infrastructure also places growing fiscal pressure on municipalities, as emergency repairs and service backlogs drive a deteriorating and reinforcing negative cycle of increasing costs and decreasing service outcomes. Without sustained investment in maintenance, rehabilitation and expansion of infrastructure, these constraints will continue to weaken local economies, limit job creation and reduce the competitiveness of key economic centres.

To address these challenges, National Treasury has introduced a R54 billion performance-based incentive for metropolitan municipalities to support reforms in their trading services: water, sanitation electricity and solid waste services. The Metro Trading Services Reform is designed to ensure that revenue generated from these services is reinvested into maintaining and improving core infrastructure, strengthening the reliability and sustainability of municipal water services. Once trading services are ring-fenced and operating as viable utilities, can sustainably transfers to the rates account support other municipal functions such as roads, security and community services. The performance grant has been designed to incentivise metros to provide additional investment from their own revenues and loans to double the value of the reform to R108 billion. This investment in improved infrastructure will not only boost local economies but also unlock new investment opportunities.

2.7 Metro Trading Services Reform (MTSR)

The Metro Trading Services Reform (MTSR) is implemented through the Metro Trading Services component of the Urban Development Financing Grant (UDFG). This component of the UDFG provides a performance-based incentive to strengthen accountability, financial sustainability and operational performance in the water and sanitation, electricity and energy, and solid waste management trading services of metropolitan municipalities.

All metros must ensure that their 2026/27 MTREF reflects the indicative allocations published in the 2026 Division of Revenue Bill/Act and confirmed through Budget Allocation Letters issued by National Treasury. These performance-based incentive allocations may only be spent in support of the relevant trading services reform strategy and must be reported on accordingly.

Metro trading services participate in the reform in two cohorts, with differentiated requirements in 2026/27:

- **Cohort 1, entered the reform in 2025/26, includes:**
  - *Water and Sanitation*: Buffalo City, City of Cape Town, City of Johannesburg, City of Tshwane, eThekwini and Mangaung.
  - *Electricity and Energy*: Buffalo City, City of Cape Town, City of Ekurhuleni, City of Johannesburg, City of Tshwane and eThekwini.
- **Cohort 2, entering the reform in 2026/27, includes:**
  - *Solid Waste Management*: all metros.
  - *Water and Sanitation*: Ekurhuleni and Nelson Mandela Bay.
  - *Electricity and Energy*: Mangaung and Nelson Mandela Bay.

2.7.1 Cohort 1: Programme Year-2 (2026/27)

For Cohort 1 trading services, 2026/27 constitutes Year-2 (first full year of implementation).

In advance of 2026/27:

Prior to the commencement of the 2026/27, Cohort 1 metros were required to finalise, cost and obtain Council approval for each trading service's A3-PIAP v2.

Draft A3-PIAP v2 documents must:

- Be presented at the 2025/26 Mid-Year Budget Review (MYBR) in January/February 2026;

- Be presented again during the 2026/27 Benchmarking Engagements (April/May 2026); and
- Demonstrate alignment between the costing of reform activity packages and the draft 2026/27 MTREF.

The final Council-approved A3-PIAP v2 (by 30 June 2026) must:
- Reflect the metro's final sectoral allocation decision within the permissible ranges; and
- Be fully costed and consistent with the 2026/27 Council-approved budget tables.

During 2026/27:

- Metros must maintain all eight Minimum Commitments (M1-M8); and
- Metros must report against the full set of indicators as defined in Guidance Note 4, Annexure A (and in the Programme Operations Manual (POM)).

For Cohort 1, 2026/27 is the first year in which trading services performance is assessed against Council-approved targets. It is not a preparatory or "dry run" year. Achievement against these targets will be assessed between July-Sept 2026.
Failure to achieve or maintain Minimum Commitments may result in withholding and reallocation of incentive funds in accordance with DoRA and the POM.

2.7.2 Cohort 2: Programme Year-1 (2026/27)

For Cohort 2 trading services, 2026/27 constitutes Year-1 (entry year).

In advance of the 2026/27 year:

- Cohort 2 metros received indicative allocations for their trading services for 2026/27 in the 2026 DoRB;
- Metros must finalise and obtain Council approval of A3-PIAP v1 by 30 June 2026;
- The eight Minimum Commitments (M1–M8) must be formally made by 30 June 2026; and
- Cohort 2 trading services should allocate their 2026/27 incentive to reform-related expenditure (e.g. reform start-up costs and reform-related capital expenditure).

During 2026/27:

- The eight Minimum Commitments (M1–M8) must be achieved by 30 June 2027; and
- Preparatory reforms, institutional restructuring, financial modelling, and business and investment planning must be completed by 30 June 2027.

2.7.3 Reporting and Independent Verification

The Independent Verification Agent (IVA) verifies compliance with Minimum Commitments and performance against programme indicators.

Metros need to plan and budget for the forthcoming financial year, taking account of any positive or negative variance in expected incentive grant allocations for the forthcoming financial year. In other words:
- Performance for the **2025/26 financial year** will be independently verified between July-September 2026. The result of this verification **may affect Cohort 1's 2027/28 budget allocation and cohort 2's 2026/27 adjustments budget**.
    - Cohort 1's performance for 2025/26 will be assessed on a binary basis (in place / not in place), rather than through weighted proportional scoring, since the expected deliverable is a complete PIAP v2 with firm targets, supported by the business plan and budget which are two of the minimum commitments (M5 and M6).

  - Cohort 2's performance for 2025/26 will be assessed based on submission of Council resolution to achieve the Minimum Commitments and approval of the A3: PIAP v1.
- Performance for the **2026/27 financial year** will be independently verified during July-September 2027. The result of this verification **may affect the metro's 2028/29 budget allocation**.

Metros are required to upload all performance claims and supporting evidence to the National Treasury MTSR online portal, scheduled to become operational in early 2026. Metros must ensure that internal data governance, reporting systems and management arrangements are aligned to enable timely and complete evidence submissions.

While the MTSR requires quarterly and annual reporting necessary for performance verification and incentive administration, these requirements are designed to leverage existing municipal reporting systems, including *m*SCOA financial reporting; Section 71 monthly and quarterly reporting; MFMA Circular No. 88 performance indicators; and standard conditional grant reporting frameworks. The reform seeks to strengthen existing systems rather than create parallel reporting processes or impose unnecessary administrative burdens.

2.7.4 Guidance documents and Programme Operations Manual (POM)

The Metro Trading Services Reform Programme Operations Manual (POM) will be released following the 2026 National Budget. The POM sets out the detailed institutional, financial, reporting, verification, governance and risk management procedures for implementation of the MTSR and administration of the UDFG-MTS component. The POM defines Minimum Commitments and performance indicators; specifies reporting templates and timelines; details IVA processes; and clarifies disbursement, stopping and reallocation provisions.

A number of Guidance Notes and related Annexures have been prepared to guide metros on the expectations of the MTSR performance incentive. These guidance documents set out what metros are expected to achieve in line with the reform to qualify for the incentive.

The Grant Framework in the 2026 DORB for the UDFG (MTS component) provides the expected outcomes, outputs, conditions and responsibilities for the performance incentive grant.

Metros must therefore implement the MTSR in accordance with the Grant Framework in the DoRB, the DoRA, the MFMA, its regulations and Circulars (including this Circular), related national legislation and policy, as well as MTSR Guidance Notes and their annexures and the POM.

2.8 Criteria for the release of the Equitable Share

The criteria for the release of the equitable share which were covered in MFMA Circulars No. 122 remain relevant and are still applicable for the release of equitable share instalments in the 2025/26 financial year.

Municipalities must put systems and processes in place to comply with the criteria for the release of the equitable share. For example, to formally assign/delegate this to a responsible official, include it in performance agreements, have a council policy, create a standard operating procedure, and add this requirement as a SDBIP indicator.

Failure to comply with the criteria will result in National Treasury invoking Section 38 of the MFMA which empowers National Treasury to withhold a municipality's equitable share if the municipality commits a serious or persistent breach of the measures established in terms of

Section 216(2) of the Constitution which includes reporting obligations set out in the MFMA and National Treasury requests for information in terms of Section 74 of the MFMA.

2.9 Criteria for the rollover of conditional grant funds

In terms of Section 21 of the Division of Revenue Act, 2025 (Act No. 2 of 2025) (DoRA) in conjunction with the Division of Revenue Amendment Act, 2025 (Act No. 12 of 2025), any conditional allocation or a portion thereof that is not spent at the end of the 2025/26 financial year reverts to the National Revenue Fund (NRF), unless the rollover of the allocation is approved in terms of subsection (2) of the DoRA. Furthermore, the receiving officer, provincial treasury and national transferring officer is required to prove to National Treasury that the unspent allocation is committed to identifiable projects, in which case the funds may be rolled over.

When requesting a rollover in terms of Section 21(2) of the 2025 DoRA, municipalities must include the following information with their submission to National Treasury. Municipalities must submit all rollover applications and queries related to the conditional grants to Rolloverapplication@treasury.gov.za.

1. A formal letter, signed by the accounting officer addressed to the National Treasury requesting the rollover of unspent conditional grants in terms of Section 21(2) of the 2025 DoRA;
2. A list of all the projects that are linked to the unspent conditional grants and a breakdown of how much was allocated, spent and the balance per project;
3. The following evidence indicating that work on each of the projects has commenced, as applicable to the specific rollover(s):

a) Proof that the service provider was appointed for delivery of the project before 31 March 2026;
b) Proof of project tender and tender submissions published and closed before 31 March 2026 or with the appointment of contractor or service provider for delivery of service before 30 June 2026 in cases where additional funding was allocated during the course of the financial year of the project;
c) Incorporation of the Statement of Comparison of Budget and Actual Amounts; and
d) Evidence that all projects linked to an allocation will be fully utilised by 30 June 2026 (attach cash flow projection for the applicable grant);
e) A progress report (also reflecting percentages) on the status of each project's implementation that includes an attached legible implementation plan);
f) The value of the committed project funding and the conditional allocation from the funding source;
g) Reasons why the grants were not fully spent during the year on the original allocation per the DoRA. This includes the Municipal Disaster Recovery and Response grants for transfers made during the 2025/26 financial year and not fully spent by 30 June 2026;
h) Rollover of rollovers will not be considered. Municipalities must therefore not include previous year's unspent conditional grants as rollover request;
i) An indication of the time period within which the funds are to be spent if the rollover is approved; and
j) Proof that the Municipal Manager and Chief Financial Officer are permanently appointed.

No rollover requests will be considered for municipalities with vacant or acting Chief Financial Officers and Municipal Managers for a period exceeding 6 months from the date of vacancy; this also includes acting appointments because of suspensions of either MM or CFO that are more than 12 months.

If any of the above information is not provided or the application is received by National Treasury (Intergovernmental Relations Division) after 31 August 2026, the application will be declined.

In addition, National Treasury will also consider the following information when assessing rollover applications; and reserves the right to decline an application should there be non-performance by the municipality in any of these areas:

1. Compliance with the in-year reporting requirements in terms of Sections 71 and 72 of the MFMA and Section 12 of the 2025 DoRA, including the Municipal Manager and Chief Financial Officer signing-off on the information sent to National Treasury;
2. Submission of the pre-audited Annual Financial Statements to National Treasury by 31 August 2026;
3. Accurate disclosure of grant performance in the 2025/26 pre-audited Annual Financial Statements, (i.e., correct disclosure of grant receipts and spending in the notes to the AFS);
4. Despite the fact that local government is required to comply with different norms and standards prescribed by different legislations, municipalities are expected to fully comply with the provisions of DoRA that relate to rollover processes and disclose conditional grant performance in the 2025/26 pre-audited Annual Financial Statements (i.e. Cash coverage and unspent conditional grants in the Statement of Financial Position) in order to verify grant expenditure; and
5. Cash available reflected in the Statement of Financial Position and Cash Flow Statements and the bank (net position including short-term investments) as at 30 June 2026 is equivalent to, or exceeds, the unspent amount at the end of the financial year. If the amount that is requested for rollover is not entirely cash-backed, such a rollover will not be approved. National Treasury will also not approve portions of rollover requests based on what is available in the bank.

It should be noted that under no circumstances will the National Treasury consider requests to rollover:

1. The entire 2025/26 allocation to the municipality. In cases where the rollover request is more than 50 per cent of the total allocation, National Treasury will approve the rollover amount up to 50 per cent of the 2025/26 allocation;
2. Rollover request of the same grant for the third consecutive time. In a case where a municipality is applying for rollover as a result of additional funding, the application will be carefully considered;
3. Funding for projects procured through Regulation 32 and 37 of the Municipal Supply Chain Management Regulations (Gazette No.27636) – Projects linked to additional funding and disasters are exempted; and
4. A portion of an allocation where the proof of commitment for the rollover application is linked to invoices that were issued before or on 31 March 2026. All invoices issued to the municipality before 31 March 2026 should be paid within the same year against the allocated conditional grants. i.e., invoices must be paid within 30 days.

Commented [SK1]: Thank you ☺

2.10 Unspent conditional grant funds for 2025/26

The process to ensure the return of unspent conditional grants for the 2025/26 financial year will be managed in accordance with Section 21 of the DoRA. In addition to the previous MFMA Circulars, the following practical arrangements will apply:

Step 1: Municipalities must submit their June 2026 conditional grant expenditure reports according to Section 71 of the MFMA reflecting all accrued expenditure on conditional

grants and further ensure that expenditure reported to both National Treasury and national transferring officers reconciles;

Step 2: When preparing the Annual Financial Statements, a municipality must determine the portion of each national conditional grant allocation that remained unspent as at 30 June 2026. The unspent grant values must be determined based on the guidance that was provided in *m*SCOA Circular No. 13 in as far as VAT, retention and interest is concerned; and

Step 3: If the receiving officer wants to motivate in terms of Section 21(2) of the 2025 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 2026.

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 23 October 2026;

Step 5: National Treasury will communicate the unspent conditional grants amount by 16 November 2026. 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 24 November 2026; and

Step 6: Any unspent conditional grant funds that should have but have not been repaid to the National Revenue Fund (NRF) by 24 November 2026, and for which a municipality has not requested a repayment arrangement, will be offset against the municipality's 09 December 2026 equitable share allocation.

All other issues pertaining to Appropriation Statement and reporting on approved rollovers are addressed in the Annexure to MFMA Circular No. 86.

2.11 Rollover of the Urban Development Financing Grant: metro trading services component

The normal rules regarding rollovers will apply to the incentive grant. Essentially the Budget allocated during the National MTEF and reflected in the annual Division of Revenue Act will make provision that the cash flows be synchronised to achievements in line with the Annexure A3: Performance Improvement Action Plan (A3: PIAP).

While deadline for the submission of the rollovers, dates 31 August, earlier submission in the case of the Urban Development Financing Grant will receive a response promptly.

3. Budget and other management issues

3.1 2026/27 Municipal Budget Tabling Timelines

The 2026 National Budget was tabled by the Minister of Finance on 25 February 2026, which implies that Provincial Governments have two weeks thereafter to table the 2026 Provincial Budgets in the Provincial Legislators, i.e., 12 March 2026. This is in line with the PFMA – Treasury Regulations. Municipalities have sufficient time to accommodate the allocations in the DOR Bill in their 2026/27 MTREF Budgets before tabling on 31 March 2026.

The transfers from provinces to municipalities which are supposed to be included in provincial budgets and gazetted by provinces, should for all practical reasons also be available. Given that municipalities have 10 months to prepare their upcoming budgets prior to tabling it in Council for consideration, National Treasury have always advised municipalities to use the outer years

of the Annual DoRA as projections, add inflation to calculate the third year of the MTREF, when finalising the tabled budget.

For those municipalities where the budget was already in an advanced stage of preparations, they will have between tabling and the adoption stage (end of May 2026) to include and accommodate all the transfers for both national and provincial governments. This will allow National and Provincial Treasuries to verify and reconcile the transfers with the DoR Bill and provincial Gazettes.

3.2 Timeline for approving the revised Service Delivery and Budget Implementation plan (SDBIP) following the approval of the adjustment budget

Section 54(1)(c) of the MFMA provides that the Service Delivery and Budget Implementation Plan (SDBIP) may be revised following the approval of an adjustments budget. However, the MFMA and the Municipal Budget and Reporting Regulations (MBRR) do not explicitly prescribe the timeframe within which the revised SDBIP must be approved after the adjustments budget has been approved by council. The absence of a specified timeframe may result in inconsistent interpretations and practices across municipalities. To address this gap and ensure consistent application, the National Treasury provides the following guidance to ensure that the approved adjustments budget informs the revised SDBIP:

- Council must approve the revised SDBIP during the same council meeting where the adjustments budget is approved, if there are no structural changes to the SDBIP; and
- If the adjustments budget results in structural changes to service delivery targets or key performance indicators (KPIs), the council must approve the revised SDBIP within ten (10) working days of the adjustments budget's approval. This will ensure that any changes to service delivery targets or KPIs stemming from the adjustments budget are included in the revised SDBIP within the ten (10) working days.

Although the MFMA allows municipalities to revise the SDBIP after the adjustments budget has been approved, these revisions should not result in excessive or unnecessary changes. Significant KPI changes must be clearly justified and must follow the criteria set out in paragraph 7 of the MFMA Circular No. 129.

The National Treasury discourages excessive changes to KPIs during mid-year adjustments, as these changes may undermine effective performance monitoring and accountability.

3.3 Caution to manage transition risk

Municipalities are cautioned to adhere to the guidance provided in paragraph 3 (pages 4 and 5) of the Budget Circular No. 107 as the outgoing council may be tempted to prepare budget with unrealistically low tariff increases, additional absorption of unskilled staff, writing off debtors which can still be pursued and an over-ambitious capital expenditure programme. The outcome of this approach will undoubtedly be an unfunded municipal budget that threatens the municipality's financial sustainability and service delivery for the incoming Council after the elections".

National and Provincial Treasuries will be closely monitoring tabled budgets, collection rates and expenditure for any indications that the above guidance is not adhered to and appropriate consequences will be applied.

Municipal officials and councillors are reminded that interference in the implementation of the municipality's approved credit control policy may constitute an offence in terms of section 173(5)(a) of the MFMA. Offences in terms of the MFMA can result in a fine or imprisonment for up to five years, if convicted. In addition, the failure to properly implement the approved credit

control policy of the municipality by an official may constitute financial misconduct in terms of section 171 of the MFMA. In such a case, the municipality must investigate and, where necessary, institute disciplinary proceedings.

3.4 Warning not to enter into contracts having future budgetary implications as part of electioneering

Various municipal Councils in the past had entered into long-term contracts towards the end of their term therefore unfairly and carelessly financially committing the new Council.

Therefore, the current outgoing Council must not enter into such contacts and if there is a need, the Council should follow Section 33 of the MFMA in full. Failure to comply with such will lead to Section 216(2) being imposed until such a contract is nullified.

3.5 Cost reflective tariffs

In line with the guidance provided in MFMA Circular No. 132, municipalities need to complete the cost reflective tariff tool. If tariffs are not cost reflective already, the municipality needs to set out a path to achieve cost-reflective tariffs over the 2026/27 MTREF period.

At the time of issuing this circular NERSA has not yet confirmed the approved bulk costs municipalities must provide for in 2026/27. Municipalities must communicate clearly to the public that the electricity tariffs communicated in their tabled budgets may need to be adjusted once these are confirmed. Municipalities are advised to closely follow further guidance from NERSA.

3.6 Budgeting for a Funded Budget

National Treasury has observed over the years that many municipalities that adopt unfunded budgets are adopting **budget funding plans** as a mere compliance exercise. There is very little progress made to turn around from an unfunded budget position, to a funded one. As communicated before with the release of MFMA Circular No. 129 (issued during December 2024), this will be the last year than a funding plan as an instrument to facilitate measurable progress will be allowed. The enforce of compliance with Section 18 of the MFMA will now start taking precedence.

4. Municipal Standard Chart of Accounts (*m*SCOA)

4.1 Alignment of cash flow linkages

In terms of GRAP 2, cash flows should be classified in accordance with the nature of the activity to which they relate (operating, investing or financing) which requires that:

- Both operating and investing activities for *Interest, Insurance Refund and Retentions* must be accounted for based on the nature of the transactions; and
- The *Interest on short-term investment* (greater than 90 days but less than 12 months) and *long-term inv*estments (more than 12 months) must be populated within investing activities. Short-term investments are disclosed on the Statement of Financial Performance on table A4 of the A1 Schedule.

To give effect to this GRAP standard:

- A new operational funding source, namely *Insurance Refunds*, has been created under the Investing Activities of tables A7 and SA30 of the A1 Schedule in version 7.1 of the *m*SCOA chart;

- The VAT Receipts will be populated using the Bank Deposits (IA001001 – "DEPOSITS") and VAT Receipt funding source. The VAT Control account receipts will not be used for this purpose; and
- *Construction Contract Revenue* will no longer form part of *Sales of Goods* and *Rendering of Services and Development Charges* will no longer form part of *Operational Revenue*. A new funding source was created to allow for the separate population of *Construction Contract Revenue* and *Development Charges* as part of *Other Revenue* on table SA30 of the A1 Schedule.

The structure of table A7 of the A1 Schedule and relevant cash flow linkages has also been aligned to the *m*SCOA chart version 7.1. The updated linkages to supporting table SA30 that populated table A7 are attached as **Annexure B**: Cash Flow Linkages.

4.2 Guidance on submission of *m*SCOA roadmaps

Municipalities are reminded that the municipal *m*SCOA Road Maps must be revised annually as part of the annual budget process. The draft and final *m*SCOA Road Maps must be:

- Tabled and adopted in Council as part of the supporting documents to the budget; and
- Submitted in PDF format to the GoMuni Upload portal for review by National and Provincial Treasuries.

Going forward, municipalities are required to utilise the FMCMM web-based system to conduct self-assessments of their *m*SCOA road maps. This high-level self-assessment will identify gaps in *m*SCOA implementation that should be incorporated into and addressed through the municipal *m*SCOA Road Map. The e-road map must align with the objectives, tasks, and activities outlined in the municipality's comprehensive (traditional) *m*SCOA road map.

Accordingly, in additional to the draft and final *m*SCOA road maps submitted by municipalities as part of their tabled and adopted budget documents, the *m*SCOA e-road map (i.e. the high-level action plan generated through the FMCMM system) must be attached to the comprehensive (traditional) *m*SCOA road maps. The *m*SCOA road map and annexed e-road map must be submitted as a single consolidated PDF document and not as separate documents.

As articulated in MFMA Circular No 112 dated 6 December 2021, municipal *m*SCOA Road Maps should cover the following implementation areas:

- **System landscape** – does the municipality has access to updated ICT hardware, software and licenses that is sufficient to run the chosen financial management systems solution?
- **Governance and institutional arrangements** – are 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?
- **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 organizational reform and not only a financial reform?

Importantly, the municipal *m*SCOA Road Map should not be confused with the roadmaps used by system vendors for system upgrades, new developments, error-correction patches, updates, or training. The municipal *m*SCOA Road Map is broader than system functionality and must be developed and owned by the municipality. It should therefore not be prepared or driven by system vendors or external consultants.

The e-road map is intended to enhance oversight and monitoring by municipalities and provincial treasuries with respect to the implementation of *m*SCOA at municipal level.

4.4 Stage 3 validation

The development and piloting of the stage 3 validation to verify the credibility of *m*SCOA data strings submitted to the Local Government Database and Reporting System (LGDRS) has not been concluded and will only be introduced in the 2027/28 MTREF. This validation will automate the data string analysis currently undertaken by the National and Provincial Treasuries, and data string submissions that fail this validation will be rejected.

In preparation for the implementation of the stage 3 validation and ensure that credible data strings are submitted to the GoMuni Upload portal, municipalities should request their system vendors to incorporate additional validation rules within their municipal system solutions. At a minimum, these validation rules should address and resolve the following common errors identified in the submitted data strings:

- **Correct usage of the funding segment:** Some municipalities are not utilising the funding segment as per the guidance in the Project Summary Document (PSD), e.g. funded transactions are linked to non-funding transactions. The National Treasury will implement an addition validation to ensure the adherence of the principles of the PSD and ensure accurate populating of the Cash Flow Statement in chart version 7.2.
- **Unbundling of the Salary Clearing and Control Account:** A number of municipalities are not correctly unbundling the salary clearing and control accounts in accordance with the accounts prescribed in the *m*SCOA Chart of Accounts. This results in reporting inaccuracies relating to outstanding salary payments and third-party liabilities associated with payroll transactions;
- **Population of the cash flow tables:** The cash flow tables (A7, SA30, B7, SB30, C7 and SC30) in the A1 Schedules are not being fully and correctly populated by municipalities during the budgeting and transactional processes. Guidance on the updated linkages to supporting table SA30 that populated table A7 are attached as **Annexure B**: Cash Flow Linkages of this circular;
- **Opening balances:** Currently, the opening balances at year end (M12 as at 30 June) of the previous financial year are not being correctly rolled over to the first month (M01 as at 01 July) of the new financial year. In addition, these balances are not being updated to reflect the pre-audited (PAUD) and audit (AUDA) adjustments in the current financial year within the applicable open period(s). This validation rule(s) should test whether the opening balances have been rolled over correctly and balances off to zero. National Treasury will implement a validation rule to ensure that opening balances equal to zero in the third stage validation in chart version 7.2;
- **Function:** Currently, the use of the function segment by municipalities is not aligned with the guidance provided in the PSD for the function segment. Each function should net off to zero and should reflect a mini trial balance (Identified Revenue, Assets, Liabilities, Expenditure and Net Assets) (i.e., identified revenue, assets, liabilities, expenditure, and net assets) linked to the appropriate function and sub-function. The stage three validation should identify where budget allocations have not been allocated to the correct item within

a function or sub-function. In addition, all sub-functions are expected to balance to zero; and

- **Region:** The usage of the regional segment by municipalities is not aligned with the guidance provided in the PSD for the regional segment. Municipalities must ensure that each regional segment used balances to zero. Furthermore, each region should reflect a mini trial balance i.e., identified revenue, assets, liabilities, expenditure, and net assets) linked to the appropriate region or ward.

4.5 Retentions

In accordance with GRAP 19.18, accruals represent liabilities for goods or services that have been received or supplied but have not yet been paid, invoiced, or formally agreed with the supplier. For financial reporting and contract management purposes, once work has been certified as completed, the municipality becomes legally obligated to pay the full value of the work performed, inclusive of VAT, to the supplier.

A retention represents a delayed payment and not a reduction in the amount payable for the work performed. It therefore reflects only a timing difference in the settlement of the liability and does not reduce the contract price. Consequently, the full certified amount must be recognised, with the retention portion recorded as a liability until it becomes contractually due for release.

Accordingly, when work has been completed, the retention amount must be recognised inclusive of VAT and recorded to the Retention Liability account, with the VAT portion allocated to the Input VAT Accrual account, as this reflects the municipality's full obligation for the work performed.

However, given that most municipalities account for VAT on a payment basis with the South African Revenue Service (SARS), the claiming of VAT can only occur once the retention invoice has been received, recognised and paid. The VAT should therefore be processed against Input Tax General (for operational projects) or Input Tax Capital (for capital projects), as applicable.

Where a municipality accounts for VAT on an invoice basis with the South African Revenue Service (SARS), the VAT may only be claimed once the retention invoice has been received and recognised. In such cases, the VAT must also be processed against Input Tax General (for operational projects) or Input Tax Capital (for capital projects), as applicable.

4.6 Virement data strings and report

From the 2025/26 MTREF, municipalities report on their virements through the submission of a separate data string and report on virements to the GoMuni Upload portal.

*m*SCOA Circular No. 8, dated 24 April 2020 (as revised on 29 April 2020) has been updated to include the requirements of the virement data string and virement report. In accordance with the key principles set out in *m*SCOA Circular No. 8, municipalities are reminded of the following:

- **Virement Policy Alignment:** Municipalities must review their virement policies annually to ensure alignment with the principles and guidance contained in the circular and the broader *m*SCOA regulatory framework;
- **Multi-Dimensional Budgeting:** As a business reform, *m*SCOA requires multi-dimensional budgeting and the recording of transactions across the seven *m*SCOA segments. The circular provides guidance on how virements (budget transfers) must be managed within this framework;
- **Restrictions on Virements:** Virements may only take place within a function or its sub-functions and must utilise the same source of funding;

- **Adjustments Budget Requirement:** Where a proposed virement results in a change to an *m*SCOA segment (for example, the introduction of a new project, a change in region, or a change in the funding source), such a change is not permitted as a virement and must instead be processed through a formal adjustments budget approved by council; and
- **Prohibition on Certain Virements:** Municipal virement policies must explicitly prohibit virements from the repairs and maintenance project within the project segment.

4.7 The Urban Development Financing Grant

The Urban Development Financing Grant (UDFG) *is a new incentive-based financing grant supporting investment in urban development and resilient infrastructure and is targeted at the eight metropolitan municipalities*. The grant has been established to support Metro's in line with the Metro Trading Services Reform.

As of 2026/27 MTEF the UDFG will be administered through the following components, namely:
- Metro Trading Services component (MTS);
- Neighbourhood Development Partnership component (NDP);
- Programme for Project Preparation Support component (PPPS); and
- Public Employment Programme (PEP).

The chart has been amended in version 7.1 (2026/27) to include an Operational Project within the Project Segment for UDFG with a breakdown for the components, namely, MTS, NDP, PPPS and PEP. More details must be provided for Capital Projects. Metros must ensure that the naming of individual capital projects funded from the UDFG includes the standardised codes e.g. Substation – UDFG (MTS). The standardised codes are as follow:

UDFG – Metro Trading Services (MTS)
UDFG – Neighborhood Development Partnership (NDPG)
UDFG – Project and Programme Preparation Support (PPP)
UDFG – Public Employment Programme (PEP)

This will enable ring fencing of expenditure funded from the UDFG per component.

Herewith an example of the reporting done during disaster reporting:

PROJECTCODE	Account Name	INDIVIDUAL_PROJECTS
PC001001001002001000000000000000000000	Capital:Infrastructure:Existing:Renewal:Solid Waste Infrastructure:Landfill Sites	G46247 : Bisasar Road Landfill: Closure Preparation
PC001001001002001000000000000000000000	Capital:Infrastructure:Existing:Renewal:Solid Waste Infrastructure:Landfill Sites	G46247 : Bisasar Road Landfill: Closure Preparation
PC001001001002001000000000000000000000	Capital:Infrastructure:Existing:Renewal:Solid Waste Infrastructure:Landfill Sites	G46247 : Bisasar Road Landfill: Closure Preparation
PC001001001002001000000000000000000000	Capital:Infrastructure:Existing:Renewal:Solid Waste Infrastructure:Landfill Sites	G46247 : Bisasar Road Landfill: Closure Preparation
PC001001001002001000000000000000000000	Capital:Infrastructure:Existing:Renewal:Solid Waste Infrastructure:Landfill Sites	G46247 : Bisasar Road Landfill: Closure Preparation
PC001001001002001000000000000000000000	Capital:Infrastructure:Existing:Renewal:Solid Waste Infrastructure:Landfill Sites	G46247 : Bisasar Road Landfill: Closure Preparation

4.8 Reporting pertaining to the Metro Trading Services Reform

The MTSR aims to restore and sustain electricity, water, sanitation, and waste services in Metros through institutional and financial reforms. Towards this end, a 6-year, R54 billion performance-linked incentive grant with technical assistance is provided to Metros to:
- Strengthen accountability and financial transparency;
- Unlock R108 billion in total infrastructure investment, leveraging improved revenue and borrowing capacity;
- Improve service reliability, quality, and sustainability; and

- Enable spatial transformation, economic inclusion, and growth.

To participate in the reform, Metros must maintain eight minimum commitments. The National Treasury's annual *m*SCOA Compliance Assessment (previously referred to as the *m*SCOA ICU desktop assessment), which has been incorporated into the FMCMM web-based system from the 2026/27 MTREF, will be used to validate compliance with Indicator A2 relating to *m*SCOA compliance.

The intention is that each Metro, based on its current level of compliance, will implement plans and targets to achieve full compliance by Year-6 (Y6) of the reform. In the first year of the reform (Y0), the score obtained in the 2024/25 *m*SCOA Compliance Assessment, which was shared with metros during the mid-year budget and performance engagements, will serve as the baseline position. Thereafter, year-on-year improvements in the *m*SCOA Compliance Assessment scores will be expected as Metros progress towards achieving their targets.

The results of the *m*SCOA Compliance Assessment (downloaded from the FMCMM web-based system), together with the *m*SCOA Road Map submitted to GoMuni Upload platform to address gaps in implementation, will be used by the Independent Verification Agent (IVA) as evidence of achievement for this indicator.

Metros are also reminded that Indicator M7 requires that separate financial statements, prepared in the *m*SCOA aligned Specimen AFS format, must be compiled and submitted for each trading service, aggregated to the consolidated Metro AFS.

5. Submitting documents to the GoMuni Upload Portal

5.1 Submission of additional information

In line with its commitment to improving transparency and accountability, the National Treasury requested the following information from municipalities via a letter from the Director-General of the National Treasury:

Procurement Spend Information

An *Instruction on Procurement Information Transparency* has been issued by the National Treasury for the publication of the dashboard and requesting procurement information from procurement systems of all departments, public entities and constitutional institutions. The published information will include, but is not limited to, supplier and ownership details, the nature, value, quantity of procurement transactions, and payments made to suppliers. It is intended that similar procurement information will be published in respect of local government in the procurement payments dashboard. The prescribed template is attached as **Annexure C**.

Employee Information

The National Treasury has additionally committed to improving transparency and accountability in personnel systems. A data driven ghost worker audit has been initiated at national and provincial government. It is intended that the ghost worker audits will be extended to local government. The information requested will be used for this initiative. The prescribed template is attached as **Annexure D**.

Audit management reports

Municipalities are required to upload all the communication of findings (COFAFS), as well as the final audit management report issued by the Auditor General to the LGDRS. With effect

from the 2026/27 MTREF, the COFAFS will be added as an upload option on GoMuni Upload. Please note that these reports, as issued by the Auditor-General, must not be altered in any way.

The National Treasury understands the sensitivity associated with the Auditor-General's management report. Municipalities are assured that the management reports are exclusively for internal use by National and Provincial Treasuries to determine the key areas that our municipal support programmes should target.

Should your municipality not be in possession of the management report, kindly provide us with a formal letter of permission to obtain the said report directly from the Office of the Auditor-General South Africa. The letter of permission must be on an official letterhead of the municipality and signed by the Accounting Officer (Municipal Manager).

All enquiries should be directed to:

INFORMATION REQUIRED		SUBMISSION PLATFORM	SUBMISSION DATE	QUERIES
1	Procurement Spend Report	GoMuni Upload Portal at https://lg.treasury.gov.za/ibi_apps/welcome	Within 10 working days after the end of each month	Thys Blom at Thys.Blom@treasury.gov.za
2	Employee Related Data	Central Supplier Database (CSD) at www.csd.gov.za	Templates available under the GoPublic / Template Library portal	csdoos.support@treasury.gov.za
3	Management Reports and COFAFS		By no later than the 10th working day in January annually	

The templates are can also be accessed under the GoPublic / Template Library portal on https://lg.treasury.gov.za/ibi_apps/portal/Template_Library.

The procurement spend and employee information should be available on municipal procurement systems and HR sub-systems of all municipalities. Municipalities should liaise with their respective system vendors to extract this information in the required templates format directly from their relevant systems.

This information is requested in terms of sections 5(2)(c), 33(3) and 74 of the Municipal Finance Management Act, 2003 (MFMA).

6. The Municipal Budget and Reporting Regulations

6.1 Assistance with the compilation of budgets

If municipalities require advice with the compilation of their respective budgets, specifically the budget documents or Schedule A, they should direct their enquiries to their respective provincial treasuries or to the following National Treasury officials:

Province	Responsible NT officials	Tel. No.	Email
Eastern Cape Buffalo City	Matjatji Mashoeshoe Pitso Zwane Mandla Gilimani	012-315 5553/ 0609242914 012-315 5171 012-315 5807/0661198036	Matjatji.Mashoeshoe@treasury.gov.za Pitso.Zwane@Treasury.gov.za Mandla.Gilimani@treasury.gov.za
Free State	Cethekile Moshane	012-315 5079	Cethekile.moshane@treasury.gov.za
Gauteng City of Tshwane and City of Johannesburg City of Ekurhuleni	Matjatji Mashoeshoe Pitso Zwane Willem Voigt Makgabo Mabotja Khanyisile Khosa Kgomotso Baloyi Lunathi Dumani	012-315 5553 012-315 7538 012-315 5830 012-315 5156 012-315 5866/082 887 2968	Matjatji.Mashoeshoe@treasury.gov.za Pitso.Zwane@Treasury.gov.za WillemCordes.Voigt@treasury.gov.za Makgabo.Mabotja@treasury.gov.za khanyisile.khoza@treasury.gov.za Kgomotso.Baloyi@treasury.gov.za Lunathi.dumani@treasury.gov.za
KwaZulu-Natal eThekwini uMhlathuze	Kgomotso Baloyi Lunathi Dumani Kevin Bell Sifiso Mabaso Matjatji Mashoeshoe Pitso Zwane	012-315 5866 012-315 5725 012-315 5952/060 923 7343 012-315 5553/060 326 6885 012 315 7538	Kgomotso.Baloyi@treasury.gov.za Lunathi.dumani@treasury.gov.za Kevin.Bell@treasury.gov.za Sifiso.mabaso@treasury.gov.za Matjatji.Mashoeshoe@treasury.gov.za Pitso.Zwane@Treasury.gov.za
Limpopo	Sifiso Mabaso Jabulile Ngwenya	012-315 5952/060 923 7343	Sifiso.Mabaso@treasury.gov.za Jabulile.ngwenya@treasury.gov.za
Mpumalanga	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Northern Cape	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
North West Mafikeng	Willem Voigt Makgabo Mabotja Khanyisile Khosa Cethekile Moshane	012-315 5830 012-315 5156 012-315 5079	WillemCordes.Voigt@treasury.gov.za Makgabo.Mabotja@treasury.gov.za khanyisile.khoza@treasury.gov.za Cethekile.moshane@treasury.gov.za
Western Cape Cape Town George	Willem Voigt Khanyisile Khoza Kgomotso Baloyi Sifiso Mabaso	012-315 5830 012-315 5385 012-315 5866/082 887 2968 012-315 5952/ 060 923 7343	WillemCordes.Voigt@treasury.gov.za khanyisile.khoza@treasury.gov.za Kgomotso.Baloyi@treasury.gov.za Sifiso.Mabaso@treasury.gov.za
Technical issues on GoMuni Website	Data management		lgdataqueries@treasury.gov.za
Local government Conditional Grants			Sello.mashaba@treasury.gov.za Pretty.mavhungu@treasury.gov.za Marvin.ngobeni@treasury.gov.za Akanyang.modise@treasury.gov.za Sandra.admams@treasury.gov.za
Municipal (Eskom) and or Water Debt Relief and Smart Metering	LGBA: Revenue Section (Sadesh Ramjathan)		revenuemanagement@treasury.gov.za

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
20 March 2026

Annexure A – Previous MFMA Circulars

Water scarcity issues dealt with in previous MFMA Circulars

Municipalities were reminded in the following MFMA budget Circulars to treat water as a scare resource as follows:

MFMA Circular	Reference no. and Description	Comments
MFMA Circular No: 51	3.2 Water tariffs must be cost-reflective	South Africa faces similar challenges with regard to water supply as demand growth outstrips supply. Better maintenance of infrastructure, new dam construction and cost-reflective tariffs will ensure that the supply challenges are managed in future.
MFMA Circular No: 54	5.2 Water tariffs must be cost-reflective	There continues to be an urgent need to promote the careful use of water. Ensuring that water is correctly priced is the most effective means getting households and businesses to conserve water.
MFMA Circular No: 55	3.3 Water tariffs must be cost-reflective	To mitigate the need for water tariff increases, municipalities must put in place an appropriate strategy to limit water losses to acceptable levels. In this regard municipalities must ensure that water used by its own operations is charged to the relevant service and not simply attributed to water 'losses'.
MFMA Circular No: 58	3.4 Water and sanitation tariffs must be cost-reflective	To mitigate the need for water tariff increases, municipalities must put in place an appropriate strategy to limit water losses to acceptable levels. In this regard municipalities must ensure that water used by its own operations is charged to the relevant service and not simply attributed to water 'losses'.
MFMA Circular No: 67	5.6 Municipal water infrastructure grant and non-revenue water	According to the latest National Non-Revenue Water Assessment Report (The state of nonrevenue water in South Africa, Report TT522-12: www.wrc.og.za); recently released by the Water Research Commission and the Department of Water Affairs, more than 50 per cent of municipalities cannot provide a water balance. These municipalities cannot determine whether demand for water exceeds supply or quantify the extent to which non-revenue water influences water security and financial sustainability.
MFMA Circular No: 74	Water and sanitation tariffs must be cost-reflective	To mitigate the need for water tariff increases, municipalities must put in place an appropriate strategy to limit water losses to acceptable levels. In this regard municipalities must ensure that water used by its own operations is charged to the relevant service and not simply attributed to water losses.
MFMA Circular No: 78	5.2 Water and sanitation tariff increases	In light of the current drought being experienced across large parts of the country, and to mitigate the need for water tariff increases, municipalities must put in place appropriate strategies to limit water losses to acceptable levels. In this regard municipalities must ensure that water used by its own operations is charged to the relevant service and not simply attributed to water losses.
MFMA Circular No: 79	4. Revenue management	Demand management is becoming increasingly necessary as the country faces water shortages and an unstable electricity supply. The approach to tariff setting should consider all these factors and strive to achieve an equitable balance. It is anticipated that the cost of providing municipal services will grow at a faster rate than the transfers from national government. Resource scarcity will most likely increase the cost of bulk purchases in respect of water and electricity beyond the country's inflationary targets.

MFMA Circular No: 85	4.3 Water and sanitation tariff increases	In light of the current drought experienced across large parts of the country, water is now a scarce resource that must be conserved. Municipalities must put in place appropriate strategies to curb water losses as a result of leakages. The ageing infrastructure is a contributing factor as many municipalities have historically inadequately provided for repairs and maintenance and renewal of water infrastructure.
MFMA Circular No: 89	3.3 Water tariff increases	The prevailing drought makes it difficult for some municipalities to improve revenue generation from this service. It is now more important to improve demand management, infrastructure maintenance, loss management, meter reading and tariff setting in respect of water services.
MFMA Circular No: 91	1. The South African economy and inflation targets	The drought experienced in several provinces poses significant risks to agriculture and tourism for the period ahead, and this may threaten jobs in these sectors. The current water crisis in the Western Cape and other provinces will affect economic growth. While the drought's impact is uncertain much depends on how long it will prevail; the extent to which specific catchment areas are affected; and the success of mitigation measures.
MFMA Circular No: 93	3.3 Water tariff increases	Drought conditions make it difficult for some municipalities to improve revenue generation from this service. It is now more important to improve demand management, infrastructure maintenance, loss management, meter reading and tariff setting in respect of water services.
MFMA Circular No: 98	4.2 Setting cost reflective tariffs	Technical losses are related to physical losses out of the system. In the case of water, this is due to pipe bursts and leakages or due to overflows on storage tanks.
MFMA Circular No: 99	1. The South African economy and inflation targets	The declining economic growth which might be impacted on further by the Corona virus pandemic and international companies closing down as a result, the deteriorating state of the finances for state-owned entities, continued high unemployment and water and electricity shortages will put pressure on the ability of municipalities to raise revenue. Municipalities are therefore advised to follow a conservative approach when projecting their revenue and to eliminate any waste and unnecessary expenditure.
MFMA Circular No: 112	7. Funding choices and management issues	Strictly control the use of costly water tankers and fix the water infrastructure to enable the sustainable provision of water. Curbing the consumption of water and electricity by the indigents to ensure that they do not exceed their allocation.
MFMA Circular No: 115	7. Funding choices and management issues	Strictly control the use of costly water tankers and fix the water infrastructure to enable the sustainable provision of water; Curbing the consumption of water and electricity by the indigents to ensure that they do not exceed their allocation.
MFMA Circular No: 126	3.7 Pro-actively managing collection of municipal revenue in Eskom supplied areas	Until ERA is amended it is critical that municipalities update their By-laws and policies to facilitate and legally allow the restriction of water as part of proper credit control for municipal revenue collection in Eskom supplied areas.

MFMA Circular No: 128	2.6. Reforms to improve the efficiency and financial sustainability of metro's trading services	Due to years of neglect and inadequate infrastructure maintenance, South Africa's municipalities face severe utility services issues, including in water, wastewater, and electricity. A loss of essential management and technical skills has also contributed to the decline in service quality and reliability. Metro water services alone suffer from an investment gap of R9 billion per year. These inefficiencies threaten economic growth and job creation and increases poverty. Government transferred substantial monetary allocations to local government in the successive Budgets to support water services, but the outcome and value for money of these transfers is low. To address this, an incentive grant system is being explored for 2025/26 to increase investments, change management and governance structures, promote professional management, and ensure transparency, starting with metros.

ANNEXURE I

mSCOA ROADMAP & IMPLEMENTATION

mSCOA ROADMAP AND mSCOA IMPLEMENTATION

MUNICIPAL REGULATIONS ON A STANDARD CHART OF ACCOUNTS (mSCOA) AND NEW PROPOSED REGULATIONS RELATING TO THE REGULATING OF MINIMUM BUSINESS REQUIREMENTS AND PROCESSES:

POST IMPLEMENTATION STATUS OF THE mSCOA PROJECT AND STATUS REGARDING THE PROGRESS RELATING TO THE FRAMEWORK FOR MINIMUM BUSINESS REQUIREMENTS AND PROCESSES BY NATIONAL TREASURY – MARCH 2026

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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 an ongoing basis regarding the implementation of mSCOA at Overstrand Municipality and the evolving environment;
3. Maintain an on-going awareness of mSCOA and any specific initiatives in the Overstrand Municipality; and
4. Create awareness of the regulating of minimum business requirements and processes and future impact on the organisation and ICT related environment; and
5. Considerations on the way forward with the core financial system, being Samras Classic, currently in use by the Overstrand Municipality; and
6. Considerations regarding minimum business process requirements and the future impact on the organisation and ICT related environment.
7. Compiling a detailed roadmap

A comprehensive supplementary report, providing the necessary detail with regard to background and historic information over the past number of years for the National Treasury mSCOA project and initial implementation, was also included previously (up to 31 December 2019), as part of the reporting to Council.

2. Roadmap

The process of compiling a roadmap in terms of the criteria below is in progress.

Focus Area	Sub-category
ICT Architecture	Hardware
ICT Architecture	Servers
ICT Architecture	Software
ICT Architecture	ERP Licences
Governance and Institutional Requirements	Functioning mSCOA Steering Committee or equivalent structure
Governance and Institutional Requirements	Regular Reporting on mSCOA implementation
Governance and Institutional Requirements	Appointment of a mSCOA champion
Governance and Institutional Requirements	Appointment of a suitably qualified System Administrator
Governance and Institutional Requirements	Development & adoption of IT policies and securities
Governance and Institutional Requirements	Data back-up and disaster recovery
System Functionality	ERP modules and 3rd party systems used
System Functionality	Seamless and full integration of data in the ERP system, including 3rd party systems
User Proficiency and Training	Capacitation of staff on mSCOA chart, basic accounting, balance sheet budgeting and movement accounting
User Proficiency and Training	Change management initiatives to ensure that mSCOA is institutionalized

It has been determined that the current financial system (Samras Classic-transacting environment) has reached end of life, essentially as no further enhancements are undertaken by the service provider. Although the budget is being compiled in the Web Portal version, this also does not cater for functionality suggested in the draft business process regulations. Challenges currently experienced with both systems are also highlighted further in this report.

Status report till 31 Decemeber 2025

Quarter 2

All financial and non-financial datastrings for the quarter were generated and uploaded to the National Treasury GoMuni platform. Manual intervention is still required for certain of the datastrings as challenges still exist regarding correct mSCOA segmentation alignment and system capabilities of the Samras Classic financial system, as also articulated later in this report.

The Western Cape Provincial Treasury (WCPT) performed an analysis on the municipal datastrings. Although we concur with issues raised, the system capabilities and available functionality was explained and the fact that we have implemented manual control measures to mitigate risks.

National Treasury (NT), in conjunction with the Chartered Institute of Government Finance Audit and Risk Officers (CIGFARO) hosted the Annual Integrated Consultative Forum (ICF) conference during December 2025, dealing with all mSCOA related topics and emphasis on the mSCOA minimum business processes requirements and functionality. Due to cost considerations, no officials attended the conference and could attend limited presentations on a virtual platform.

The draft mSCOA minimum business processes requirements was published during December 2025, as well as various NT position papers.

Solvem hosted a 2-day conference which was attended by the Business Analyst.

Due diligence: The Business Analyst has further scheduled various appointments with three financial system service providers in the local government space for the demonstration of selected modules across the financial services spectrum. The purpose was for Overstrand officials to investigate and assess service offerings from these service providers. The post-demonstrations are being followed up with assessments with the different target groups for the compilation of a report to be submitted to TMT.

Quarter 1

The budget implementation on 1 July 2025 from the Web Portal (Budget Module) to Samras Classic (Transaction environment) was successful. The required datastrings could be generated on the web portal and were successfully loaded to the National Treasury website (GoMuni). Challenges still exist regarding correct mSCOA segmentation alignment, as articulated later in this report.

National Treasury (NT) hosted numerous Integrated Consultative Forum (ICF) workshops regarding the mSCOA minimum business processes requirements and functionality, which was attended by numerous Overstrand officials. NT is now in the process of

consolidating all inputs received and will provide feedback regarding the business processes roadmap towards the end of the 2nd quarter of the 2025/2026 financial year.

Due diligence: The Business Analyst scheduled various appointments/meetings with two financial system service providers in the local government space for the demonstration of selected modules across the financial services spectrum. The purpose was for Overstrand officials to investigate and assess service offerings from these service providers. The post-demonstrations will be followed up with assessments with the different target groups for the compilation of a report to be submitted to TMT.

3. Status summary for the 2024/2025 financial year

During the 4th quarter, Overstrand officials attended various workshops regarding the mSCOA business processes that are set to be regulated in the future. A sub-committee, apart from the mSCOA working committee, under the leadership of the Business Architecture unit has been established to investigate service offerings from other service providers to test the market.

Solvem has also provided a template for the draft roadmap for the implementation of the new Platinum system for information. See attachment at the end of this report.

The latest developments with regard to the phasing-out of the current SAMRAS Classic version of the financial system was reported at the end of December 2024 (Quarter 2), the following details are highlighted, inclusive of feedback on the SAMRAS Platinum Demonstration at Goudini Spa on 11 & 12 February 2025 –

At the most recent User group meeting (11 December 2024) Solvem, as the current Service provider of the SAMRAS financial system, announced that the SAMRAS Web development would be discontinued and replaced by the SAMRAS Platinum version, due to the following reasons –

- The SAMRAS Classic version of the system is old technology – thus presenting numerous challenges.
- The SAMRAS Web Development (2016) intended to upgrade the Classic version, has a slow uptake, with less than half of customers not yet moved over.
- Furthermore, with the Billing Module not ready to roll out, full implementation of this version will be a lengthy and time-consuming process taking too long.
- This status also posed major challenges for municipalities who has already migrated to the Budget Module and attempted to implement some of the other modules in the web environment, with daily obstacles to manage on both the municipality's side and for Solvem.
- These issues related to the current hybrid approach, referring to some modules of the system running in the Classic environment whilst a few modules in the Web environment also cater for transactions and processes. Before-mentioned scenario is undesirable and administratively painful for all parties to ensure compliance, also in view of day-to-day operational requirements.

The Solvem presentation at this Usergroup furthermore also include confirmation of a relationship between sister companies, being R Data with their Promun system, Solvem with the SAMRAS system and lastly Inzalo, with their system, referred to as EMS

(enterprise Management System). The service offering thus referenced as the best of three top systems in the SA LG market, which would allow the following -

- Allocation of resources between 3 companies;
- Customer support in an enhanced and expanded manner;
- An ERP with additional benefits, stated as fully functioning; and
- A Hosted cloud environment.

Solvem explained that before-mentioned will result in cost savings for all clients.

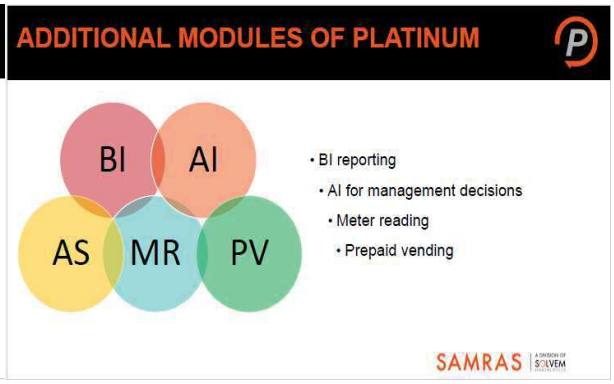
Feedback shared regarding financial systems evaluation done by the National Treasury-
- On-site visits at multiple municipalities - these exercises included all system vendors.
- Assessments entailed testing of ERP financial systems functionality in terms of compliance with the key business processes (Annexure B of MFMA Circular No 80).
- It was confirmed to the meeting that the SAMRAS Platinum version of Solvem was presented as a demo to National Treasury, with a positive response received from them.

The presentation was concluded with introduction of the *Solvem Upgrade Roadmap*, listing the following areas –

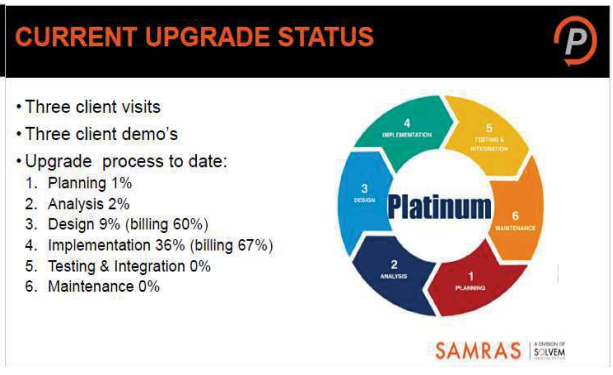
- Client engagements
- Demonstrations
- Proposal
- Implementation plan
- Upgrade to platinum
- Roll out of enhanced services
- Replacement of run-out 3rd party contracts

***** Solvem: SAMRAS Financial System - Platinum Upgrade Roadmap:**









Solvem also hosted a SAMRAS Platinum Demonstration on 11 - 13 February 2025 at Goudini Spa. These sessions were attended by an Overstrand delegation, inclusive of representation of mSCOA Implementation Steercom members. Before-mentioned however provided limited understanding of the functionality of the new Platinum version.

Overstrand Considerations and Position

IMPORTANT TO NOTE - Although the budget module in the WEB PORTAL does provide improved capabilities regarding mSCOA, the SAMRAS CLASSIC financial system, where the budget will reside in the transacting environment, poses certain challenges. These challenges relate to mSCOA segmentation, which cannot be accommodated on a multi-dimensional level. This leads to errors when validating monthly closes and inaccurate datastrings being extracted from the financial system, this is also applicable with regard to the budgeting cycle as well as all reporting cycles. The datastring extracts for revenue, expenditure and capital budgets and transactions are usually accurate, but information for the main ledger and cash flows are incorrect in many instances, as explained above. This situation will persist while on the SAMRAS CLASSIC version.

Future system User group meetings, as well as any other platforms will serve as vehicle to gain insight and obtain more detail in assisting the municipality to navigate through this transition period as well.

For Overstrand Municipality the current status will be maintained in further considerations with regard to a financial system implementation for Overstrand Municipality, pending the outcome of a written response from National Treasury, taking into account before-mentioned developments, inclusive of their intended transversal tender on a national level, and any other considerations as might be relevant, in the best interest of the municipality, in ensuring final conclusion of the successful implementation of the mSCOA Regulations.

The mSCOA committee still follows a process of monthly monitoring with regard to before mentioned. Assurance of successful implementation of mSCOA in compliance with the regulations, are regarded as a pre-requisite for good governance practices. Further developments will be closely monitored and any important matters impacting on the current contract with the service provider, will be reported to Council, with the continuation of quarterly reports to Council.

The mSCOA Regulations are not yet fully implemented by municipalities, and the promulgation of the final mSCOA Regulations by National Treasury are only due on a future date, thus not enabling conclusion and presenting Council with a close-out report in this regard.

ANNEXURE J

DRAFT DEMAND MANAGEMENT PLAN

DRAFT DEMAND MANAGEMENT PLAN 2026/2027

									Planned / Estimated dates							
DMP REF #	Directorate [R]	Project Name / Tender Description	Existing /Current Contract Number	Expiry Date of current contract	New Tender Number	Contract Owner	Estimated Total Project Cost	Proposed Procurement Process to follow	Expected Submission of specifications	Expected BSC	Expected Advert	Expected Closing Date	Expected BEC	Expected BAC	Expected Commencement of contract	Expected Contract expiry date
	SECTION A: REPEATABLE / MULTI-YEAR CONTRACTS															
A1	INFRASTRUCTURE SERVICES	TRANSPORT OF CONTAINERISED MUNICIPAL SOLID WASTE AND CHIPPING OF BUSH WASTE	SC2451/2023	2027/06/30	TBC	MITCHELL C	R 63 614 896.00	TENDER	2026/11/04	2026/11/18	2027/01/15	2027/02/20	2027/04/29	2027/05/07	2027/07/01	2030/06/30
A2	INFRASTRUCTURE SERVICES	HIRING OF SEWER VACUUM TANKERS	SC2462/2024	2027/06/30	TBC	STEENBERG T	TBC	TENDER	29/01/2027	17/02/2027	05/03/2027	09/04/2027	29/04/2027	07/05/2027	01/07//2027	30/06/2030
A3	INFRASTRUCTURE SERVICES	OPERATION OF THE HERMANUS MATERIALS RECOVERY FACILITY	SC2494/2024	2027/06/30	TBC	MITCHELL C	R 11 230 234.00	TENDER	2026/11/04	2026/11/18	2027/01/15	2027/02/20	2027/04/29	2027/05/07	2027/07/01	2030/06/30
A4	INFRASTRUCTURE SERVICES	PROVISION OF SMALL WORKS AND MAINTENANCE AS AND WHEN NEEDED	SC2488/2024	2027/06/30	TBC	STEENBERG T		TENDER	29/01/2027	17/02/2027	05/03/2027	09/04/2027	29/04/2027	07/05/2027	01/07//2027	30/06/2030
A5	INFRASTRUCTURE SERVICES	MAINTENANCE AND INSTALLATION OF TRAFFIC SIGNAL EQUIPMENT WITHIN OVERSTRAND MUNICIPALITY	SC2508/2024	2027/06/30	TBC	HENDRICKS D	R 2 250 000.00	TENDER	2026/11/04	2026/11/18	2027/01/15	2027/02/20	2027/04/29	2027/05/07	2027/07/01	2030/06/30
A6	INFRASTRUCTURE SERVICES	SUPPLY AND DELIVER GENERAL PLUMBING MATERIALS	SC2523/2024	2027/06/30	TBC	MARX T	TBC	TENDER	2026/11/04	2026/11/18	2027/01/15	2027/02/20	2027/04/29	2027/05/07	2027/07/01	2030/06/30
A7	INFRASTRUCTURE SERVICES	REPLACEMENT OF WATER METERS IN THE OVERSTRAND AREA, PHASE 6	SC2441.2024	2027/06/30	TBC	STEENBERG T	TBC	TENDER	29/01/2027	17/02/2027	05/03/2027	09/04/2027	29/04/2027	07/05/2027	01/07//2027	30/06/2030
A9	MUNICIPAL PUBLIC SAFETY	CLEARING OF MUNICIPAL AND PRIVATE ERVEN IN THE OVERSTRAND MUNICIPAL AREA	SC2448/2023	2027/06/30	TBC	SMITH L	R 3 000 000.00	TENDER	2027/01/11	2027/01/27	2027/02/11	2027/03/11	2027/04/22	2027/04/30	2027/07/01	2029/06/30
A11	MUNICIPAL PUBLIC SAFETY	PROVISION OF SECURITY GUARDING SERVICE ON AN AS AND WHEN REQUIRED BASIS	SC2460/2024	2027/06/30	TBC	ESAU D	R 14 000 000.00	TENDER	2027/01/11	2027/01/27	2027/02/11	2027/03/11	2027/04/22	2027/04/30	2027/07/01	2029/06/30
A14	MUNICIPAL PUBLIC SAFETY	SUPPLY AND DELIVERY OF LINEN AND TOILETRY ITEMS FOR DISTRIBUTION TO VULNARABLE COMMUNITIES	SC2474/2024	2027/06/30	TBC	SMITH L	R 1 500 000.00	TENDER	2027/01/11	2027/01/27	2027/02/11	2027/03/11	2027/04/22	2027/04/30	2027/07/01	2029/06/30
A15	MUNICIPAL PUBLIC SAFETY	SERVICE AND REPAIR SPECIALIZED EQUIPMENT - JAWS OF LIFE	SCD3604/2024	2027/06/30	TBC	SMITH L	R 763 773.50	DEVIATION	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2029/06/30
A16	MUNICIPAL MANAGER	APPOINTMENT OF PANEL OF ATTORNEYS FOR THE RENDERING OF LEGAL SERVICES	SC2450/2023	2027/06/30	TBC	WILKINSON L	TBC	TENDER	2026/07/08	2026/07/22	2026/08/07	2026/09/11	2026/10/22	2026/11/06	2027/07/01	2030/06/30
A18	FINANCIAL SERVICES	PROVISION OF WATER AND ELECTRICITY METER READING SERVICES	SC2454/2023	2027/06/30	TBC	LOUW D	R 7 093 100.00	TENDER	04/09/2026	16/09/2026	25/09/2026	23/10/2026	26/11/2026	11/12/2026	01/07/2027	2030/06/30
A19	FINANCIAL SERVICES	UNDERWRITING AND MANAGEMENT OF THE SHORT-TERM INSURANCE PORTFOLIO OF THE OVERSTRAND MUNICIPALITY	SC2458/2023	2027/06/30	TBC	VORSTER H	R 22 314 000.00	TENDER	2026/10/23	2026/11/18	2026/12/04	2027/01/08	2027/03/18	2027/04/09	2027/07/01	2030/06/30
A20	FINANCIAL SERVICES	PROVISION OF CASH IN TRANSIT SERVICES	SC2456A/2023	2027/06/30	TBC	LOUW D	R 1 418 600.00	TENDER	2026/10/02	2026/10/07	2026/10/23	2026/11/27	2026/12/17	2027/01/08	2027/07/01	2030/06/30
A21	FINANCIAL SERVICES	SUPPLY AND DELIVERY OF LUBRICANTS, GREASE AND PENETRTING OILS	SC2465/2024	2027/06/30	TBC	ROETS C	R 1 232 691.19	TENDER	2026/10/12	2026/11/12	TBC	TBC	TBC	TBC	TBC	TBC
A23	COMMUNITY SERVICES	SUPPLY AND DELIVERY OF BLOWER BLADES, TRIMMER LINE, CHAINSAW AND WEED EATER SPARES	SC2468/2024	2027/06/30	TBC	NEL D	R 300 000.00	TENDER	2026/10/09	2026/10/21	2026/11/06	2026/11/27	2027/02/04	2027/02/19	2027/07/01	2030/06/30
A25	FINANCIAL SERVICES	PROVISION OF WEB-BASED INDIGENT MANAGEMENT, DEBTORS PROFILING AND INCOME VERIFICATION SYSTEM	SC2513/2024	2027/06/30	TBC	LOUW D	R 4 056 600.00	TENDER	2026/10/02	2026/10/07	2026/10/23	2026/11/27	2026/12/17	2027/01/08	2027/07/01	2030/06/30
A26	COMMUNITY SERVICES	SUPPLY AND DELIVERY OF TISSUE PAPER PRODUCTS, CLEANING CHEMICALS, SANITIZER, CLEANING EQUIPMENT, AND REFUSE BAGS	SC2457/2023	2027/06/30	TBC	PLAATJIES B	R 6 500 000.00	TENDER	2026/08/21	2026/09/02	2026/09/10	2026/10/09	2026/11/26	2026/12/04	2027/07/01	2030/06/30
A27	FINANCIAL SERVICES	SUPPLY & DELIVERY OF HARDWARE, LOCKS AND REFUSE SHEETS	SC2463/2024	2027/06/30	TBC	ROETS C	R 2 014 124.50	TENDER	2026/10/26	2026/11/26	TBC	TBC	TBC	TBC	TBC	TBC
A28	INFRASTRUCTURE SERVICES	SUPPLY AND DELIVERY OF WHEELIE BINS	SC2464/2024	2027/06/30	TBC	MITCHELL C	TBC	TENDER	2026/11/04	2026/11/18	2027/01/15	2027/02/20	2027/04/29	2027/05/07	2027/07/01	2030/06/30
A29	COMMUNITY SERVICES	SUPPLY AND DELIVERY OF PAINT, PAINT ACCESSORIES AND CEMENT	SC2470/2024	2027/06/30	TBC	PLAATJIES B	R 1 500 000.00	TENDER	2026/08/04	2026/08/12	2026/08/21	2026/09/25	2026/11/19	2026/11/27	2027/07/01	2030/06/30
A30	PLANNING & DEVELOPMENT	PROVISION OF PROFESSIONAL LAND SURVEYOR SERVICES AS AND WHEN REQUIRED	SC2491/2024	2027/06/30	TBC	KUCHAR R	TBC	TENDER	01/03/2027	15/03/2027	25/03/2027	01/05/2027	20/05/2027	31/05/2027	01/07/2027	30/06/2030
A32	FINANCIAL SERVICES	APPOINTMENT OF PANEL OF ATTORNEYS FOR THE RENDERING OF LEGAL SERVICES	SC2450/2023	2027/06/30	TBC	LOUW D	R 4 098 200.00	TENDER	2026/07/08	2026/07/22	2026/08/07	2026/09/11	2026/10/22	2026/11/06	2027/07/01	2030/06/30
A33	CORPORATE SERVICES	BUSINESS AGREEMENT ENTERED INTO BETWEEN OVERSTRAND MUNICIPALITY AND SITA (SOC) ltd	SITA	2027/03/15	TBC	JOHNSON C	TBC	TRANSVERSAL	2027/01/30	TBC	TBC	TBC	TBC	TBC	TBC	TBC
A34	CORPORATE SERVICES	PROVISION OF MULTI-FUNCTIONAL OFFICE MACHINES	SC2429/2023	2027/06/30	TBC	JOHNSON C	R 3 450 000.00	TENDER	2026/11/20	2026/12/05	2027/01/30	2027/02/30	2027/03/30	2027/04/30	2027/07/01	2029/06/30
A35	CORPORATE SERVICES	MAINTENANCE OF DIGITAL MOBILE RADIO NETWORK AND SUPPLY OF EQUIPMENT	SC2545/2024	2027/06/30	TBC	JOHNSON C	R 1 800 000.00	TENDER	2026/11/20	2026/12/05	2027/01/30	2027/02/30	2027/03/30	2027/04/30	2027/07/01	2029/06/30
A36	COMMUNITY SERVICES	PROVISION OF HYGIENE SERVICES AND PEST CONTROL SERVICES	SC2489/2024	2027/06/30	TBC	PLAATJIES B	R 7 000 000.00	TENDER	2026/09/18	2026/09/23	2026/10/01	2026/11/06	2026/12/03	2026/12/11	2027/07/01	2030/06/30
A37	COMMUNITY SERVICES	SUPPLY AND DELIVERY OF GALVANISED CORRUGATED METAL ROOF SHEETS	SC2506/2024	2027/06/30	TBC	GCOTYELWA A	R 200 000.00	TENDER	2026/10/09	2026/10/21	2026/11/06	2026/11/27	2027/02/04	2027/02/19	2027/07/01	2030/06/30
A38	COMMUNITY SERVICES	CHEMICAL CONTROL OF WEEDS ON SPORT TURF AND PUBLIC OPEN SPACES IN THE OVERSTRAND	SC2517/2024	2027/06/30	TBC	NEL D	R 400 000.00	TENDER	2026/09/11	2026/09/30	2026/10/16	2026/11/13	2027/01/21	2027/02/05	2027/07/01	2030/06/30
A39	COMMUNITY SERVICES	SUPPLY AND DELIVERY OF BRUSHCUTTERS, WEEDEATERS, CHAINSAWS, HANDHELD LEAF BLOWERS AND BACKPACK LEAF BLOWERS	SC2613/2025	2026/06/30	TBC	NEL D	R 200 000.00	RMAL QUOTATIO	2026/08/14	2026/08/19	2026/08/28	2026/09/08	2026/09/23	2026/10/02	2026/10/04	2027/06/30
A40	COMMUNITY SERVICES	SUPPLY, ERECTING AND REPAIR OF FENCES ON AN "AS AND WHEN REQUIRED" BASIS IN THE OVERSTRAND AREA	SC2498/2024	2027/06/30	TBC	PLAATJIES B	R 10 000 000.00	TENDER	2026/07/07	2026/07/15	2026/07/23	2026/08/28	2026/10/22	2026/10/30	2027/07/01	2030/06/30
A41	MUNICIPAL PUBLIC SAFETY	SUPPLY AND DELIVERY OF SMOKE ALARMS	SC2473/2024	2027/06/30	TBC	SMITH L	R 360 000.00	TENDER	2027/01/11	2027/01/27	2027/02/11	2027/03/11	2027/04/22	2027/04/30	2027/07/01	2029/06/30
A42	INFRASTRUCTURE SERVICES	SUPPLY AND DELIVERY OF BLACK BAGS AND RECYCLING CLEAR BAGS	TBC	TBC	TBC	MITCHELL C	TBC	TENDER	2026/11/04	2026/11/18	2027/01/15	2027/02/20	2027/04/29	2027/05/07	2027/07/01	2030/06/30

DRAFT DEMAND MANAGEMENT PLAN 2026/2027

									Planned / Estimated dates							
DMP REF #	Directorate [R]	Project Name / Tender Description	Existing /Current Contract Number	Expiry Date of current contract	New Tender Number	Contract Owner	Estimated Total Project Cost	Proposed Procurement Process to follow	Expected Submission of specifications	Expected BSC	Expected Advert	Expected Closing Date	Expected BEC	Expected BAC	Expected Commencement of contract	Expected Contract expiry date
	SECTION B: CAPITAL PROJECTS															
B1	INFRASTRUCTURE SERVICES	REPLACEMENT OF OVERSTRAND WATER PIPES	SC2490/2023	2026/06/30	TBC	BLIGNAUT H	R 60 000 000.00	TENDER	2026/08/12	2026/08/26	2026/09/11	2026/10/16	2026/11/26	2026/12/04	2027/01/18	2028/06/30
B2	INFRASTRUCTURE SERVICES	UPGRADE OF WELLFIELDS IN HERMANUS AND PEARLY BEACH	SC2600/2025	2027/06/30	TBC	BLIGNAUT H	R 10 000 000.00	TENDER	2026/09/30	2026/10/14	2026/10/30	2026/12/04	2027/01/28	2027/02/05	2027/03/01	2028/06/30
B3	INFRASTRUCTURE SERVICES	NEW RESERVOIR AT ONRUS RIVER	None	N/A	TBC	BLIGNAUT H	R 12 000 000.00	TENDER	2027/01/13	2027/01/27	2027/02/12	2027/03/19	2027/05/13	2027/05/21	2027/06/01	2028/06/30
B4	INFRASTRUCTURE SERVICES	NEW RESERVOIR AT BETTIESBAAI	None	N/A	TBC	BLIGNAUT H	R 12 000 000.00	TENDER	2027/01/13	2027/01/27	2027/02/12	2027/03/19	2027/05/13	2027/05/21	2027/06/01	2028/06/30
B5	INFRASTRUCTURE SERVICES	HAWSTON WWTW UPGRADE PHASE 1	None	N/A	TBC	BLIGNAUT H	R 40 000 000.00	TENDER	2027/01/13	2027/01/27	2027/02/12	2027/03/19	2027/05/13	2027/05/21	2027/06/01	2028/06/30
B6	INFRASTRUCTURE SERVICES	HERMANUS AND HAWSTON SEWER NETWORK EXTENSION	None	N/A	TBC	BLIGNAUT H	R 20 000 000.00	TENDER	2026/08/12	2026/08/26	2026/09/11	2026/10/16	2026/11/26	2026/12/04	2027/01/18	2028/06/30
B7	INFRASTRUCTURE SERVICES	REPLACEMENT OF WEIGHBRIDGE DECK AT GANSBAAI LANDFILL	None	N/A	TBC	MITCHELL C	R 1 140 000.00	TENDER	2026/07/06	2026/07/22	2026/07/31	2026/09/04	2026/11/12	2026/11/20	2027/02/01	2027/06/30
B8	INFRASTRUCTURE SERVICES	PEARLY BEACH DROP OFF UPGRADE	None	N/A	TBC	MITCHELL C	R 2 200 000.00	TENDER	2026/07/20	2026/07/29	2026/08/07	2026/09/11	2026/11/19	2026/11/27	2027/02/01	2027/06/30
	SECTION C: AD-HOC PROCJECTS FUNDED FROM OPERATIONAL BUDGET															
C1	MUNICIPAL MANAGER	SUPPLY AND DELIVERY OF PROMOTIONAL ITEMS	SC2595/2025	2026/06/30	TBC	LOUW R	R 610 000.00	TENDER	2026/07/03	2026/07/15	2026/08/07	2026//09/11	2026/11/11	2026/11/20	2026/11/27	2029/06/30
C2	MUNICIPAL MANAGER	SUPPLY AND DELIVER BRANDED TOURISM T-SHIRTS	NEW	N/A	TBC	LOUW R	R 50 000.00	FORMAL QUOTATION	2026/07/10	2027/07/22	2026/07/31	2026/08/11	2026/09/23	2026/09/30	2029/10/01	2027/06/30
C3	MUNICIPAL MANAGER	PROVISION OF GRAPHIC DESIGN SERVICES	SC2598/2025	2026/11/01	TBC	LOUW R	R 290 000.00	FORMAL QUOTATION	2026/07/06	2026/07/15	2026/08/07	2026/08/18	2026/10/07	2026/10/14	2026/11/01	2028/06/30
C4	INFRASTRUCTURE SERVICES	HERMANUS SEAWATER DESALINATION	None	N/A	TBC	BLIGNAUT H	R 800 000 000.00	TENDER	2027/05/05	2027/05/19	2027/06/04	2027/07/30	2027/10/07	2027/10/15	2028/01/01	2047/12/31
C5	CORPORATE SERVICES	FIRST AID, FIRE MARSHALL & HEALTH & SAFETY REPS	N/A	N/A	TBC	ARRISON D	R80 000.00	FORMAL QUOTATION	2026/07/31	2026/08/20	2026/08/27	2026/09/25	TBC	TBC	2026/11/02	2029/06/30
C6	CORPORATE SERVICES	ROADWORKS	N/A	N/A	TBC	ARRISON D	R120 000.00	FORMAL QUOTATION	2026/07/31	2026/08/20	2026/08/27	2026/09/25	TBC	TBC	2026/11/02	2027/06/30
C7	CORPORATE SERVICES	BASIC ROAD CONSTRUCTION PRINICIPLES	N/A	N/A	TBC	ARRISON D	R120 000.00	FORMAL QUOTATION	2026/07/31	2026/08/20	2026/08/27	2026/09/25	TBC	TBC	2026/11/02	2027/06/30
C8	CORPORATE SERVICES	PUMP OPERATOR NFPA1002	N/A	N/A	TBC	ARRISON D	R95 000.00	FORMAL QUOTATION	2026/07/31	2026/08/20	2026/08/27	2026/09/25	TBC	TBC	2026/11/02	2029/06/30
C9	CORPORATE SERVICES	FIRE INVESTIGTOR NFPA1033	N/A	N/A	TBC	ARRISON D	R95 000.00	FORMAL QUOTATION	2026/07/31	2026/08/20	2026/08/27	2026/09/25	TBC	TBC	2026/11/02	2029/06/30
C10	CORPORATE SERVICES	FIRE SAFETY COURSE	N/A	N/A	TBC	ARRISON D	R95 000.00	FORMAL QUOTATION	2026/07/31	2026/08/20	2026/08/27	2026/09/25	TBC	TBC	2026/11/02	2029/06/30
C11	CORPORATE SERVICES	STRATEGIC PLANNING & CHANGE MANAGEMENT	N/A	N/A	TBC	ARRISON D	R120 000.00	FORMAL QUOTATION	2026/07/31	2026/08/20	2026/08/27	2026/09/25	TBC	TBC	2026/11/02	2027/06/30
C12	CORPORATE SERVICES	DIVERSITY MANAGEMENT	N/A	N/A	TBC	ARRISON D	R120 000.00	FORMAL QUOTATION	2026/07/31	2026/08/20	2026/08/27	2026/09/25	TBC	TBC	2026/11/02	2027/06/30
C13	CORPORATE SERVICES	ANGER MANAGEMENT TRAINING	N/A	N/A	TBC	ARRISON D	R80 000.00	FORMAL QUOTATION	2026/07/31	2026/08/20	2026/08/27	2026/09/25	TBC	TBC	2026/11/02	2027/06/30
C14	CORPORATE SERVICES	DISCIPLINARY HEARING TRAINING	N/A	N/A	TBC	ARRISON D	R120 000.00	FORMAL QUOTATION	2026/07/31	2026/08/20	2026/08/27	2026/09/25	TBC	TBC	2026/11/02	2027/06/30
C15	CORPORATE SERVICES	EMOTIONAL INTELLIGENCE TRAINING	N/A	N/A	TBC	ARRISON D	R80 000	FORMAL QUOTATION	2026/07/31	2026/08/20	2026/08/27	2026/09/25	TBC	TBC	2026/11/02	2027/06/30
	SECTION D: LAND SALES / LEASING															
D1	PLANNING & DEVELOPMENT	SALE OF UNREGISTERED ERF 12889 HERMANUS FOR OFFICE PURPOSES	N/A	N/A	TBC	LE ROUX A	R6 325 000.00	TENDER	2026/09/04	2026/09/16	2026/09/25	2026/10/30	2027/01/13	2027/01/22	N/A	N/A
D2	PLANNING & DEVELOPMENT	SALE OF UNREGISTERED ERF 3231 AND UNREGISTERED ERF 3233 HAWSTON FOR BUSINESS PURPOSES	N/A	N/A	TBC	LE ROUX A	R3 233 800.00	TENDER	2027/02/25	2027/03/12	2027/03/26	2027/04/30	2027/07/07	2027/07/16	N/A	N/A
D3	PLANNING & DEVELOPMENT	SALE OF ERF 6559 KLEINMOND FOR RESIDENTIAL PURPOSES (PROTEADORP)	N/A	N/A	TBC	LE ROUX A	R264 500.00	TENDER	2027/04/23	2027/05/07	2027/05/21	2027/06/25	2027/09/01	2027/09/10	N/A	N/A
D4	PLANNING & DEVELOPMENT	SALE OF ERF 751 HAWSTON AND Erf 230 HAWSTON FOR RESIDENTIAL PURPOSES	N/A	N/A	TBC	LE ROUX A	R313 093.25	TENDER	2027/04/23	2027/05/07	2027/05/21	2027/06/25	2027/09/01	2027/09/10	N/A	N/A
D5	PLANNING & DEVELOPMENT	SALE OF A PORTION OF REMAINDER ERF 611 GANSBAAI FOR EDUCATIONAL PURPOSES	N/A	N/A	TBC	LE ROUX A	R3 450 000.00	TENDER	2027/04/23	2027/05/07	2027/05/21	2027/06/25	2027/09/01	2027/09/10	N/A	N/A
D6	PLANNING & DEVELOPMENT	LEASE AND DEVELOPMENT OF A PORTION OF REMAINDER ERF 210 GANSBAAI FOR AVIATION PURPOSES	N/A	N/A	TBC	LE ROUX A	R1 700 000.00	TENDER	2027/05/21	2027/06/09	2027/07/02	2027/08/06	2027/10/13	2027/1022	N/A	N/A
D7	PLANNING & DEVELOPMENT	LEASE AND MAINTENANCE OF A PORTION OF ERF 462 FRANSKRAALSTRAND (FRANSRKAAL MUSEUM) FOR SMALL BUSINESS PURPOSES	N/A	N/A	TBC	LE ROUX A	R724 339.94	TENDER	2027/05/21	2027/06/09	2027/07/02	2027/08/06	2027/10/13	2027/1022	N/A	N/A

ANNEXURE K

BUDGET RELATED POLICIES

Munisipaliteit • U-Masipala • Municipality

OVERSTRAND

PROPERTY RATES POLICY

TABLE OF CONTENTS

SECTION A: INTRODUCTION, DEFINITIONS AND PRINCIPLES 3

1. INTRODUCTION 3
2. DEFINITIONS 3
3. POLICY PRINCIPLES 5
4. SCOPE OF POLICY 6
5. APPLICATION OF THE POLICY 6
6. CLASSIFICATION OF SERVICES AND EXPENDITURE 6
7. APPLICATIONS 6

SECTION B: CATEGORIES OF PROPERTY 6

8. CRITERIA FOR CATEGORIES OF PROPERTY FOR THE PURPOSE OF LEVYING DIFFERENT RATES 6

SECTION C: DIFFERENTIAL RATING ..... **ERROR! BOOKMARK NOT DEFINED.**

9. DIFFERENTIAL RATING ..... **ERROR! BOOKMARK NOT DEFINED.**
10. ADDITIONAL RATES 6

SECTION D: RELIEF MEASURES RELATED TO CATEGORIES OF PROPERTIES AND CATEGORIES OF OWNERS OF PROPERTIES 7

11. CRITERIA FOR EXEMPTIONS, REBATES AND REDUCTIONS 7
12. GRANTING OF EXEMPTIONS 8
13. GRANTING OF REBATES 10

SECTION E: RATES ADJUSTMENTS 12

14. RATE INCREASES/DECREASES 12
15. RESOLUTIONS LEVYING RATES 12

SECTION F: LIABILITY FOR RATES 12

16. LIABILITY FOR RATES BY PROPERTY OWNERS 12
17. CLEARANCE CERTIFICATE 13
18. REGULAR REVIEW PROCESSES 13
19. IDENTIFICATION AND QUANTIFICATION OF COSTS AND BENEFITS 13
20. ADJUSTMENT OF RATES PRIOR TO SUPPLEMENTARY VALUATION 13
21. IMPLEMENTATION AND REVIEW PROCESS 13
22. SHORT TITLE 14

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 whole community.

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;
"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.
"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 deed's 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 no 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 storeroom. (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 2023, 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 a 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. 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.

h. 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. 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.

e. 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.

i. Rebates 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 rebates 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).

13.2. 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 70% 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 increase 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 transferring attorney.

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 Supplementary Valuation (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 Supplementary Valuation (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 Supplementary Valuation (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 Supplementary Valuation (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.

20.4 Adjustments to previous Valuation Rolls
Rates raised in a previously certified Valuation Roll may be written back with the authority of the Chief Financial Officer in the following circumstances: -

20.4.1 Administrative errors including incorrect erf extents and erven that were not timeously made inactive.

20.4.2 Inconsistencies in valuations between valuation rolls where a current objection or appeal has been successful.

20.4.3 Incorrect attribute data (e.g. dwelling extents) were used to value a property for a historical roll and require the historical value to be amended in line with the corrected data.

21. IMPLEMENTATION PROCESS AND REVIEW PROCESS

This policy will come into effect on **1 July 2026** 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**

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POLICY SECTION:	DIVISIONAL MANAGER: REVENUE MANGEMENT
CURRENT UPDATE:	29 MAY 2025
PREVIOUS REVIEW:	31 MAY 2024
PREVIOUS REVIEW:	31 MAY 2023
PREVIOUS REVIEW:	29 JUN 2022
PREVIOUS REVIEW:	31 MAY 2022
PREVIOUS REVIEW:	26 MAY 2021
PREVIOUS REVIEW:	27 MAY 2020
PREVIOUS REVIEW:	29 MAY 2019
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PREVIOUS REVIEW:	26 MAY 2010
PREVIOUS REVIEW:	27 MAY 2009
APPROVAL BY COUNCIL:	31 MAR 2008

Munisipaliteit • U-Masipala • Municipality

OVERSTRAND

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:

TABLE OF CONTENTS

PAGE

2. DEFINITIONS....4
3. PURPOSE OF POLICY....5
4. TARIFF PRINCIPLES....5
5. CATEGORIES OF CONSUMERS....7
6. INCENTIVE POLICY....7
7. INDIGENT RELIEF....7
8. SERVICE, EXPENDITURE CLASSIFICATION AND COST ELEMENTS....8
9. TARIFF TYPES....8
10. CALCULATION OF TARIFFS FOR MAJOR SERVICES....9
11. NOTIFICATION OF TARIFFS, FEES AND SERVICE CHARGES....22
12. IMPLEMENTING AND PHASING-IN OF THE POLICY....22
13. PROCEDURES AND ACCOUNTABILITY....23
14. IMPLEMENTATION AND REVIEW PROCESS....23
15. SHORT TITLE....23

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.
Network charges	charges designed to recover costs (including capital, operations, maintenance and refurbishment) for the provision of network capacity required by and reserved for the customer.
"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

3.2. 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.

3.3. Tariffs for the basic municipal services rendered by the Municipality, namely:

(a) electricity;
(b) water;
(c) sewage (wastewater); and
(d) refuse removal (solid waste),

shall be calculated at a level which will recover all expenses associated with the rendering of these services.

3.4. 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.

3.5. Capital contributions to finance new developments and subdivisions will be required from all developers.

3.6. All users of municipal services, within a category of users, will be treated equitably.

3.7. The amount payable by consumers and/or owners will generally be in proportion to usage of the service.

3.8. 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.

3.9. 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.

3.10. 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.

3.11. Provision may be made in appropriate circumstances for surcharges on tariffs.

3.12. Efficient and effective use of resources may be encouraged by providing for penalties to prohibit or restrict exorbitant use.

3.13. 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.

3.14. 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.

3.15. VAT is included in all tariffs where applicable.

3.16. This policy shall be binding on all tariffs other than those governed by legislation which supersedes the Act.

3.17. 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.

3.18. 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. Tariffs and conditions set out herein will apply to all consumers within the municipal supply area of Overstrand Municipality. These terms and conditions must be read in conjunction with the Customer care, credit control and debt collection policy.

9.2.2. Inclining block tariffs will be phased out so that there is only a flat rate energy charges to ensure efficient and fair cost recovery.

9.2.3. Domestic and Commercial customers differential tariffs will be phased out so that it will be charged the same rate. There will only be differentiated between Single Phase and Three Phase fixed charges.

9.2.4. A cancellation fee will be payable for the cancellation of any requested services.

9.2.5. Conversion fees are payable when a customer requires a change in the technical characteristics of the supply and/or the tariff.

9.2.6. The guidelines and policy issued by the National Energy Regulator from time to time, as well as the Cost of Supply study will form the basis of calculating tariffs.

9.2.7. 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 Chief Engineer: Infrastructure Services and by payment of the required change of meter fees as well as the required deposit.

9.2.8. 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.

9.2.9. 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. Domestic electricity consumers, who applied and were approved in terms of the relevant clause of the Overstrand Indigent Policy, will receive 70 free units in the tariff block 0 – 350 kWh with their first purchase each month.

9.2.10. The fixed costs, or portions thereof, will be recovered through an energy or time-of-use charge.

9.2.11. 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. The basic monthly charge covers our fixed operational costs and capital infrastructure expenditure. This includes, but is not limited to, upgrading, maintenance on the entire municipal electrical network, from main supply point up to the consumer connection point, as well as the repair/replacement of faulty metering equipment within the electrical distribution area of Overstrand Municipality.

9.2.12. A fixed charge per capacity category will be charged for each connection within the Overstrand Municipal distribution area. This charge will be based on the size of the connection to the property (i.e the capacity reserved for each customer each month by the municipality).

9.2.13. To apply the abovementioned principles, the consumer types and cost allocations reflected in the following table will be used: -

Categories of Consumers		Tariff Components			
	Basic Fixed Charge (Rand/ consumer/ month)	Capacity Charge (Rand/Amp/meter/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 **Flat rate to be phased in**
Single Phase: (Domestic Pre-paid meters)	X	30Amp 40Amp 50Amp 60Amp	X		***Note: IBT BLOCK** 1) 0 - 350 kWh 2) 351 – 600 kWh 3) > 600kWh **Flat rate to be phased in**
Lifeline One – (pre-paid meters only)	X	30Amp	X		0 – 350 kWh **Flat rate to be phased in**
Two Part – (pre-paid meters only) Local Economic Development Projects	X	30Amp 40Amp 50Amp 60Amp	X		0 – 350 kWh **Flat rate to be phased in**
Single Phase: (Commercial Credit meters)	X	30Amp 40Amp 50Amp 60Amp	X		Flat rate
Single Phase: (Commercial Pre-paid meters)	X	30Amp 40Amp 50Amp 60Amp	X		Flat rate
Three Phase: (Domestic Credit meter) ≤ 100A	X	40Amp 60Amp 80Amp 100Amp	X		***Note: IBT BLOCK** 1) 0 - 350 kWh 2) 351 – 600 kWh 3) > 600kWh **Flat rate to be phased in**
Three Phase: (Domestic Pre-paid meter) ≤ 100A	X	40Amp 60Amp 80Amp 100Amp	X		***Note: IBT BLOCK** 1) 0 - 350 kWh 2) 351 – 600 kWh 3) > 600kWh **Flat rate to be phased in**
Three Phase: (Commercial Credit meter) ≤ 100A	X	40Amp 60Amp 80Amp 100Amp	X		**Flat Rate**
Three Phase: (Commercial Pre-Paid meter) ≤100A	X	40Amp 60Amp	X		**Flat Rate**

		80Amp 100Amp			
Economic Pre-paid: - ≤ 100A	X	40Amp 60Amp 80Amp 100Amp	X		**Flat Rate**
Time of Use Tariff (.70kVA)	X	X	X	X	X
Service Charge (per month) for MV and LV consumers	X	X	X	X	X
Medium Voltage Metering Points (11000V) >500kVA	X	X	X	X	X
Low Voltage Metering Points (400V) >70kVA ≤ 500kVA	X	X	X	X	X
Small Customer <100kVA	X	X	X	X	X

9.2.14 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 set out in the Indigent policy and determined by Council from time to time.

9.2.15. An infrastructure basic charge for electricity will be levied on a monthly basis on all properties or meters. The fixed Infrastructure charge is a non-escalating monthly fee which covers the capital contribution due for a specific capital infrastructure expenditure. A fixed cost charged for a specific loan undertaken for the upgrading of Bulk electrical infrastructure. It is not affected by the annual tariff increase.

9.2.16. A network charge will be levied on all erven or units not connected to the electricity network but can reasonably be connected to the service. The Network Charge for Serviced land will be calculated on a standard 60Amp connection size and be applicable to all vacant erven.

9.2.17. Time of Use customers will be charged at High season tariffs from June to August and Low Season tariffs from September to May. Peak, Standard and Off-peak time slots will be as per the time schedules published by Eskom annually. Reactive energy charges on Time of use accounts will only be applicable within high season periods.

9.2.18. Each Time-of Use consumer must nominate the Maximum demand that they intend to draw from the Overstrand municipal electricity network. This nominated figure is known as the Notified Maximum Demand (NMD) and is measured in kVA.

9.2.19. 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.

9.2.20. Overstrand Municipality allows for approved SSEG customers to feed electricity back into our electricity network. Customers however need to be net consumers (in monetary value) 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. Credit from feed-back may only be used for kwh charges and may not be played off against any other municipal services.

9.2.21 All upgrades will be network permitted and subject to the relevant approval from the Electrical department.

9.2.22 All prepaid residential single-phase customers above 30 Amp will be given the opportunity to change their connection size at the prescribed annual rate. They may choose to change their connection size to one of the following:

- 30Amp
- 40Amp
- 50Amp
- 60Amp

9.2.23 All other non-standard connection sizes will be dealt with as and when needed by the electrical department.

9.2.24 Customers will be allowed to downgrade their connection size without providing a COC or changing a circuit breaker. Should the municipality however be called out for the overloading of the meter more than once, a call-out fee will be charged (per visit) and the customer will be required to change their main circuit breaker and provide a COC. Should the customer refuse to do so, they will be changed back to a suitable connection size to prevent any further overload.

9.2.25 All post-paid customers who wish to downgrade from 60Amp to 30-, 40- or 50Amp, will be required to change to prepaid.

9.2.26 Qualifying customers may upgrade as many times as they require at the annual approved rate but may only downgrade once in a financial year.

9.2.27 Changing between different connection sizes will be network permitted, and these tariffs will not apply to customers within RDP areas.

9.2.28 All RDP and UISP housing will be provided with a 30Amp single phase supply. The standard supply connection for all other properties will be 60Amp Single Phase

9.2.29 All indigent and Lifeline customers will remain on their existing connection size or have the option to downgrade to 30Amp, free of charge. Subsidy for indigent customers will be the equivalent of 30Amp.

9.2.30 Lifeline tariffs will only be available to pre-paid customers 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.

9.2.31 As per National Regulations, the approval of SSEG systems (for own use or grid export) are to be based on the size of the municipal connection. The size of the system may not exceed the size of the municipal connection. As such, a minimum connection size for all properties with approved SSEG systems will be determined and no applications will be accepted that do not adhere to these requirements.

9.2.32 Capacity charges for Uilenkraalsmond will be calculated at 30Amp.

9.2.33 Wheeling energy through the Municipal network are permitted and based on the published tariffs. The requirements for wheeling energy are contained in the wheeling of energy policy.

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 10kℓ 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 - 45 kℓ 46 - 60 kℓ >60 kℓ
Indigent Households	X	X	**HOUSEHOLD** 0 - 10 kℓ 11 - 18 kℓ 19 - 45 kℓ 46 - 60 kℓ >60 kℓ
Churches Caravan Parks Boutique Hotels and Hotels Other Consumers	X	X	**NON-HOUSEHOLD** 0 - 18 kℓ 19 - 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 - 45 kℓ 46 - 60 kℓ >60 kℓ
Indigent Households	X	X	**HOUSEHOLD** 0 - 10 kℓ 11 - 18 kℓ 19 - 45 kℓ 46 - 60 kℓ >60 kℓ
Churches Caravan Parks Boutique Hotels and Hotels Other Consumers	X	X	**NON-HOUSEHOLD** 0 - 18 kℓ 19- 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- 45 kℓ 46 - 60 kℓ >60 kℓ
Indigent Households	X	X	**HOUSEHOLD** 0 - 10 kℓ 11 - 18 kℓ 19 - 45 kℓ 46 - 60 kℓ >60 kℓ
Churches Caravan Parks Boutique Hotels and Hotels Other Consumers	X	X	**NON-HOUSEHOLD** 0 - 18 kℓ 19 - 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 - 45 kℓ 46 - 60 kℓ >60 kℓ
Indigent Households	X	X	**HOUSEHOLD** 0 - 10 kℓ 11 - 18 kℓ 19 - 45 kℓ 46 - 60 kℓ >60 kℓ
Churches Caravan Parks Boutique Hotels and Hotels Other Consumers	X	X	**NON-HOUSEHOLD** 0 - 18 kℓ 19 - 45 kℓ 46 - 60 kℓ >60 kℓ

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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 RUEs to categories of Household consumers:

Clinics – Outpatients	□ 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)	**X**	**X**	(i) 0 – 5 800 kℓ (ii) >5 800 kℓ

PLUS 30% of Normal Tariff			
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 Services, no restriction tariffs will be implemented.

9.3.13.2. When level 2 water restrictions are implemented by the Directorate Infrastructure Services, level 1 restriction tariffs will be implemented.

9.3.13.3. When level 3 water restrictions are implemented by the Directorate Infrastructure Services, level 1 restriction tariffs will remain applicable.

9.3.13.4. When level 4 water restrictions are implemented by the Directorate Infrastructure Services, level 2 restriction tariffs will be implemented.

9.3.13.5. When level 5 water restrictions are implemented by the Directorate Infrastructure Services, level 2 restriction tariffs will remain applicable.

9.3.13.6. When level 6 water restrictions are implemented by the Directorate Infrastructure Services, 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, in which case the Municipality will be entitled to charge a tariff for utilisation of the landfill site.

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 developed 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 to compensate for the use of the sewer system in the absence of a water meter reading to calculate the sewerage volume**.

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 undeveloped land.

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 ▪ Fee recalculation – no access ▪ Hire of temporary distribution kiosk ▪ Hire of Sleeve Space for fiber optic cable	▪ 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
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 ▪ 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 ▪ 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	▪ Leases of stalls/containers ▪ Non-Affiliated Members ▪ Office Rental ▪ Open Spaces ▪ Parking ▪ Passenger Boats ▪ Plett House ▪ Public Open Space ▪ 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 removal ▪ Baboon Resistant Bins ▪ Deposits ▪ Rental of Bulk Containers	▪ Self-Dumping ▪ Replacement of lock on baboon resistant wheelie bin ▪ Weigh Bridge weighing vehicles
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 ▪ 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	▪ Meter Testing ▪ Meter verification ▪ Rebates ▪ 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 01 July 2026 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:	**DIVISIONAL MANAGER: REVENUE MANGEMENT**
CURRENT UPDATE:	29 MAY 2025
PREVIOUS REVIEW:	11 DEC 2024
PREVIOUS REVIEW:	31 MAY 2024
PREVIOUS REVIEW:	31 MAY 2023
PREVIOUS REVIEW:	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

Munisipaliteit • U-Masipala • Municipality

OVERSTRAND

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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TABLE OF CONTENTS

PAGE

1. **DEFINITIONS**.....ERROR! BOOKMARK NOT DEFINED.
2. **GENERAL OBJECTIVES:** **6**
3. **PRINCIPLES**.....**6**
4. **PERFORMANCE EVALUATION**.....**7**
5. **REPORTING** **7**
6. **CUSTOMER CARE**.....**8**
7. **CREDIT CONTROL POLICY** **15**
8. **DEBT COLLECTION**.....**19**
9. **SHORT TITLE** **22**
10. **CUSTOMER CARE AND DEBT COLLECTION – ANNEXURE "A"** ...ERROR! BOOKMARK NOT DEFINED.
11. **ARRANGEMENTS FOR PAYMENT – ANNEXURE "B"**.....**24**
12. **IMPLEMENTATION AND REVIEW PROCESS**.....**26**

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 of 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.
"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 managed 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, 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.

3.18 UISP customers who occupied the allocated area already, will be charged the required deposits retrospectively.

3.19 Council reserves the right to increase/decrease deposits once a year to reflect consumption patterns for the preceding 12 months, to be equal to twice the average consumption during the preceding 12 months.

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 testing

as well as for the removal and re-installation thereof 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

6.4.9 The Municipality will as far as possibly 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.

6.4.10 Accounts will be produced in accordance with the meter reading cycle and due dates will be linked to the statement date.

6.4.11 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.

6.4.12 If no official complaint in writing is received by the 15th of the month it will be considered that the account delivered is correct.

6.4.13 Accounts will be rendered monthly in cycles of approximately 30 days at the address last recorded with the Municipality or its authorised agent.

6.4.14 It is the customer's responsibility to ensure that his/her postal address and all other required details are correct.

6.4.15 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.

6.4.16 (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.

6.4.17 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 weekend.

(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.

6.4.18 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.

6.4.19 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 Divisional Manger: Revenue Management, or delegated official, authorises otherwise.

6.4.20 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.

6.4.21 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.

6.4.22 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.

6.4.23 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

6.4.24 When tenants are in default, the service contract with the tenant will be cancelled and services transferred to the owner.

6.4.25 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

6.4.26 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.

6.5 Payment facilities and methods

6.5.9 The Municipality will operate and maintain suitable payment facilities, which facilities will be accessible to all customers.

6.5.10 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.

6.5.11 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.

6.5.12 The Municipality will endeavour to appoint a variety of agents (supermarkets, 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.

6.5.13 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 sent 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]** 18 months for a discount; and in the instance were a customer experience a second leak within the **[30]** 18 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 plumbers report as well as the date of the repair.

(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) A discount will be applicable on the excess sewer consumption charge as calculated if the customer prove that the excess water did not go through the sewer system.

(g) 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 with 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/Abandoned Properties

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. A tenant account will be opened and property rates will also be levied on the tenants account.

6.12.9 **If the owner has passed away or abandoned the property** and another person who resides on the property, applies for indigent subsidy, but has no contact with the registered owner and/or the family members, the applicant must submit an affidavit that he/she takes responsibility for the municipal account and an tenants account will be opened.

7. 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 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 Senior Accountant: Collections can be made for further arrangements in excess of the two

occasions mentioned above, to be considered by the Divisional Manger: Revenue Management, 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 and brought into line with relevant tariffs and policies of Council.

7.4.8 Defaulters' deposits will be reviewed annually on request, 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: -

(a) Credit a payment of such a person against any account of that person; and

(b) 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 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.

7.6.3 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.

7.6 Contractors who tender to the Municipality

7.6.3 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.

7.7 Pre-payment metering system

7.7.3 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 bepngements 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/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 more than 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, wherever 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 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 R5 000.00, 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) After the transfer of a property, outstanding debt on the previous owner account older than 2 years.

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 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 one (1) year, 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 one (1) year, 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 all interest charged to date for the total period.

10.1.5. If a customer sells their property and apply for a clearance certificate to benefit from the Incentive, in this instance the Incentive will not be applicable.

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 Divisional Manager: Revenue Management.

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 Senior Accountant: Collections can be made for further arrangements to be considered by the Divisional Manager: Revenue Management, 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 be settled before a recommendation by the Divisional Manager: Revenue Management can be made for further consideration of arrangements in excess of the 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, then prescribed above.

12. IMPLEMENTATION AND REVIEW PROCESS

This policy will come into effect on 01 July 2025 and will be reviewed at least annually or when required by way of a Council resolution.

POLICY SECTION:	**DIVISIONAL MANAGER: REVENUE MANGEMENT**
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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:	30 MAY 2007
APPROVAL BY COUNCIL:	30 JUN 2006

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OVERSTRAND

INDIGENT POLICY

PREAMBLE

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:

TABLE OF CONTENTS

1. DEFINITIONS 4
2. OBJECTIVES OF POLICY..... 5
3. SUBSIDY FOR INDIGENT HOUSEHOLD 5
4. PRINCIPLES OF POLICY 6
5. CRITERIA OF SUBSIDY 6
6. APPLICATION FOR A SUBSIDY 8
7. SWORN STATEMENT 8
8. CONVERSTATION OF CONVENTIONAL ELECTRICITY METERS..... 8
9. PUBLICATION OF NAMES 8
10. FALSE OR MISLEADING INFORMATION 8
11. CALCULATION OF SUBSIDY..... 8
12. VERIFICATION AND AMNESTY PERIOD 9
13. DURATION OF SUBSIDY 9
14. ACCOUNTS IN ARREAR 9
15. REGISTER 9
16. ENCOURAGEMENT 9
17. STAKEHOLDERS 10
18. REVIEW AND IMPLEMENTATION PROCESS 10

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 living on a stand or site on a permanent basis and who receive electricity and/or water from one meter, regardless of whether the person rents or owns the property.
"Income"	Income is the gross sum of all monthly income of the occupier received from all sources, including wages, salaries, profits, dividends, pensions, interest received, or investment income received by the occupier including income received by spouses/partners. In the instance where a spouse/partner is no longer part of the household, the applicant must submit an affidavit to declare that (i) the spouse/partner is on a permanent basis no longer part of the household; and (ii) the relationship with the spouse/partner was ended. Discretionary grants/contributions and Government Support (including Child Support grants) will not be added as a financial contribution towards the Occupier's income. Particulars of any Government Support grants received by any Occupier must be declared in the affidavit.
"Indigent"	A household which qualifies in terms of clause 5.
"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.
"Occupier"	A person, including such person's spouse/life partner, who occupies any premises or part thereof and is primarily responsible for financially supporting and maintaining the household, without regard to the title under which he or she so occupies the premises and includes – (a) any person in actual occupation of those premises; (b) any person legally entitled to occupy those premises; (c) in the case of those premises being subdivided and let to lodgers or various tenants, the person receiving the rent payable by such lodgers or tenants whether on the person's own account or as agent for any person entitled thereto or interested therein; (d) any person having the charge of or management of those premises, and includes the agent of any such person when the person is absent from the Republic of South Africa or his whereabouts are unknown; or (e) the owner of those premises.
Quota/Seasonal worker	Any person who is employed by an employer for an aggregate period of at least one to three months over a 12 -month period with the same employer and whose work is interrupted by reason of a seasonal variation in the availability of work
"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 regarding the implementation of financial aid to indigent households in respect of their municipal account.
2. determine the criteria for qualification of indigent households.
3. ensure that the criteria are 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.
6. Provide for the right of appeal to the Municipal Manager**.**

3. SUBSIDY FOR INDIGENT 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 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 meets 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. This exclusion will not be applicable if the second property is an undeveloped stand in a wetland area and where development of the erf is impossible.
m. Councillors and municipal officials do not qualify for any benefit in terms of this Policy, except for Temporary employees/EPWP workers not appointed on a permanent basis, who qualify for the subsidy according to the Indigent criteria as set out in section 5 below retrospectively from 1 July 2023.
n. The costs in respect of the informal settlements in connection with supply charges and 70 kWh for electricity will be recovered from the equitable share.

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. CRITERIA OF SUBSIDY

The subsidy for needy households is recognised for purposes of receiving an indigent subsidy.

i) The total income of the Occupier may not be more than four times the Government State Old Age pension amount plus R1 per month.

The following grants should not be added to the qualifying income threshold:

(a) additional grant for persons older than 70 years
(b) disability grant
(c) war veteran's grant
(d) care dependency grant
(e) foster child grant
(f) child support grant
(g) grant-in-aid
(h) social relief of distress
(i) the municipal manager shall have the discretion to allow a deduction of contributions to a medical aid fund from the total income of the Occupier in the case of pensioners older than 60 years.
(j) If the applicant is a seasonal/quota worker the income limits shall be calculated over a period of one year to approximate a monthly income.

ii) Average monthly units purchase of electricity over the previous 3 months may not exceed 500 kWh.

iii) Average monthly consumption of water over the previous 3 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 recipient of an indigent benefit in terms of this policy must not be the registered owner of more than one property, except if the second property is an undeveloped stand in a wetland area where development of the erf is impossible.
vii) The property must only be used for residential purposes.
viii) Beneficiaries of a government funded human settlement initiative who are the occupant/(s) of the property will be registered as indigents automatically effective from the date of this policy but will be required to re-apply after a period of one year.

If any of the above criteria is not complied with, the household will immediately be given notice and will lose the status of "indigent" and the subsidy will be forfeited. However, should the criteria in (ii) and (iii) above not be complied with, the household **will be given written notice** and will be allowed an opportunity to comply with the conditions set out in (ii) and (iii) within a period of three months of the date of the letter failing which will result in the household losing his/her indigent status and the subsidy will be forfeited.

Subsidy

(i) 100% of the basic levy and capacity charge - 30Amp 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) 100% of all the availability charges on an undeveloped property received as beneficiary of a government funded human settlement initiative provided that the subsidy will be granted for a period of two years from date of registration or until development of the property is commenced with, whichever is first.
(vii) The first 70 kWh in the tariff block 0-350 of electricity per month shall be free of charge.
(viii) 10 kℓ of water.
(ix) 7 kℓ of water consumption for sewerage, or 1 x vacuum tanker per month if not able to connect to the sewer; and
(x) R11.84 in regard of Infrastructure Levy.

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
(v) in the case of a beneficiary of a government funded human settlement initiative, a confirmation of the beneficiary status must be obtained from the Municipality's Housing Department.

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 CONVENTIONAL ELECTRICITY METER

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 12 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**.**

12. VERIFICATION AND AMNESTY PERIOD

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.
Further verification may, among other measures, include the use of an electronic indigent verification system and the submission of the indigent register to an external assurance provider for independent verification and testing of indigent status. This process shall be undertaken at least once per annum.

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. The municipality will at least annually, verify the status of the indigent households to confirm that the requirements as per the indigent policy are still met. The subsidy will be cancelled with immediate effect in the absence of proof that the criteria is still met. Pensioners older than 60 years will not be required to re-apply annually, instead the municipality will verify their indigent status every three years.
c. 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.
d. If any of the criteria, as set out in 5, is not complied with anymore, 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.
e. 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
f. 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 and may institute appropriate legal action civil or otherwise, against guilty party(ies).

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.

c. The Chief Financial Officer must report monthly to the Municipal Manager and Quarterly to Council on the total number of registered indigents qualifying for free basic services.

16. ENCOURAGEMENT

Councillors should encourage ratepayers/customers in their various wards to apply for participation in the indigent subsidy scheme.
Public awareness is key to maintaining fairness and ensuring that all qualifying beneficiaries are registered, and will be done through:

- Public education drives as part of the annual budget process;

- Social media posts and information sharing on the municipality's website, monthly bulletin and through bulk sms's
- Community outreach programmes and house visits

17. STAKEHOLDERS

Stakeholders will include the following parties:

a. Council
b. Ward Committee Workers
c. Municipal Officials
d. Community
e. Cooperative Governance and Traditional Affairs (CoGTA)
f. National Treasury; and
g. Others as may be identified

The address and department details responsible for the implementation and application of the Indigent Policy will be:
Official: Senior Accountant Collections
Tel: 028 313 8000
E-mail: enquiries@overstrand.gov.za

18. REVIEW AND IMPLEMENTATION PROCESS

This policy will come into effect on 01 July 2026.

This policy will be reviewed at least annually or when required by way of a Council resolution.

POLICY SECTION:	**DIVISIONAL MANAGER: REVENUE MANGEMENT**	
CURRENT UPDATE	25 SEPT 2025	
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PREVIOUS REVIEW	01 FEB 2024	
PREVIOUS REVIEW	26 JULY 2023	

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OVERSTRAND

SPECIAL RATING AREA POLICY

INDEX

1. DEFINITIONS
2. INTRODUCTION
3. AIM OF POLICY
4. EXCLUSION
5. POLICY STATEMENT
6. FACTORS CONSIDERED WHEN DETERMINING A SPECIAL RATING AREA
7. APPLICABILITY OF THE RATES POLICY AND OTHER POLICIES
8. PROCESS
9. INSTITUTIONAL ARRANGEMENTS
10. ESTABLISHMENT PRINCIPLES OF A SPECIAL RATING AREA
11. BUSINESS PLAN CONTENT
12. ANNUAL REQUIREMENTS
13. AMENDMENT TO THE BUSINESS PLAN
14. EXTENSION OF THE SRA TERM
15. DISSOLUTION
16. FINANCIAL CONTROL
17. COMMENCEMENT AND IMPLEMENTATION
18. COST
19. SHORT TITLE

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 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 are 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. Each owner shall have one vote for purposes of supporting 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 rest 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),

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 paragraph 14),

8.6 the dissolution requirements which must be followed (paragraph 15) and

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 subject to the procurement process applicable to the Municipality 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**] CFO 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%]** 25% 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. The process of obtaining support must be concluded within 30 days after the public meeting.

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 o]** 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 2026.**
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:	DIVISIONAL MANAGER : REVENUE MANGEMENT
CURRENT UPDATE:	29 MAY 2025
PREVIOUS REVIEW:	31 MAY 2024
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OVERSTRAND

Investment Incentive Policy

TABLE OF CONTENTS

1. DEFINITIONS	3
2. PREAMBLE	4
3. REGULATORY CONTEXT	5
4. STRATEGIC FOCUS AREAS	5
5. DESIRED OUTCOMES	7
6. GENERAL PRINCIPLES	7
7. INVESTMENT ENABLING FACTORS	8
8. THE INVESTMENT INCENTIVE PACKAGE	9
9. ELIGIBILITY AND COUNTER-PERFORMANCE CRITERIA	11
10. APPLICATION AND ASSESSMENT PROCESS	12
11. APPROVAL PROCEDURE	13
12. ROLE-PLAYERS	13
13. MONITORING AND EVALUATION	13
14. SPATIAL AND STRATEGIC CONTEXT	14
14.1 STRATEGIC DIRECTION ACTIVITIES	14
14.2 BUSINESS CORRIDORS & NODES FOR EXISTING SETTLEMENTS IN THE OVERSTRAND MUNICIPAL AREA	14
14.3 ECONOMIC OPPORTUNITY NODES AS IDENTIFIED IN THE OVERSTRAND MUNICIPAL SPATIAL GROWTH MANAGEMENT STRATEGY	14
15. IMPLEMENTATION AND REVIEW PROCESS	14

1. DEFINITIONS

For the purposes of this policy, unless otherwise stated, the following definitions shall apply:

Incentive	Any measurable advantage affected by specific enterprises and/or categories of enterprises at the strategic direction of government.
Council	Means the Municipal Council of Overstrand established in terms of the Municipal Systems Act, Act no. 32 of 2000.
Mayoral Committee	The committee appointed by the Executive Mayor to assist the Executive Mayor in terms of Section 60 of the Municipal Structures Act, Act no. 32 of 2000.
Development Charge	A Development Charge, as outlined in the approved Council Development Contribution Policy, means a once-off charge imposed on a developer as a condition of approval or where additional capacity is required by a property owner. This charge is also known as the Bulk Infrastructure Contribution Levy (BICL).
Development and Investment Committee	An internal committee is established by the Municipal Manager responsible for identifying and assessing major development and investment initiatives/projects within the municipal area.
Incentive package	The list of approved incentives that may be negotiated with investors.
Policy	The policy for investment incentives, or any other policy adopted by Council in relation to investment incentives.

2. PREAMBLE

The vision of the Municipality is:

To be a centre of excellence for the community

The mission of the Municipality is:

Creation of sustainable communities by developing optimal services to support economic, social and environmental goals in a politically stable environment as an Overstrand for All

The strategic goals of the Municipality is:

1. The provision of democratic, accountable and ethical governance.
2. The provision and maintenance of municipal infrastructure.
3. The encouragement of structured community participation in the matters of the municipality.
4. The creation and maintenance of a safe and healthy environment.
5. Promotion of tourism, economic and social development.

Taking the above-mentioned vision, mission and goals into consideration, as well as Council's drive to make it easier to do business in the Overstrand, the aim of this policy is to create leverages to encourage investments to be made towards Overstrand's strategic direction.

Incentives are aimed at promoting the ease of doing business, especially where it relates to large capital and/or catalytic developments.

Investment incentives focus on:

- Spatial targeting
  Encouraging and promoting development in identified nodes according to Overstrand Spatial Development Framework and Overstrand Growth Management Strategy and investments towards strategic direction.
- Targeting certain Sectors
  The Blue economy, aquaculture, agriculture, nature conservation, tourism, green and renewable energy, warehousing, call centre, financial, medical and health care, and social/affordable housing.

3. REGULATORY CONTEXT

This policy is developed in the context of the following legislation, policies and strategic frameworks:

3.1 The Constitution of the Republic of South Africa Act 108 of 1996.
3.2 Municipal Finance Management Act (MFMA) Act No 56 of 2003 and related regulation,
3.3 Municipal Property Rates Act (MPRA) Act No 6 of 2004,
3.4 Municipal Systems Act, Act No 32 of 2000,
3.5 Land Use Planning Act (LUPA) Act 3 of 2014,
3.6 Overstrand Municipality Property Rates Policy.
3.7 Overstrand Municipality Integrated Development Plan (IDP).
3.8 Overstrand Municipality Spatial Development Framework.
3.9 Overstrand Municipality Amendment by Law on Municipal Land Use Planning 2020.
3.10 Overstrand Municipality Developer Contributions Policy.
3.11 Overstrand Municipality Tariff Policy.
3.12 Overstrand Municipality Long-Term Financial Sustainability Policy.

4. STRATEGIC FOCUS AREAS

This policy aims to inform and guide the provision of incentives for investment within the Overstrand Municipal area.

For any Municipality, the question of how to design a comprehensive incentives strategy must be located within both a global and local context. For the Overstrand Municipality, the local context demands that the municipality carefully balance the incentives packages that encourage investment that is critical for driving economic growth and job creation, with the revenue requirements to address its other strategic policy priorities and service delivery.

While research tends to indicate that incentives are rarely the most important factor in locality decisions by business, they do influence decision making and can play a “tipping point” role. Non-financial incentives, particularly with respect to transparent and consistent administrative procedures are often considered by investors to be more important than incentives with a direct financial benefit. It is the role of the Overstrand Municipality to identify the best mix of both non-financial and financial incentives.

There are a wide range of incentives offered by other spheres of government, most notably the Department of Trade and Industry (DTI); the Overstrand Municipality desires to see these national incentives complemented by a set of incentives that relate to the mandate of local government. The context-specific investment incentive package detailed in this policy document is designed to encourage investment towards the strategic direction of the Overstrand Municipality. Utilising investment incentives for private sector investment will position the Overstrand Municipality as a preferred investment destination both in the Western Cape, South Africa and globally whilst achieving the strategic objectives.

4.1 STRATEGIC DIRECTION ACTIVITIES

The proposed strategic focus areas of the Overstrand Municipality should be enshrined in the Overstrand Municipality's Integrated Development Plan (IDP) and is categorised into five pillars:

- The Opportunity Overstrand Municipality.
- The Well-run Overstrand Municipality.
- The Safe Overstrand Municipality.
- The Caring Overstrand Municipality.
- The Inclusive Overstrand Municipality.

Although incentives can have an impact on all five pillars, this discussion document proposes a focus on the Opportunity Overstrand Municipality and the Inclusive Overstrand Municipality.

The underlying principle of the Opportunity Overstrand Municipality in relation to investment incentives is the attraction of business investment that creates sustainable employment, contributes to the development of key sectors and catalytic development in important spatial nodes. In the long term the right kind of investment in the right place will create the platform for sustainable growth of the Overstrand Municipal area, but also contribute to a Safe and Caring Overstrand Municipality.

The underlying principle of the Inclusive Overstrand Municipality is to ensure accessibility for any qualifying investor/entrepreneur to employment and business opportunities. This includes direct employment created by businesses investing in the Overstrand Municipal area, but also in terms of indirect employment within local business supplying goods and services to new investments.

In terms of strategic context, this is aimed at development not necessarily located in the spatial nodes but in the overall context of Urban and Rural Development. These projects could include development of tourism, agriculture, environmental conservation and establishment of green energy and blue economy projects.

4.2 SPATIAL CONTEXT

The Spatial targets can be categorized in the following categories:

- Economic corridors in previously disadvantaged areas. The main aim is to promote formal socio-economic facilities within previously disadvantaged communities in order to enrich the community and allow the respective community to live, play and work without having to travel long distances. Refer to Annexure A.
- Economic Opportunity nodes as identified in terms of the Overstrand Municipal Spatial Growth Management Strategy where the main aim will be to increase the footprint of existing economic activities. Refer to Annexure B.

5. DESIRED OUTCOMES

This Investment Incentive Policy aims to:

5.1 Enhance the creation of a favourable economic climate to attract and retain investment in the Overstrand Municipality area,

5.2 Create favourable conditions for investors to participate in the implementation of key catalytic projects and initiatives,

5.3 Define the investment incentive package available to investors; and

5.4 Provide the necessary principles, processes and approval procedures that will enable a transparent incentive program.

6. GENERAL PRINCIPLES

The following principles have guided the development of the incentive packages described in Table 1 and Table 2.

6.1 Principle 1: Employment Creation

The investment incentives must be tied to the attainment of the Municipality's developmental goals of which job creation is foremost. The goal, of incentive provision is not to simply enhance business profit margins with little or no broader socio-economic impact. Rather, investment incentives must be used to support and enhance sustainable job-creating private sector investment. In this respect a business 'eligibility for incentives' should be conditional upon the creation of a prescribed number of jobs.

6.2 Principle 2: Affordability

The incentives package must not place undue pressure on the Municipality's finances. A Municipality should not sell services below cost to business. Where possible, high impact but low cost 'soft incentives' such as expedited approval times; and increased administrative efficiency in the dealing with applications, should be targeted. Financial incentives should be limited to application cost in order to make the opportunity to enter into the economy more accessible.

6.3 Principle 3: Transparency and Uniformity

The incentives should be non-discriminatory and should be applied with uniformity and transparency. The granting of investment incentives should be done according to a set of predetermined criteria. This set of criteria will be consistently applied to all businesses applying for incentives. Information on the nature of the granted incentives should be public knowledge.

6.4 Principle 4: Sectoral Targeting

The investment incentive will only be applicable in specific areas as set out in Annexure A. Incentives will be mainly geared towards priority sectors as outlined in the eligibility criteria. The aim is to attract and/or push specific investment into specific areas in line with the municipal Spatial Development Framework.

6.5 Principle 5: Spatial Targeting

Investment incentives are most effective when they are spatially targeted. This is for the following reasons:

- Spatial targeting maximizes the socio-economic return of incentives by focusing on areas with strong potential, but which are currently underperforming
- Spatial targeting enables the Municipality to achieve its development objectives in specific areas thereby addressing issues of spatial inequality

The spatial targeted area should align with Overstrand SDF and Overstrand Growth Management strategy.

6.6 Principle 6: Simplicity

Ascertaining whether a business is eligible for an incentive and subsequently obtaining an incentive should not be an onerous task for investors. The criteria for incentive provision should be easy to understand. The structure and administration of the investment incentives should not require excessive administration, thereby minimizing staff and financial impacts. This to ensure quick turnaround times for applications.

6.7 Principle 7: Legality

The incentives that are provided must be subject to the relevant legislation and planning parameters. Incentives cannot conflict with legislation, nor should they be provided to companies or persons not in good standing with the law.

6.8 Principle 8: Complementarity and alignment

A Municipality's Investment Incentives Policy should directly reflect its mandate as a separate and independent sphere of government i.e., it should relate to incentives that the Municipality can uniquely provide, and which will help to achieve the key strategic objectives of the Municipality as identified in the IDP and other strategic documents.

6.9 Principle 9: Continuous Review

The policy needs to be reviewed continuously in order to ensure it stays relevant and that the Municipality achieves the relevant outcomes anticipated by the policy.

7. INVESTMENT ENABLING FACTORS

The municipality utilizes a number of tools aimed at fast tracking, unblocking and reducing red tape in doing business in Overstrand; these include:

a. The Development and Investment Committee.
b. Infrastructure Master Planning; and
c. Investment in the Business and Economic Corridor, nodes and strategic direction.

8. THE INVESTMENT INCENTIVE PACKAGE

The following incentives are offered to qualifying Investors in terms of the eligibility criteria:

Table 1: Non-Financial Incentives

Serial no	Category	Description
1.	Dedicated Investment Facilitation Committee	A dedicated Development and Investment Committee to assess applications.
2.	Fast Tracked Development Application Process	a) Guaranteed development application time frames, including provision of pre-lodgement meetings, dedicated assistance, and guidance. b) Timeframe commitments for compliant applications are as follows: • Land-use application: six (6) months. • Building plan approval: 14 days
3.	Property Locality and availability assistance	Assistance to prospective Investors searching for ideal development sites or building premises within Overstrand Municipal area.

Table 2: Financial Incentives

Serial no	Category	Description
1.	Development Application Fees	Applies to all land use and building plan fees. Reduced building plan application fees and land use management application fees apply to non-residential development as follows: i. Building plan application fee. • If the building is less than 1000m² - 30% rebate on scrutiny fees. • If the building plan is more than 1000m² - 50% rebate on scrutiny fees. ii. Land use management application fee: • In economic corridors (Disadvantaged areas) - 100% rebate on land use applications • 50% in economic nodes Applicable to applications relating to: Strategic sectors such as agri/aqua culture, nature conservation, tourism, green energy, the blue economy, warehousing, call centre, financial and medical.
2.	Rebate on Municipal Property Rates portion (Value of improvements)	• Development value (value of improvements) of R20m to R40m – 100% rebate for 1 year, which period will be affected from date of final approval of the development. • Development value (value of improvements) of > R40m – 100% for 2 years, which period will be affected from date of final approval of the development.

9. ELIGIBILITY AND COUNTER-PERFORMANCE CRITERIA

The following criteria will be applied to determine investor eligibility for incentives:

1. General Criteria	The investment must constitute a new development or expansion of an existing investment within the economic corridor or nodes (value of investment to be > R5 000 000) In previously disadvantaged areas value of investment to be > R2 000 000.
2. Sectoral Criteria	a) The Investment incentive package is specifically targeted to businesses operating in the following manufacturing sectors: - i. Agri/Aqua culture and Blue Economy ii. Nature conservation iii. Tourism iv. Green Energy v. Warehousing, vi. Call centre, vii. Financial viii. Medical and Health Care b) In line with Council priority projects, incentives will be available for the following Initiatives: - • CBD regeneration projects (mixed use residential and retail facilities)
3. Employment Creation	Applies to both sectoral and spatial criteria. The proposed investment must create new and sustainable full-time employment to be eligible for the Investment Incentives package (must create 10 or more permanent jobs). In previously disadvantaged areas (must create 5 or more permanent jobs)
4. General conditions	a) The applicant must be in good legal standing, b) The municipality accounts linked to the property owner or investor must be fully paid before entering into an investment contract.

5. Counter- performance criteria and proviso's	a) Failure to start development within 12 months, or not completing the development within three (3) years, will result in the approved investment incentive package lapsing and deferred payments becoming payable. b) Job targets should be reached within 24 months of the commencement date of operation. Failure to do so will result in all approved incentives contracts lapsing and deferred payments becoming payable. c) The investment must be consistent with the provisions of the Integrated Development Plan and Spatial Development Framework as approved by Council, and subject to relevant land-use and building control approval. d) The applicant and all businesses associated with it must be in good standing, with Council and SARS. e) The premises from which the business will be operating must comply with the National Building Regulations and Standards Act, f) The investment must comply with all applicable legislation or policy, and g) All financial incentives are subject to the Council's budgeting processes as prescribed by National Treasury.

10. APPLICATION AND ASSESSMENT PROCESS

10.1 Applications for the Investment Incentive Package are to be made formally through an approved application process. The Development and Investment Committee in the Office of the Municipal Manager serves as the single point of contact.

10.2 Applications will be evaluated as per the eligibility criteria. Other factors to be considered include but are not limited to:

- Expected economic impact of the project/business,
- Income generation for residents,
- Level to which the project contributes to economic diversity,
- Growth potential of the business and access to market,
- Ability to leverage additional economic growth in the future,
- Corporate Social Investment spend, and
- Anticipated environmental Impacts of the project.

10.3 A person as appointed or nominated by the Municipal Manager shall complete an evaluation report of the incentive application together with a draft incentive contract, which shall be approved by the Municipal Manager, and

10.4 If the criteria are not met, applicants will be informed and discussions may be entered into around adjustments to scope, which could allow for further consideration.

11. APPROVAL PROCEDURE

11.1 The Municipal Manager is mandated to approve the Investment Incentive package; and

11.2 The signed incentive contract shall become the legal binding agreement between Overstrand Municipality and the investor.

11.3 The following require incentive approval from Mayoral Committee:

- Projects outside the policy framework and criteria, which will require special assistance or is of special importance to the development of the economy.

12. ROLE PLAYERS

To ensure effective implementation of this Investment Incentive Policy, the following Department/Divisions are responsible for the management of certain incentives.

Role-players	Key Responsibilitie
Office of the Municipal Manager	➢ Function as a one-stop shop for investments in the Overstrand area. ➢ Responsible for the development administering and monitoring of the Investment Incentive Policy.
Town and Spatial Planning Department	Responsible for conceptualizing spatial targeting of incentives in identified catalytic zones.

13. MONITORING AND EVALUATION

a. The office of the Municipal Manager is responsible to monitor the implementation of this policy.
b. A comprehensive assessment of the Investment Incentive Policy will be conducted after three years from the date of Council approval.
c. The Investment Incentive Policy must be reviewed annually to ensure that it complies with the Municipal strategic objectives and current legislation, and
d. Council reserves the right to review, replace or abolish any incentive contract

14. SPATIAL AND STRATEGIC CONTEXT

14.1 STRATEGIC DIRECTION SECTORS

- Agriculture
- Aquaculture
- Blue Economy
- Call centre
- Financial
- Green Energy
- Medical and Health Care
- Nature conservation
- Social and Affordable housing
- Tourism
- Warehousing

14.2 BUSINESS CORRIDORS & NODES FOR EXISTING SETTLEMENTS IN THE OVERSTRAND MUNICIPAL AREA

Refer to Annexure A.

14.3 ECONOMIC OPPORTUNITY NODES AS IDENTIFIED IN THE OVERSTRAND MUNICIPAL SPATIAL GROWTH MANAGEMENT STRATEGY

Refer to Annexure B.

15. IMPLEMENTATION AND REVIEW PROCESS

This policy will come into effect on **1 July 2026.**

This policy will be reviewed at least annually or when required by way of a Council resolution.

POLICY SECTION:	Planning & Development
CURRENT UPDATE:	29 MAY 2025
PREVIOUS REVIEW:	31 MAY 2024
APPROVAL DATE	29 AUG 2022



ASSET MANAGEMENT POLICY

GENERAL EXPLANATORY NOTE:

[ ] Words in bold type in square brackets indicate omissions from existing enactments.

_____ Words underlined with a solid line indicate insertions in existing enactments.

TABLE OF CONTENTS

		Page
1.	OBJECTIVE	3
2.	BACKGROUND	3
3.	DEFINITIONS	4
4.	STATUTORY AND REGULATORY FRAMEWORK	7
5.	RESPONSIBILITIES AND ACCOUNTABILITIES	7
6.	FINANCIAL MANAGEMENT	9
7.	INTERNAL CONTROLS	10
8.	MANAGEMENT OF ASSETS BELOW THRESHOLD 12	
9.	MANAGEMENT AND OPERATION OF ASSETS	12
10.	CLASSIFICATION & COMPONENTS 13	
11.	ACCOUNTING FOR ASSETS 14	
12.	FINANCIAL DISCLOSURE	21
13.	IMPLEMENTATION AND REVIEW PROCESS 21	
14.	SHORT TITLE 21	
APPENDIX 1		22
ANNEXURE 1		26
ANNEXURE 2		27
ANNEXURE 3		29
ANNEXURE 4		30

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 fulfil 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 safeguarding, 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.*
"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 roads, tied to the land, as well as immovable property – land and buildings, meaning it cannot physically be moved 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 GRAP 21 Impairment of Non-Cash Generating Assets
- 4.2.8 GRAP 26 Impairment of Cash Generating Assets
- 4.2.9 GRAP 31 Intangible Assets (Previously GRAP 102)
- 4.2.10 GRAP 32 Service Concession Arrangements: Grantor
- 4.2.11 GRAP 100 Discontinued Operations
- 4.2.12 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, the Canine (K9) Retirement & Adoption policy or other applicable policies.

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 Safeguarding of assets.

Directors shall be directly responsible for the physical safeguarding 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 safeguarding of the municipality's fixed assets.

6. FINANCIAL MANAGEMENT

6.1 Approval to acquire Property, Plant or Equipment

Funds **[Money]** can only be spent on a capital project if:

6.1.1 the funds have **[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 – land and buildings 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 – land and buildings is dealt with in terms of the Overstrand Administration of Immovable Property Policy.

6.3.10 Disposal of Living Resources is dealt with in terms of the Overstrand Municipality's Canine (K9) Retirement and Adoption 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 an 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 moveable fixed assets

7.4.1 Directors shall, at least once during each year, undertake a comprehensive verification of all moveable 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 moveable fixed asset verification. The resulting reports shall be submitted by the 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

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 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 are being appropriately safeguarded.
- Recording and reporting of any disposal, transfer or loss of assets below threshold by the assigned official to the Die and adjustment of the assets below threshold register.

8.3 Assets below threshold 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

10.2.1 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.

10.2.2 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.

10.2.3 These major components may be defined by its physical parameters (e.g. a reservoir roof) or its financial parameters (e.g. a road surface).

10.2.4 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 in the appendixes hereto, and*
- *is such that the asset is expected to be used during more than one financial year.*

10.2.5 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 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 includes 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 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 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 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 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 need 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 CFO 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

This policy will come into effect as from **1 July 2026 [2025]**

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:	**DIVISIONAL MANAGER: EXPENDITURE, ASSETS, FLEET AND LOGISTICS MANAGEMENT**
CURRENT UPDATE	**_____ [29 MAY 2025]**
PREVIOUS UPDATE	**29 MAY 2025**
PREVIOUS UPDATE	**31 MAY 2024**
PREVIOUS REVIEW	**31 MAY 2023**
PREVIOUS REVIEW	**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**

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.

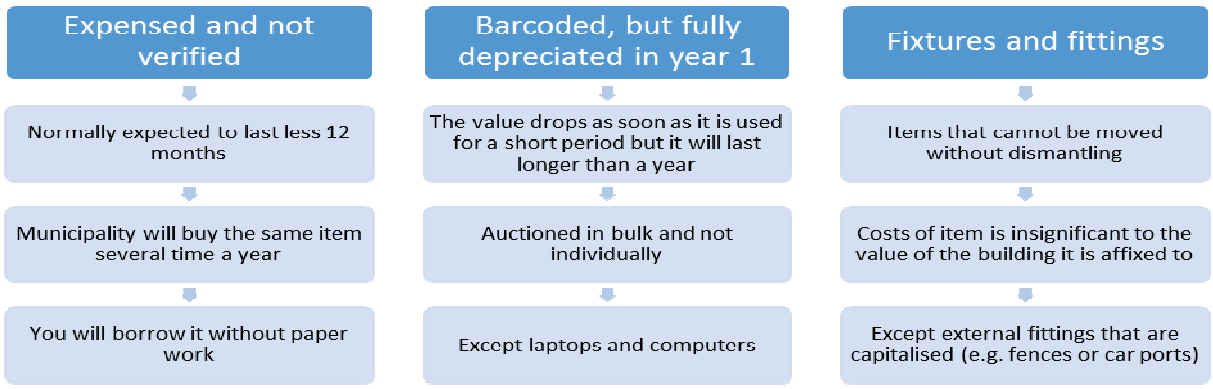
The GRAP discussion paper on materiality states the following: "Information in the financial statements is therefore relevant when it meets these information needs. The relevance of information is affected by its nature and materiality." This implies that certain information would not be relevant to 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 exceeds 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)
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 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 is 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 fixtures 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 is 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 Building Maintenance.

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	Measuring wheels, tapes
Calculators	Microphones (All)
CD Racks	Modems
Chairs (Plastic stackable)	Nozzle
Chargers (including industrial)	Paper trays
Clipboards	Pool brooms, brushers
Cylinders (Fire / Gas / Oxygen / Etc)	Pots and pans
Docking Stations	Protective Clothing
Drip torch	Routers
Extension leads	Soldering bolt
Fans	Speakers (office use)
First aid and medic kits	Spotlight
Flashlight, torch	Standpipe
Foam branch	Telephones
Gazebos and tents	Toolbox incl. tools
Hand Control Divider	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)	Ladders (All)
Air gun	Lighting System
Alcohol Tester	Link Stick
Angle grinder	Lockers
Audio and video recorders	Megaphone
Benches (All)	Meter Wheel
Bicycles	Microscope
Binoculars	Microwave
Blood Pressure Monitor	Mitre Saw
Cameras	Mobile Dash Light
Case: Mayors chains	Monitors for PC's (excluding Televisions)
Cash Drawer, register	Nail Gun
Cell Phone	Optical Camera
Chairs and Couches (All, except plastic stackable)	Ottoman
Circular Saw	PH Meter
Coffin Hoist	Piano Chair
Colorimeter	Polisher
Cut-off Saw	Punch Heavy Duty
Decoder	Radio - for communication
Decontamination Pack	Refracto Meter
Drawing board	Rotary saw
Drill set	Safe – Loose Standing
DVD, Tape Players	Sander Machine
Electric Spray Gun	Scale (Weight)
Electrical saw	Scanner
Electrical Screwdriver	Sound Bar
Examination table	Speakers (Auditorium, etc. Not office use)
External hard drives	Spectro Photometer
Fire Body Siren	Spine board
Flip charts	Spotlight Scope
FM/AM Radio	Spray trolley
Gas Burners (1 or 2 plate)	Stands (All)
Grease Pump	Stapler Heavy Duty
Griller	Stretcher
Guillotine	Table (Foldable - steel)
Hand drill	Table (Learner/Training)
Heat gun	Table (Wooden / plastic in community halls)
Hose Washer	Tester battery car
Hot plate/tray	Timing Light
Jack trolley	Tripods (All)
Jigsaw	Trolleys (All)

Description	Description
Turbidi meter	Vice grip – steel (heavy duty)
Typewriter	Water cooler/dispenser
Urn – Loose Standing	Winch and winch bracket
Vacuum cleaner	Wood Stage

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)	Pigeonhole With Credenza
Boards (All)	Projector Screen
Bookcase bolted to floor or wall	Safe – Wall Mounted
Clocking devices	Screen (Other)
Cupboard – built in	Shelving, wood and steel
Divider Stand	Strobe Lights
Extractor fan	Swing Cabinet (IT) – Wall Mounted
Flagpole	Urn – Wall Mounted
Jet master	Workstation divider
Key cabinet	

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.

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FLEET ACQUISITION & DISPOSAL POLICY

GENERAL EXPLANATORY NOTE:

[ ] Words in bold type in square brackets indicate omissions from existing enactments.

_____ Words underlined with a solid line indicate insertions in existing enactments.

Page

TABLE OF CONTENTS

1.	PURPOSE	3
2.	OBJECTIVES	3
3.	BACKGROUND	3
4.	DEFINITIONS	3
5.	LEGISLATIVE FRAMEWORK	3
6.	IMPLEMENTATION AND DELEGATION	4
7.	ACQUISITION OF FLEET ASSETS	4
8.	PROCUREMENT	4
9.	FLEET ASSET CHANGE OVER	5
10.	FLEET SELECTION	7
11.	COLOUR OF MOTOR PLANT AND VEHICLES	7
12.	FLEET FINANCE & LEASING AGREEMENTS	7
13.	REPLACEMENT FUNDING	7
14.	DISPOSAL PROCESS	7
15.	DECISION TO DISPOSE	7
16.	FINANCIAL DELEGATIONS	8
17.	EXTERNALLY FUNDED ASSETS	8
18.	METHOD OF DISPOSAL	8
19.	APPROVAL OF RESERVE PRICE	9
20.	FACTORS TO CONSIDER IN THE DISPOSAL PROCESS	9
21.	CONFLICT OF INTEREST	9
22.	SALE OF FLEET ASSETS TO STAFF / COUNCILLORS	9
23.	DONATIONS TO COMMUNITY GROUPS / CHARITIES	9
24.	PREPARING FLEET ASSETS FOR DISPOSAL	10
25.	TRANSFER OF FLEET ASSETS INTERNALLY	11
26.	PROCEEDS FROM SALES	11
27.	DOCUMENTATION OF ASSET DISPOSAL PROCESS	11
28.	IMPLEMENTATION AND REVIEW PROCESS	11
29.	SHORT TITLE	12

1. PURPOSE

The purpose of this policy is to regulate the management of Council's motor plant and vehicle assets, providing clarity in terms of guidelines relating to vehicle replacement and disposal of fleet assets.

2. OBJECTIVES

The objectives of this Policy are to:

a) Provide a systematic and accountable method for the disposal of surplus assets, and to ensure the process is transparent and complies with the Municipal Finance Management Act No 56 of 2003, including Municipal Supply Chain Management Regulations published under GN868 in Government Gazette 27636, 30 May 2005.

b) The Procurement of goods and services by Council must be in accordance with the Legislative framework that is defined in the Municipal Finance Management Act No 56 of 2003, including Municipal Supply Chain Management Regulations published under GN868 in Government Gazette 27636, 30 May 2005.

3. BACKGROUND

The primary role of fleet assets is to support the delivery of services that deliver Council's activities and objectives.

Council is committed to implementing asset management best practices across all areas of Council. This includes ensuring that assets are planned, created, operated, maintained, renewed and disposed of in accordance with Council's priorities for service delivery.

4. 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 –

- *Disposal Delegation:* is an authority which enables the nominated delegate to authorize the disposal of goods;
- *Fleet Asset:* is any motor plant and vehicle owned and recorded in Council's Asset Register;
- *Plant:* describes any motor machinery and its related equipment, implements, components and fittings;
- *Motor Vehicle:* means a passenger sedan or station wagon, motorcycle or commercial motor vehicle including vans, utilities, buses and trucks;
- *Beyond Economic Repair:* means a classification given to an asset where that asset requires repairs likely to be more expensive than its replacement value.

5. LEGISLATIVE FRAMEWORK

5.1 This policy must comply with all relevant legislative requirements including:

- The Constitution of the Republic of South Africa, 1996
- Municipal Structures Act No 117 of 1998
- Municipal Systems Act No 32 of 2000
- Municipal Finance Management Act No 56 of 2003 ("MFMA"), including Municipal Supply Chain Management Regulations published under GN868 in Government Gazette 27636
- SANS 10090 Community Protection against Fire 2003
- Occupational Health and Safety Act & Regulations Act 85 of 1993
- National Road Traffic Act, 93 of 1996

5.2 This Policy must be read in conjunction with any of the Overstrand Municipality's related approved 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, such as:

- Asset Management Policy;
- Supply Chain Management Policy (specifically Part 2 – Acquisition Management and Paragraph 40 – Disposal Management);
- Fleet Management Policy;
- Vehicle & Equipment Maintenance and Replacement Policy for Fire & Emergency Services, Disaster Management and Security Services.

6. IMPLEMENTATION & DELEGATION

Council –

- to act as custodians for plant and vehicle assets;
- approve Council's Fleet Acquisition and Disposal Policy;
- ensure appropriate resources for plant and vehicle replacement activities are made available.

Accounting Officer –

- Appoints members to the Fleet Acquisition, Management & Disposal Committee to provide inputs into Fleet Management Related policies, for the implementation thereof, and to consider and prioritize items of fleet to be either disposed of or to be acquired

Directors –

- Communicate Fleet Asset Acquisition & Disposal across Council and ensure that all staff adhere to this Policy.

All Staff –

- Implement Fleet Acquisition and Disposal Policy within the boundaries of individual responsibilities.
- Staff with delegated authority from the Accounting Officer will place Purchase Orders and enter into contracts on behalf of Council.
- Council staff responsible for purchasing goods and services is to comply with this Policy. It is the responsibility of each Council employee involved in the procurement process to understand the policies as well as their meaning and intent.

7. ACQUISITION OF FLEET ASSETS

When considering the acquisition of fleet assets, Council will take into consideration the comparative long term ownership costs of the asset and evidence of community demand for the provision or retention of the asset.

A formal written request ("Fleet Acquisition and Disposal Request") must be submitted to the Fleet Manager stating the specific need purpose for which the fleet asset will be used. An appropriate vehicle budget allocation shall be provided for in each directorate's budget for the internal charge out rates prior to actioning the request.

8. PROCUREMENT

In accordance with the MFMA, and in relation to the purchase of Council's fleet, the applicable competitive procurement process must be followed for each and every motor plant and vehicle unless a procurement contract is in force at the time.

8.1 Supply Contract

Where a period contract exists, the requirements must be ordered under that arrangement in accordance with the agreed terms and conditions and at the agreed prices without the need to obtain competitive offers or tenders. The only situation where it would be permitted to obtain competitive quotations or utilize a supplier outside of these pre-existing arrangements would be if all the contracted suppliers were unable to supply the goods / services required (e.g. no contractors / goods are available), in which case the purchasing officer will follow the method of 'Invitation to Quote' herein.

All records associated with the purchasing process must be recorded and retained including quotes, correspondence and purchase orders.

8.2 Invitation to Quote

A quote can be obtained from suppliers or use pre-negotiated contracts with Governmental buying groups such as Transversal Tenders. All quotations shall be assessed on the basis of value for money. Council continues to strive for transparency and accountability when dealing with funds, and as such binds itself to procurement based on value for money. Council must request that suppliers ascertain their application of Local Government Pricing in their submitted quotes.

All records associated with the purchasing process must be recorded and retained including quotes, correspondence and purchase orders.

8.3 Public Tender

Tenders are to be advertised publicly by the following methods:

- Newspaper;
- Web; and / or
- Community Notice Boards

The tender must remain open for at least 14 days from the date the tender is advertised. Care must be taken to ensure that 14 full days are provided as a minimum.

Each tenderer shall be notified of the outcome of the tender following Council resolution or appropriate delegated authority. Notification shall be publicly advertised including the details and total value of the successful tenderer.

All records associated with the tender process, or a direct purchasing process must be recorded and retained. For a tender process this includes:

- tender documentation;
- submission documentation;
- internal documentation;
- evaluation documentation;
- enquiry and response documentation; and
- notification and award documentation.

9. FLEET ASSET CHANGE OVER

The optimum replacement timing for a motor vehicle or plant is calculated to best estimate the optimum time, in either kilometers or engine hours, and time to achieve the lowest average annual cost during the life of an asset. This should be used as a guideline in the preparation of the replacement programme.

The optimum replacement point for all light vehicles is ± 5 years or ± 150,000km

[120,000km].

The table below is the optimum replacement timing of motor plant and equipment:

Group/Type	Years	Km/Hrs
Backhoe Loader	± 7	± 5,000 Hrs
Compactor – Landfill	± 10	± 8,000 Hrs
Compactor – Rear Lift	± 10	± 8,000 Hrs
Compactor – Small waste	± 5	± 5,000 Hrs
Excavator (3.5tonne)	± 8	± 5,000 Hrs
Excavator (8tonne)	± 10	± 8,000 Hrs
Excavator (15tonne)	± 10	± 8,000 Hrs
Grader	± 10	± 8,000 Hrs
Loader	± 8	± 8,000 Hrs
Mower – Front Deck	± 5	± 2,000 Hrs
Mower – Slasher	± 7	± 5,000 Hrs
Roller – Rubber Tired	± 10	± 5,000 Hrs
Roller – Vibrating Drum	± 8	± 5,000 Hrs
Skid Steer	± 5	± 5,000 Hrs
Sweeper – Car Park / Footpath	± 8	± 5,000 Hrs
Sweeper – Road	± 8	± 8,000 Hrs
Tractor (PTO Hrs)	± 7	± 5,000 Hrs
Truck – Light duty (LR)	± 6	± 150,000 Kms
Truck – Medium duty (MR)	± 8	± 200,000 Kms
Truck – Heavy duty (HR & HC)	± 8	± 500,000 Kms
Wheel Loader – Landfill	± 10	± 8,000 Hrs
Woodchipper	± 8	± 5,000 Hrs

The table below is the optimum replacement timing of Frontline Emergency Vehicles as per SANS 10090:2003:

Type of Vehicle / Equipment	Years
Aerial appliances	20
Light vehicles	8
Off-road vehicles	10
Pumping appliances	15
Special appliances	20

Fleet Assets should ideally **[are]** not **[to]** be held beyond the recommended changeover times due to increasing risk in terms of vehicle safety and breakdowns and increasing maintenance costs.

A replacement programme should ensure that newer and older vehicles are spread as evenly as possible throughout the fleet to avoid too many ageing emergency vehicles remaining in commission simultaneously.

Provision shall also be made in the replacement programme to replace problematic vehicles sooner than the maximum prescribed period. Such vehicles would include units which have high maintenance and repair costs and vehicles which do not serve the purpose for which they were intended.

Any decision to replace a fleet asset outside of these suggested changeover periods will require appropriate documentation outlining the reasons for the request and will require the approval of the Chief Financial Officer.

10. FLEET SELECTION

The make and model of vehicles supplied will be subject to the terms and conditions of the motor vehicle procurement contract in force at the time.

All motor vehicles will be selected on the basis of:
- Vehicles that are fit for the use / application proposed for the vehicle;
- Lowest whole of life costs;
- Safety rating;
- Environmental considerations

11. COLOUR OF MOTOR PLANT & VEHICLES

When selecting the colour of new fleet assets, consideration must be given to:
- the colour for occupational health and safety reasons, given the evidence that lighter colours are more visible and thus help
- reduce the frequency and severity of accidents
- the dignity of the Council business in which the vehicle will be engaged
- the preservation of the maximum vehicle value at disposal
- operational necessity (including reflective strips, lights and sirens).
- Dark colours will not be permitted as it lessens the resale value

12. FLEET FINANCE & LEASING AGREEMENTS

Any fleet assets obtained by lease rather than ownership will be changed over in accordance with the lease agreement conditions. These will be for periods as appropriate to the use of the vehicle and circumstances as determined by the relevant Director.

It is the responsibility of the Fleet Manager to advise the nominated officer of likely usage rates, as there are substantial penalties for inaccurate lease agreements, and these will, if necessary, be passed back to the user. Where Council leases vehicles, the lease agreement's provisions on fleet options and accessories must be followed.

13. REPLACEMENT FUNDING

Fleet replacement may be funded by means of own revenue or external borrowing, which borrowing will not be repaid over a period beyond the expected economic life of the financed asset.

14. DISPOSAL PROCESS

The disposal method that is chosen must promote fair and effective competition to the greatest extent possible and disposals should be conducted in an ethical and transparent manner.

15. DECISION TO DISPOSE

Disposal of a fleet asset will be assessed for cost effective purchase and disposal advantages, excess kilometers, recurrent costs or accident damage. Retention periods may be extended or varied by the Chief Financial Officer.

Before any disposal action can be taken, it is necessary to seek approval that the fleet assets are appropriate for disposal from Council and / or delegated authority.

Common criteria for determining that fleet assets may be suitable for disposal include:
- No longer required
- Unserviceable or beyond economic repair
- Technologically obsolete
- Operationally inefficient
- Surplus to current or immediately foreseeable needs
- Part of an asset replacement plan
- Unsustainable costs associated with the retaining of fleet assets such as storage, insurance, security, condition and management

16. FINANCIAL DELEGATIONS

In line with the approved System of Delegation and Powers, the person with appropriate delegated authority will be required to sign the "Asset Disposal Form" to commence the accounting procedure of disposing asset on the financial asset register.
- Post Level T13 and higher : R0 – R70'000.00
- Post Level T16 and higher : R70'000.01 – R500'000.00
- Directors and Accounting Officer : > R500'000.00

17. EXTERNALLY FUNDED ASSETS

A fleet asset which has been purchased, or the purchase of which has been contributed to, by a funding source, may not be disposed of unless the terms of the funding agreement have been met. This includes any requirement to gain approval from the funding body to dispose of assets.

18. METHOD OF DISPOSAL

The disposal method chosen must be appropriate to the value, nature, quantity and location of the goods, and to promote fair and effective competition to the greatest extent possible. Negotiated assets sales and internal expressions of interest for sales of asset to staff will not be allowed. To help achieve these objectives the following methods are to be utilized:

Scrapped / **Wreck –** The value of an item may be written off and the item recycled or destroyed if it is deemed:
- to have no value;
- to be unserviceable or beyond economical repair; or
- that the disposal cost is higher than the likely return.

Public Auction – Goods valued up to R150,000 (excl. VAT) each may be disposed of by public auction. Public auction maximizes the opportunity for public participation in the disposal process and is the appropriate method when:
- there is public demand for the items;
- alternative disposal methods are unlikely to realise higher revenue; and
- the costs associated with the auction can be justified in relation to the expected revenue from the sale.

Expressions of Interest / **Public Tender –** Council may determine to dispose of items by advertising for expressions of interest or public tender where:
- the items are of low value;
- the costs of disposal are disproportionate to the expected returns; or
- there is very limited interest.

The tendering process must be utilised pursuant to MFMA, including Municipal Supply Chain Management Regulations published under GN868 in Government Gazette 27636.

19. APPROVAL OF RESERVE PRICES

Fleet assets that have an apparent value for disposal through public auction or tender shall be approved by the Accounting Officer. The reserve price-value put forward will be determined by way of:

- Book value;
- Assessment from third party auction provider;
- Market value, taking into consideration the condition, the age of the asset, and the perceived value of the asset to a buyer.

20. FACTORS TO CONSIDER IN THE DISPOSAL PROCESS

There are factors apart from the monetary value of the goods that can affect the choice of disposal method, including:

- The market available for the assets
- Time considerations
- Council resources required to manage the disposal
- The costs associated with the different disposal methods, i.e. administration and transport cost to Council
- The size, portability and number of assets

In any event, the methods of disposal and reasons should be documented and filed according to the monetary value of the goods in question.

Irrespective of the disposal method, it is essential that all prospective buyers are advised in writing that fleet assets are disposed of, with any faults and at the buyer's risk.

Buyers are to rely on their own enquiries regarding the condition and workability of the fleet assets.

21. CONFLICT OF INTEREST

The official/s responsible for the disposal of any Council asset and the Fleet Manager must ensure that no conflict of interest occurs in or because of the asset disposal process and must disclose any actual or perceived conflict of interest that may arise in the performance of their duties.

22. SALE OF FLEET ASSETS TO STAFF / COUNCILORS

As a general principal, sale of fleet assets to municipal employees / Councillors is **NOT** to occur outside of a public process. Invitations to bid for the purchase of any Council assets should not be limited to municipal employees or to elected officials. Members of the public must also be allowed to compete for the purchase.

23. DONATIONS TO COMMUNITY GROUPS / CHARITIES

Donations of fleet assets may only be made with the authority of the Council and only after exploring all avenues to recuperate fair value for the Council. Council should only consider donations in response to a formal written request.

Authorization by way of a resolution of Council is required before such a sale or transfer can be affected.

24. PREPARING FLEET ASSETS FOR DISPOSAL

Vehicles are to be presented for disposal in a condition that will assist in gaining the greatest return to Council.

The motor vehicle and plant interior and exterior must be cleaned. Responsible officers should note that costs of cleaning the interior or exterior of the fleet asset will be the responsibility of the relevant Division allotted the fleet asset.

A check must be carried out to ensure that fleet assets do not contain:

- Additional Items not intended for sale
- Confidential papers (records, files, papers)
- Documents on Council letterheads or which may be used for fraudulent purposes
- Council properties (i.e. software which could lead to breach of license or containing confidential data)
- Hazardous materials
- Council branding and insignia.

25. TRANSFER OF FLEET ASSETS INTERNALLY

Where the Council is the registered owner of the asset, the vehicle may be transferred between Directorates and Divisions. The Fleet Manager must be notified in writing of the intention and approval must be obtained from both sides of the parties before the fleet asset can be transferred.

26. PROCEEDS FROM SALES

a) If there was debt attributable to the fleet asset, payment of that debt is the first call upon any proceeds of sale (that is the cash value less any costs relating to the sale).

b) The proceeds of sale (that is the cash value less any costs relating to the sale) following the retirement of any debt will be used for the purposes of:
   - The retirement of debt in relation to assets; or
   - The funding of the purchase of new assets as scheduled within the asset replacement program; or
   - To a specific Reserve Fund if appropriate or to the asset replacement reserve.

c) The proceeds will not be used to fund general operational expenditure.

27. DOCUMENTATION OF ASSET DISPOSAL PROCESS

- Documentation detailing decisions made on the fleet asset disposal must be archived in Council's records management system by the Fleet Manager;
- Correspondence, Invoices / Remittance advise, and disposal documents in relation to sale of the fleet asset must be archived in Council's records management system by the Fleet Manager;
- Receipt of the disposal of materials to a licensed scrap dealer or contracted engineer are to be included in the documentation;
- Finance Services must be informed by the Fleet Department of the disposed fleet asset/s so that the asset register can be updated and accounting treatments for disposed assets can be initiated.

28. IMPLEMENTATION AND REVIEW PROCESS

This policy will come into effect on **1 July 2026 [2025].**

This policy will be reviewed at least annually or when required by way of a Council resolution.

29. SHORT TITLE

This policy will be known as the Fleet Acquisition & Disposal Policy of the Overstrand Municipality.

POLICY SECTION:	**DIVISIONAL MANAGER: EXPENDITURE, ASSETS, FLEET AND LOGISTICS MANAGEMENT**
CURRENT UPDATE:	**_____ [27 JUNE 2025]**
PREVIOUS UPDATE	**27 JUNE 2025**
APPROVED BY COUNCIL	**27 JUNE 2025**

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FLEET MANAGEMENT POLICY

GENERAL EXPLANATORY NOTE:

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Page

TABLE OF CONTENTS

1.	PURPOSE	3
2.	DEFINITIONS	3
3.	STATUTORY LEGAL FRAMEWORK	4
4.	SCOPE	4
5.	STRATEGIC FLEET MANAGEMENT PRINCIPLES	5
6.	VEHICLES OF EXTERNAL SERVICE PROVIDERS (RENTAL VEHICLES)	5
7.	RESPONSIBILITIES OF FLEET MANAGEMENT	5
8.	RESPONSIBILITIES OF VEHICLE ADMINISTRATORS	6
9.	RESPONSIBILITIES OF AUTHORISED DRIVERS	6
10.	SAFE DRIVING	9
11.	VEHICLE LOGBOOKS	10
12.	VEHICLE KEYS	10
13.	SAFEGUARDING OF VEHICLES	11
14.	FUEL, OIL AND TOLL GATE SLIPS	11
15.	AFTER HOUR USAGE	11
16.	IRREGULAR USE OF OFFICIAL VEHICLES	11
17.	PROHIBITION OF EMPLOYEES FROM DRIVING OFFICIAL VEHICLES	12
18.	LIABILITY FOR LOSS OR DAMAGE	12
19.	PUBLIC LIABILITY	12
20.	MAINTENANCE OF OFFICIAL VEHICLES	12
21.	TRACKING DEVICE	12
22.	MECHANICAL OR OPERATIONAL FAILURE	12
23.	ACCIDENTS	12
24.	DISCIPLINARY ACTION	13
25.	CRIMINAL PROCEDURES	13
26.	EFFECTIVE DATE	13

1. PURPOSE

The purpose of this Policy is to regulate, control, **[and]** monitor and optimise the utilisation, maintenance and safeguarding **[use]** of official vehicles of the Overstrand Municipality in a manner that:

1.1 Supports uninterrupted and effective municipal service delivery;

1.2 Ensures that the users of official vehicles comply with all applicable legislative, regulatory and **[uniform]** policy frameworks and procedures in respect of fleet management.

1.3 Ensures that official vehicles are optimally and effectively used for the rendering of municipal services.

1.4 Ensures cost-effective and efficient usage of available funding in respect of fuel and maintenance.

1.5 Prevents possible abuse / misuse and unauthorised use of official vehicles.

1.6 **[Enhances]** Promotes safe, responsible, and environmentally conscious driving **[and usage]** practices in respect of official vehicles, and

1.7 Enables data-driven fleet planning, budgeting, and decision-making.

2. DEFINITIONS

For this Policy and the following definitions shall apply:

Officials
*A*ny person who is permanently or temporary employed or contracted by the Overstrand Municipality.

Official Vehicle
All vehicles registered in the name of Overstrand Municipality and all vehicles from the Provincial Government of the Western Cape made available by way of an official agreement to be utilise by Overstrand Municipality.

Authorised Driver
An authorised driver is an official of Overstrand Municipality who holds the prescribed applicable valid driver's License and are competent to operate such vehicle, and who has been duly authorised to drive an official vehicle from external service prover by a Vehicle Administrator who has the authority to grant such approval.

Fleet Management
The centralised function responsible for the strategic, operational, financial, and administrative management of the municipal vehicle fleet.

Official Vehicle
Any vehicle registered in the name of the Overstrand Municipality or made available through an approved agreement with another sphere of government or an external service provider.

Vehicle Administrator
Vehicle administrator is a designated Senior-/Manager of Overstrand Municipality who is responsible for the allocation of official vehicles to authorised drivers, in his/her department/directorate.

3. STATURORY AND LEGAL FRAMEWORK

This Policy **[must comply with]** is informed by and must be implemented in compliance with all relevant legislative requirements, including:

3.1 The Constitution of the Republic of South Africa, 1996 (Section 217);

3.2 Municipal Structures, Act 117 of 1998

3.3 Municipal Systems, Act 32 of 2000

3.4 Municipal Finance Management, Act 56 of 2003

3.5 National Road Traffic (NRTA), Act 93 of 1996

3.6 Occupational Health and Safety, Act 85 of 1993

3.7 Overstrand Municipality: Asset Management Policy

3.8 Overstrand Municipality Supply Chain Management Policy; and

3.9 Any other applicable legislation, regulations, and Council-approved policies

4. SCOPE

4.1 This policy applies to all officials and Councillors of Overstrand Municipality and governs the use and maintenance of all the official vehicles of the Overstrand Municipality.

4.2 A councillor may, in exceptional circumstances, upon good cause shown, and with the approval of the Mayor or Speaker, utilize the municipal-owned vehicle for official purposes, subject to written approval by the Mayor or Speaker.

4.3 If a councillor uses a municipal-owned motor vehicle for official purposes such councillor will not be reimbursed for kilometers travelled.

4.4 Members of the public may not operate/drive an official vehicle. (Unless a municipal vehicle needs to be tested by the manufacturer or allocated merchant during repair or maintenance process. Authorized proof for trip to be accompanied by the driver)

4.5 Any employee who receives essential vehicle assistance, car allowance or any other form of transportation allowance, may not operate/drive an official vehicle, subject to approval being granted as stipulated in 4.6 below.

4.6 If the requirement arises that an unauthorised driver/operator requires to use an official vehicle to fulfil his/her official duties, prior permission can be granted by the relevant Director in writing, to use an official vehicle. The usage may be required either due to:

4.6.1 His/her vehicle not available, in which case repayment or partial repayment may be required,
4.6.2 A requirement to operate a specialised vehicle, such as a cherry picker, refuse compactor truck, emergency services vehicle.
4.6.3 A group of municipal officials/councillors requires the use of the minibus to conduct their official duties. The minibus can be booked at the Fleet Management offices.

4.7 A group of members of a statutory committee(s) of the Municipal Council may be transported for official business in a minibus subject to approval by the relevant Director.

4.8 Authorisation from the relevant Director/Manager of an official vehicle shall be submitted to Fleet Management before the use of the official vehicle.

5. STRATEGIC FLEET MANAGEMENT PRINCIPLES

Fleet Management shall be guided by the following strategic principles:

5.1 **Lifecycle Costing**: Vehicles shall be managed based on total cost of ownership (TCO), including acquisition, maintenance, fuel, insurance, downtime, and disposal costs.

5.2 **Standardisation**: Vehicle specifications shall be standardised where operationally feasible to reduce maintenance costs and improve operational efficiency.

5.3 **Right-Sizing**: Fleet size and composition shall be aligned to operational demand, avoiding underutilisation or excess capacity.

5.4 **Data-Driven Decisions**: Fleet planning, replacement cycles, and budgeting shall be informed by verified utilisation, maintenance, and cost data.

5.5 **Sustainability:** Fuel efficiency, emissions reduction, and alternative technologies shall be considered where feasible and cost-effective.

6. VEHICLES OF EXTERNAL SERVICE PROVIDERS (RENTAL VEHICLES)

Where an official of Overstrand Municipality utilised a vehicle from an external service provider, the policies and conditions of the service provider must be accepted and adhered to by such an authorised driver.

7. RESPONSIBILITIES OF FLEET MANAGEMENT

The Fleet Management Section is largely responsible for the management and control of the vehicle fleet regarding:

7.1 Strategic planning and policy implementation;

7.2 Procurement of vehicles and related fixtures, replacement planning, and disposal coordination;

7.3 Centralised maintenance, **[and]** servicing and repair management of vehicles and related fixtures;

7.4 Fuel management and expenditure monitoring;

7.5 Safeguarding and compliance monitoring of vehicles;

7.6 Financial and other fleet data management, reporting, and audit support **[administrative record-keeping]** related to vehicles;

7.7 Oversight of tracking systems and utilisation analytics;

7.8 Inspection of all vehicles on at least a quarterly basis;

7.9 Ensure allocation of vehicles to vehicle administrators/authorized drivers;

7.10 Deal/assist with investigations regarding any incidents related to misuse/in appropriate use and accidents; with regard to the vehicle fleet;

7.11 [Financial and other administrative duties (including record-keeping) related to the vehicles fleet, and]

7.12 Ensure timely communication regarding matters related to fleet management to all affected stakeholders.

8. RESPONSIBILITIES OF VEHICLE ADMINISTRATORS

Vehicle Administrators shall:

8.1 Allocate vehicles, including the keys, logbook and, if applicable, fuel card in accordance with operational requirements, and care must be exercised that all the issued items are returned to the vehicle administrator;

8.2 Ensure that only authorised and licensed drivers operate vehicles;

8.3 Verify logbooks, fuel slips, and inspection records monthly;

8.4 Ensure timely servicing, cleaning, and repairs;

8.5 Report irregularities, incidents, or misuse to Fleet Management; and

8.6 Maintain departmental compliance and accountability.

9. RESPONSIBILITIES OF AUTHORISED DRIVERS

9.1 The full cooperation of all employees that make use and are dependent on the vehicle fleet to execute their official duties are always required to ensure that Overstrand Municipality's Fleet Management System functions in an effective and efficient manner.

9.2 All authorised drivers/ and vehicle administrators are expected to accept and exercise the responsibilities associated with the operation of vehicles, as prescribed in this policy.

9.3 The authorised drivers shall be held accountable for the vehicle in his/her possession.

9.4 **Authorised usage**

9.4.1 The vehicles shall only be driven by appropriately licensed and duly authorised officials on official duty who must ensure that their driving licenses are always valid and are renewed before the expiry date.
9.4.2 All employees shall travel in one official vehicle as far as reasonably possible.
9.4.3 All authorised drivers shall sign the Fleet Management Policy before they are permitted to drive an official vehicle.
9.4.4 All official vehicles must be issued with a logbook (hard copy or electronic). The authorised driver is responsible to record all his/her trips in the logbook on a daily basis.
9.4.5 Officials shall use the official vehicles only for execution of official duties.
9.4.6 Officials may not tamper with the speedometer or any part of an official vehicle.
9.4.7 Official vehicles may only be utilised as per the applicable prescribed license requirements.
9.4.8 No official vehicle shall be used for unofficial training.
9.4.9 When an official vehicle requires fuel/oil, the official vehicle shall obtain the supplies on route, or at the closest filling station if it is safe to do so.
9.4.10 Authorised drivers shall adhere to the manufacturer's specifications and the National Road Traffic, Act 93 of 1996 (NRTA) to prevent overloading or incorrect load distributions.
9.4.11 All loads shall be properly secured.
9.4.12 Authorised drivers shall accept responsibility for the official vehicle and its load, and for safe driving practices.
9.4.13 Authorised drivers shall adhere to all traffic regulations whilst supporting green band driving. (Green band driving is a measure of the use of the most efficient range of the engine).
9.4.14 Radiator coolant level needs to be checked before start-off trip daily or when filling with fuel at the filling station, as well as the oil level, brake fluid level and windscreen washer water level, if touch-up is required, fill up to the level as indicated on the level mark. **[No water shall be used to top up engine coolant. Only pre-mix antifreeze shall be used that can be obtained from the Municipal Stores.]**

9.5 Valid Driver's License

9.5.1 Officials who are authorised to drive an official vehicle must have of a valid driver's license in terms of the National Road Traffic, Act 93 of 1996 (NRTA) for the particular class of vehicle utilised by him/her.
9.5.2 It is the responsibility of the official to inform his/her dedicated vehicle administrator in the event of his/her driver's license being revoked or suspended.
9.5.3 Vehicle administrators must ensure that no official operates an official vehicle without a valid driver's license.

9.6 Public Drivers Permit

9.6.1 Authorised drivers who in terms of prescribed legislation must have of Public Drivers Permits (PDP) must ensure that their Public Drivers Permits (PDP) are always valid and are renewed before the expiry date.
9.6.2 Overstrand Municipality will bear the costs of all authorised drivers who in terms of their job requirements must possess a Public Drivers Permit (PDP).

9.7 Public Image

9.7.1 All official vehicles shall be driven safely and courteously, which will promote the Overstrand Municipality's public image.
9.7.2 All official vehicles must be branded with an identifiable approved official logo, excluding official vehicles utilised by Councillors.

9.8 Tidiness

9.8.1 Official vehicles should at all times be kept in a neat and tidy condition by employees.
9.8.2 Upon returning from each trip, official vehicles must be cleared of all items not belonging in the vehicle (refuse, personal items, etc.).
9.8.3 Vehicle administrators shall ensure that all official vehicles are washed and vacuumed at least on a bi-weekly basis.

9.9 Careful Handling

Official vehicles shall at all times be driven and handled with proper care and attention to obtain the best mechanical service and avoid infringements of the law.

9.10 Inspections of Official Vehicles

9.10.1 Pre- and post-inspections of official vehicles are to be carried out by each authorised driver before embarking on a trip and after completion of a trip and/or daily to ensure that the vehicle is in a roadworthy, safe working and clean condition, by also completing the prescribed pre- and post-inspection form.
9.10.2 All yellow machines (i.e. diggers, loaders, graders, excavators, compactors) must be greased as per manufacturer's specifications by the relevant authorised driver.
9.10.3 Refuse compactors will be greased weekly by the relevant authorised driver, based on the schedule provided by the vehicle administrator.
9.10.4 The abovementioned inspection forms must be presented to his/her vehicle administrator on a weekly basis.
9.10.5 Any damage/defects found by the authorised driver during the course of the inspection must be reported in writing the same day to his/her vehicle administrator who must report it to the Fleet Management Department for further action.
9.10.6 The last authorised driver of an official vehicle will be held responsible for any unreported damage/defects/loss.
9.10.7 If during an inspection it is found by an authorised driver that a license disc and/or number plate is lost, destroyed, expired or illegible, matter(s) must be reported without delay to his/her vehicle administrator who must report it to the Fleet Management Department for further action. The vehicle shall not be utilised until at such a time that the vehicle is deemed roadworthy.
9.10.8 All official vehicles must be available for periodical inspection upon the instruction of the Fleet Management Department.
9.10.9 Employees may not display and/or affix any private signs, mascots, stickers or advertising material, on an official vehicle.
9.10.10 All vehicles fitted with a turbocharger must be idled for 2 minutes after start-up, and before switching the engine off the engine must also be idled for 2 minutes.

9.11 Safety

9.11.1 Authorised drivers shall adhere to traffic rules and legislation and ensure that their passengers also adhere to such legislation, including the fastening of seat belts.
9.11.2 Any vehicle that is not deemed to be roadworthy will not be allowed to be operated and must be reported to the Fleet Management office by the vehicle administrator immediately.
9.11.3 All hydraulic lifting equipment shall annually be safety tested by an authorised load testing facility as prescribed by the Occupational Health and Safety, Act 85 of 1993. Lifting equipment not tested will be deemed unsafe and will not be used.
9.11.4 Cell phones shall not be used (including texting) whilst the authorised driver is operating an official vehicle.

10. SAFE DRIVING

10.1 Traffic Fines

10.1.1 Overstrand Municipality will not pay any traffic fines and the authorised driver of the official vehicle, as specified on the vehicle requisition form, will be held liable for all traffic fines issued while the said official vehicle has been entrusted to him/her.
10.1.2 No employee will receive any financial assistance from Overstrand Municipality for payment of any fines and the official driver must ensure that the traffic fine(s) is paid on or before the due date as stipulated in the Fine Notice.
10.1.3 Traffic fines shall be transferred to the authorised driver.

10.2 Speed Limit

10.2.1 In terms of section 59(4) of the National Road Traffic, Act 93 of 1996 (NRTA) no person shall drive a vehicle on a public road at a speed in excess of the general speed limit which applies in terms of that road, or at a speed in excess of a speed limit indicated by an appropriate road traffic sign or in excess of the speed limit prescribed by the Minister in respect of the class of vehicle concerned.
10.2.2 Official vehicles may not be driven at a speed limit that may endanger the lives of passengers and/or other road users.
10.2.3 The speed must be adjusted to suit weather conditions; road conditions and the particular type of vehicle being used.

10.3 Night Driving: Correct use of Vehicle Lights

All authorised drivers of official vehicles must strictly adhere to Regulation 157 of the National Road Traffic, Act 93 of 1996 (NRTA) which requires, inter alia, that vehicle lights be operational at any time from sunset to sunrise and “at any other time when, due to insufficient light or unfavourable weather conditions, persons and vehicles upon the public road are not clearly visible at a distance of 150 meters”.

10.4 Unattended Official Vehicles

The authorised driver of an official vehicle must turn off the ignition, close all windows and lock the doors and, if applicable, close and lock the boot or canopy

windows and doors of the vehicle, whenever the vehicle is left unattended, excluding emergency vehicles when operationally active.

10.5 Testing of Authorised Drivers

Any authorised driver can at any time be instructed by Fleet Management to pass a competency test at the Traffic Department.

[11 DUTIES OF VEHICLE ADMINISTRATORS

11.1 When an official vehicle is issued to an authorised driver, the vehicle keys vehicle logbook and, if applicable, fuel card must be handed over to the driver and care must be exercised that all the issued items are returned to the vehicle administrator.

11.2 The authorised driver must, at the end of his/her trip record the details as required in the official vehicle logbook and sign off the logbook, before handing the logbook back to the vehicle administrator.

11.2.1 On receipt of the vehicle logbook, the vehicle administrator must check that all trips that were undertaken by the authorised driver are recorded on the vehicle log sheet to ensure accuracy and completeness.

11.2.2 If the vehicle administrator is satisfied that the information on the vehicle log sheet is correct, he/she must sign off the vehicle log sheet(s) as evidence that the information is correct, where after it must be submitted to the Fleet Management Department by no later than the 7th working day of each month.

11.2.3 The vehicle administrator must submit to the Fleet Management Department, by no later than the 7th working day of each month, fuel slips, attached to the relevant copies of the vehicle log sheets for fuel/oil and tolls.

11.2.4 Vehicle inspection sheets will be kept on file by the vehicle administrator and shall be made available to the Fleet Management Department for inspection from time to time.

11.3 It is the responsibility of the vehicle administrator to ensure that all vehicles are timeously cleaned, greased, booked for services and repairs with the Fleet Management Department.]

11 VEHICLE LOGBOOKS

Each authorised driver shall record in the vehicle logbook legibly and accurately details of the trip, as well as the closing kilometer reading of the odometer upon return of the official vehicle to establish the distances travelled per journey.

12 VEHICLE KEYS

12.1 All official vehicle keys must be safely secured in a lockable storage facility (provided by the vehicle administrator) when the vehicle is not in use.

12.2 A designated driver to whom an official vehicle is entrusted must personally and at all times ensure that the vehicle keys are in safe custody and that they are not lost or do not fall into the hands of unauthorised persons

12.3 Should vehicle keys be lost, measures should immediately be taken by the authorised driver to safeguard the vehicle against theft or unauthorised usage. The loss of the vehicle keys must be reported immediately to the vehicle administrator and Fleet Management.

13 SAFEGUARDING OF VEHICLES

The authorised driver of the official vehicle of Overstrand Municipality must take all reasonable steps to ensure the safeguarding of municipal property in official vehicles (i.e. fuel, accessories, and tools) against theft and/or damage, even in instances when the official vehicle is vacated by the authorised driver.

14 FUEL, OIL AND TOLL GATE SLIPS

The fuel, oil and toll gate slips must be attached to the trip sheet and must be handed in by the relevant authorised driver of an official vehicle to the vehicle administrator, for dispatch to the Fleet Management Department as prescribed in this policy.

15 AFTER HOUR USAGE

15.1. Authorised drivers of Overstrand Municipality may be approved to utilise official vehicles after normal working hours or over weekends based on operational requirements.

15.2. Where official vehicles have to be utilised after normal working hours the applicable vehicle administrator must authorise the prescribed official vehicle for overnight usage.

15.3. The authorised driver shall ensure that the official vehicle is parked at a secure location, at least behind locked gates, as the authorized driver will be held accountable for any damages or loss whilst the vehicle is in his/her possession.

16 IRREGULAR USE OF OFFICIAL VEHICLES

16.1 Alcohol/Drugs/Prescribed Medicine/Personal Gain

i. Authorised drivers may not drive an official vehicle when under the influence of alcohol or drugs.
ii. Authorised drivers may not smoke any tobacco products while in an official vehicle.
iii. Authorised drivers may not drink any liquor and/or take any illegal drugs while being in or on an official vehicle.
iv. Authorised driver who are on any form of prescribed medication which may affect his/her driving capabilities must notify his/her supervisor accordingly by providing a letter from a registered medical practitioner.

16.2 Passengers

i. Any passenger who is not in the employment of Overstrand Municipality must be authorized by the relevant Director (Departmental Head) to be transported for the purposes of official business of the Municipality.
ii. The last-mentioned approved passenger must sign the prescribed indemnity form before embarking on a journey.

17 PROHIBITION OF EMPLOYEES FROM DRIVING OFFICIAL VEHICLES

The Municipal Manager reserves the right to prohibit an employee from driving an official vehicle, either on a temporary or permanent basis, should circumstances deem it necessary.

18 LIABILITY FOR LOSS OR DAMAGE

An employee of Overstrand Municipality, who has been found guilty in terms of the Disciplinary Procedure and Code Collective Agreement for the loss of or damage to an official vehicle, may be held liable for such loss or damage.

19 PUBLIC LIABILITY

The use of official vehicles may expose an employee to public liability in the event of an accident if the accident is found to be caused by the driver's negligence.

20 MAINTENANCE OF OFFICIAL VEHICLES

20.1 The vehicle administrator must keep a record for the servicing of vehicles to ensure that all official vehicles are released for servicing timeously and that the vehicle is delivered (and collected) to the identified Mechanical Workshop.

20.2 Any defects, faults or breakdowns which are experienced on the route during official journeys, must be reported by the authorised driver to the vehicle administrator, who must make the necessary arrangements with Fleet Management Department for repairs to be executed.

21 TRACKING DEVICE

All employees should take cognisance of the fact that official vehicles may be equipped with a tracking device.

22 MECHANICAL OR OPERATIONAL FAILURE

22.1 When mechanical or operational deficiencies occur while an official vehicle is being used, the employee must immediately contact the relevant vehicle administrator who must arrange with the Fleet Management Department to attend to the matter.

22.2 Under no circumstances may an employee of Overstrand Municipality continue to operate an official vehicle if the operation could endanger any person, property or the vehicle itself.

22.3 When official vehicles are experiencing breakdowns or are stuck, the authorised driver of such a vehicle shall inform his vehicle administrator who must arrange with the Fleet Management Department for the recovery of the vehicle. No person is authorised to tow an official vehicle unless approved by the Fleet Management Department.

23 ACCIDENTS

In the event of an accident/ incident the following procedures shall apply, irrespective of the severity of the accident/incident:

23.1 Where possible authorised driver/employees on the scene must contact the law enforcement officers for assistance and also inform the Fleet Management Department.

23.2 Under no circumstances shall liability be admitted or unguarded statements be made to any person or payment offered or made to a third party.

23.3 Obtain as soon as possible the following information:
i. Registration number, make and type of vehicle involved in accident
ii. Names and addresses of persons involved in the accident/incident
iii. Insurance particulars of involved parties
iv. Names and addresses of any person that can act as a witness, including occupants of involved vehicles
v. Take photos of the accident/ incident with your cell phone if available.

23.4 It is the responsibility of the authorised driver of an official vehicle to also immediately report any accident/incident to the relevant vehicle administrator and the South African Police Service, subject thereto that if it is not possible to report the accident immediately, it must be reported within 24 hours.

23.5 If involved in any kind of accident/incident the authorised driver where possible, shall submit within 24 hours after the accident to his/her vehicle administrator all documentation as per the Overstrand Municipality: Asset Management Policy.

23.6 The vehicle administrator shall within 48 hours submit the documentation as prescribed above (in 23.3) to the Assets Department.

23.7 The vehicle administrator shall return the affected vehicle and copies of documentation prescribed above (in 23.3) to the Fleet Management Department within 48 hours.

24 DISCIPLINARY ACTION

An employee who transgresses the prescriptions of this Fleet Management Policy will be subject to the possibly disciplinary action.

25 CRIMINAL PROCEDURES

The Municipal Manager, a third party or the National Prosecuting Authority of South Africa may institute criminal charges against an employee in a court of law should applicable legislation deemed it necessary.

26 EFFECTIVE DATE

The Fleet Management Policy will become effective on **01 July 2026 [2025]** upon approval by the Council of Overstrand Municipality.

POLICY SECTION:	**DIVISIONAL MANAGER: EXPENDITURE, ASSETS, FLEET AND LOGISTICS MANAGEMENT**
CURRENT UPDATE	**_____ [29 MAY 2025]**
PREVIOUS UPDATE	**29 MAY 2025**
PREVIOUS UPDATE	**31 MAY 2024**
PREVIOUS UPDATE	**25 NOV 2020**
PREVIOUS REVIEW	**27 MAR 2013**
APPROVAL BY COUNCIL	**28 MAY 2008**

ANNEXURE "A": TRIP AUTHORITY

Vehicle Registration Number:

Driver Details:

| | | |

Annexure “B”: Pre-drive inspections of vehicles/plant

OVERSTRAND MUNICIPALITY
DAILY REPORT ON CONDITION OF MUNICIPAL VEHICLE
**MARK IN THE RELEVANT SPACE - √

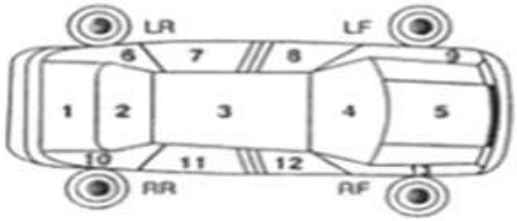
ANNEXURE "B"

REGISTRATION NUMBER:		ADMINISTRATION:	DEPARTMENT:
DRIVER SURNAME:			DRIVER INITIALS:

	MON	TUES	WED	THUR	FRI	SAT	SUN
WORKING ORDER							
WINDOWS							
BODYWORK							
UPHOLSTERY							
CARPETS/MATS							
HOOTER							
RECORDS							
PETROL CARD							
LOGBOOK							
LOGO DISPLAYED							
LICENCE DISC DISPLAYED							
LIC. DISC EXPIRY DATE:		/		/	20		
LAST SERVICED:		/		/	20		

INDICATE BODY DAMAGE

TICK	√
BODYWORK	
WORN	
RUSTED	
CRACKED/CHIPPED	
SCRATCHED	



DRIVER SIGNED:						
DATE SIGNED & SUBMITTED:		/		/	20	
SUPERVISOR SIGNED:						
DATE SIGNED & SUBMITTED:		/		/	20	

	MON	TUES	WED	THUR	FRI	SAT	SUN
WHEELS AND TYRES							
PASSENGER FRONT							
PASSENGER REAR							
DRIVER FRONT							
DRIVER REAR							
SPARE WHEEL							
VEHICLE CHECKS							
WINDSCREEN WATER							
RADIOTOR WATER							
BRAKE FLUID							
ENGINE OIL							
NEATNESS							
ELECTRICAL							
INTERIOR LIGHTS							
INSTRUMENT LIGHTS							
VENTILATION FAN							
WINDSCREEN WIPERS							
HAZARD LIGHTS							
HEAD LIGHTS							
PARK LIGHTS							
INDICATORS							
STOP/BRAKE LIGHTS							
DATE FAULTS REPORTED:			/		/	20	
JOB CARD NO:							

Annexure “C” (PAGE 1): Fleet Management Inspection Fo

VEHICLE INSPECTION SHEET:		VEHICLE LIST NO:	
ADMIN: TICK OFF	KLM	HM	STF	GAN	BARCODE

VEHICLES DETAILS										
MAKE & SERIES NAME										COMMENTS
REGISTRATION NO.										
SPEEDO / **HOUR** READING										
LICENCE EXPIRY DATE	D	D	M	M	Y	Y	Y	Y		
SERVICE DATE/ ODOREADING										

LIGHTS/ SIGNALS - WORKING ORDER						
DRIVER SIDE	Y	N	PASSENGER SIDE	Y	N	COMMENTS
HEADLIGHTS: BRIGHT			HEADLIGHTS: BRIGHT			
HEADLIGHTS: DIPPED			HEADLIGHTS: DIPPED			
PARK LIGHTS: FRONT			PARK LIGHTS: FRONT			
PARK LIGHTS: REAR			PARK LIGHTS: REAR			
INDICATOR: FRONT			INDICATOR: FRONT			
INDICATOR: REAR			INDICATOR: REAR			
HAZARD LIGHT: FRONT			HAZARD LIGHT: FRONT			
HAZARD LIGHT: REAR			HAZARD LIGHT: REAR			
BRAKE LIGHT			BRAKE LIGHT			
REVERSE LIGHT			REVERSE LIGHT			
TAILLIGHTS			TAILLIGHTS			
HOOTER			HOOTER			
WINDSCREEN WIPERS			WINDSCREEN WIPERS			

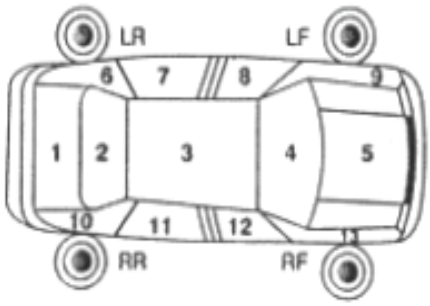
FITTING AND EQUIPMENT						
DRIVER SIDE	Y	N	PASSENGER SIDE	Y	N	COMMENTS
SIDE MIRROR			SIDE MIRROR			
REAR VIEW MIRROR			ODO METER			
DOORLOCK: FRONT/REAR			DOORLOCK: FRONT/ REAR			
WINDOW WINDER: FRONT			WINDOW WINDER: FRONT			
WINDOW WINDER: REAR			WINDOW WINDER: REAR			
WINDOW: FRONT			WINDOW: FRONT			
WINDOW: REAR			WINDOW: REAR			
WINDSCREEN: **FRONT**			WINDSCREEN: **REAR**			
SEAT: FRONT			SEAT: FRONT			
SEAT: REAR			SEAT: REAR			
SAFETYBELT			SAFETY BELT			
FITTINGS AND EQUIPMENT	**Y**	**N**	**FITTINGS AND EQUIPMENT**	**Y**	**N**	**COMMENTS**
WHEEL FLAPS			STEPS			
SHEVRON BOARDS			RETRO-REFLECTOR			

TYRE -CONDITION -TICK OFF	GOOD	BAD	

EMERGENCY EQUIPMENT -	Y	N	INSTRUMENT PANEL LIGHTS	Y	N	COMMENTS
SPAREWHEEL			LIGHT SWITCHES			
TRAINGLES X 2			FUEL GAUGE			
WHEEL JACK			OIL WARNING LIGHT			
WHEEL SPANNER			HEAT GAUGE			
LOAD COVER SHEET			WATER WARNING LIGHT			
			BRAKE WARNING LIGHT			

Annexure “C” (PAGE 2): Fleet Management Inspection Form

BODYWORK	Y	N	Please indicate details of defects/damage on the drawing below
RUST (R)			COMMENTS
DENTS (D)			
SCRATCHES (S)			
CHIPPED (C)			
CLEANLINESS			



											Y	N	COMMENTS
MECHANICAL	**Y**	**N**	License disc displayed valid										
EXHAUST			Service Book/ Sticker										
OIL LEAKS			Logbook										
SHOCKS			Municipal Logo Displayed										
BREAKS			Non-smoking Sticker										

I hereby certify that the above inspection information is correct:

Inspection Officer:……	**pay no:**	…… …… ….	**date**	**……/……./20___**	**Signature:_____**
Name of driver:……..	**pay no:**	…… …… …..	**date**	**……/……./20___**	**Signature:_____**
Traffic Officer:……	**pay no:**	…… …… ….	**date**	**……/……./20___**	**Signature:_____**

Annexure “D”: Logbook

OVERSTRAND MUNICIPALITY								LOGBOOK			1234
NAME OF DRIVER: ……								VEHICLE REGISTRATION NUMBER: ……			
DATE	START TIME	END TIME	DESTINATION	KILOMETRE / HOUR READING		DISTANCE (KM) / DURATION	TOTAL LOADS	FUEL PURCHASED	PURPOSE OF TRIP/ WORKSORDER NO.	DRIVER'S PAY NO.	SIGNATURE
				START	END						
/ /	:	:						R			
/ /	:	:						R			
/ /	:	:						R			
/ /	:	:						R			
/ /	:	:						R			
/ /	:	:						R			
/ /	:	:						R			
/ /	:	:						R			
/ /	:	:						R			
TOTAL								R			

I CERTIFY THAT THE ABOVEMENTIONED INFORMATION IS CORRECT.

NAME OF OFFICIAL

DATE

I CERTIFY THAT THE ABOVEMENTIONED INFORMATION WAS VERIFIED AND IS CORRECT.

MANAGER or OTHER AUTHORISED PERSON

DATE

Annexure “E”: Incident Form

Vehicle Details:

Vehicle Registration Number:	**Make & Model**

Description of damage to vehicle:

	JOB CARD NO	

……
……
……

Address where accident/ incident occurred:

Date of incident/ accident:	Street Name:	Suburb/Town:
DD / MM / YYYY		

Driver Details:

Name:													Surname:						
Capacity (post)																			
Department:													Personnel no:						
I.D. No:																			
Drivers Licence No:													Expire date: DD / MM / YYYY						
PDP Licence: tick off √			**YES**			**NO**							If yes, expire date: DD / MM / YYYY						
Contact number:																			

Statement-driver of vehicle:

……
……
……
……
……
……

Name other parties involved:

Name:								Surname:						
I.D. No:														
Address:														
											Postal code:			
Contact number:														

I hereby certify that the abovementioned details are correct.

Signed: …… ……

(Driver of Vehicle) (**Supervisor / Line Manager)**

Date: DD / MM / YYYY DD / MM / YYYY

COMPLETE IN DUPLICATE / FILE ON PERSONNEL FILE

Annexure “F”: Indemnity form by private person to be transported with a Municipal vehicle

TRANSPORT INDEMNITY / RELEASE FORM

I, the undersigned

(Full name and surname in block letters)

I.D. No:													

(Identity Number)

travelling as a passenger in a vehicle or other mode of transportation of the Overstrand Municipality hereby indemnify, release and discharge the Municipality, its Council, Council members, staff members, officials and other persons authorised by the Municipality from all liability arising from claims that I as a passenger and my dependants may have for any injury (including injury resulting in death), however caused, sustained by me and for loss of or damage, however caused, to my personal belongings suffered at any time during the course of my transportation as a passenger in a vehicle or other mode of transportation belonging to the Overstrand Municipality

THUS DONE AND SIGNED AT ……..…….

ON THIS …….…. DAY OF ……..…….……20….

……..

SIGNATURE OF PASSENGER

. ……..

SIGNATURE OF WITNESS

COPY AND FILE

Annexure “H”: Acknowledgement of vehicle policy

ALL DRIVERS AND OPERATORS

CONFIRMATION OF COMPLIANCE REGARDING UTILISATION OF COUNCIL VEHICLES AND/ OR MACHINES

DRIVER DETAILS:

Full Name (s):							**Surname:**						
I.D. No:													
Drivers Licence No:					**Code**		**Expire date**:		DD / MM / YYYY				
PrDP No.							**Expire date**:		DD / MM / YYYY				
Department:							**Personnel no:**						
Administration: TICK OFF (X)	**KLEINMOND**		**HERMANUS**				**GANSBAAI**			**STANFORD**			
Contact number:													

I, the undersigned hereby acknowledge that I have been authorised to drive a municipal vehicle and that I have received a copy of Council’s policy and/or attended a vehicle policy information session regarding the usage and appliance of municipal vehicles. I accept and understand the contents of the policy and regard it as binding.

I am aware that in terms of the use of Council vehicles / machines, I am required to have been issued the necessary appropriate valid driver’s licence / permits / documents for the legal use of the Council vehicles / machines.

I hereby certify that the abovementioned details are correct.

SIGNATURE: …… **DATE:** DD / MM / YYYY

Approved by:

MANAGER or OTHER AUTHORISED PERSON			
Name		**Surname:**	
Signature:		**Date:**	

The following supporting documents must be submitted to Fleet Management with the completed form:
(a) *Copy of driver’s licence/ permits* ***(b)*** *Copy of ID document*

COMPLETE IN DUPLICATE / FILE IN PERSONNEL FILE

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OVERSTRAND

PAYDAY POLICY

GENERAL EXPLANATORY NOTE:

[ ] Words in bold type in square brackets indicate omissions from existing enactments.

_____ Words underlined with a solid line indicate insertions in existing enactments.

TABLE OF CONTENTS

		Page
1.	PURPOSE	3
2.	OBJECTIVES OF THE POLICY	3
3.	DEFINITIONS	3
4.	LEGISLATIVE FRAMEWORK	3
5.	SCOPE OF THE POLICY	3
6.	POLICY PRINCIPLES	4
	6.1 Councillors and Permanent employees	4
	6.2 Contractual employees	4
	6.3 Temporary employees and Seasonal Workers	4
	6.4 Payment of additional allowances	4
7.	IMPLEMENTATION AND REVIEW PROCESS	5
8.	SHORT TITLE	5

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. 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. 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. 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 6.1(a), 6.1(b) and 6.1(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 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. Temporary employees who elect to be paid on a monthly basis, will be paid in accordance with the monthly remuneration dates for Temporary employees, except if otherwise communicated.

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 were incurred (as stipulated in Sections 18.2 & 18.3 of the approved Travel & Subsistence policy). Submission of these weekly payment requests must reach the salary office by Wednesdays before 10h00.

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. Submission of these weekly payment requests must reach the salary office by Wednesdays before 10h00.

6.4.3 **Acting allowances** will be paid with the salary run of the month after the acting was performed.

6.4.4 Any **backdated remuneration** approved for payment shall be calculated and processed with the next scheduled salary run, provided that all required supporting documentation has been submitted to the salary office before the relevant deadline.

7. IMPLEMENTATION AND REVIEW PROCESS

This policy will come into effect on **1 July 2026 [2025].**

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 Payday Policy of the Overstrand Municipality.

POLICY SECTION:	**DIVISIONAL MANAGER: EXPENDITURE, ASSETS, FLEET AND LOGISTICS MANAGEMENT**
CURRENT UPDATE	**_____ [29 MAY 2025]**
PREVIOUS UPDATE	**29 MAY 2025**
PREVIOUS UPDATE	**31 MAY 2024**
PREVIOUS REVIEW	**31 MAY 2023**
PREVIOUS REVIEW	**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**
APPROVAL BY COUNCIL	**28 NOVEMBER 2000 (Resolution)**

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PETTY CASH POLICY

GENERAL EXPLANATORY NOTE:

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TABLE OF CONTENTS

		PAGE
1.	INTRODUCTION	3
2.	OBJECTIVES OF THE POLICY	3
3.	LEGISLATIVE FRAMEWORK	3
4.	DEFINITIONS	3
5.	RESPONSIBILITY AND ACCOUNTABILITY	4
6.	PETTY CASH POLICY	4
	6.1 General Policy	4
	6.2 Establishing and Operating a Petty Cash Float	5
	6.3 Security of Petty Cash Floats	6
	6.4 Completing a Cash Purchase Claim Form	6
	6.5 Sub-Advances to Staff Members	7
	6.6 Out-of-Pocket Payments	7
	6.7 Reimbursement of Petty Cash Floats	7
	6.8 Shortages and Losses	8
	6.9 Internal Controls	8
	6.10 Procedure where a Petty Cash Float is Repaid / Cancelled	8
7.	IMPLEMENTATION AND REVIEW PROCESS	9
8.	SHORT TITLE	9

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 (specifically Paragraph 15 – Petty cash and direct purchases).

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 R10 000-00)** is strictly confined to **individual cash purchases of up to a maximum of R1 000-00.** 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 15 sub-advances per Department per month; except in instances with the explicit pre-approval of the Chief Financial Officer.

(c) **The same goods / services may not be purchased out of Petty Cash within a 60-day period**, unless it is of an insignificant value and the demand for the year is less than or equal to R2 000;

(d) A register of Petty Cash purchases must be maintained for each department;

(e) The expenditure with regard to petty cash purchases **shall not be deliberately split into more than one transaction to avoid the said limit**;

(f) 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**.**

(g) 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;

(h) The Accounting Officer, or delegated official, may conduct internal audits to evaluate compliance with this policy, and

(i) 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 2026 [2025].**

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:	**DIVISIONAL MANAGER: EXPENDITURE, ASSETS, FLEET AND LOGISTICS MANAGEMENT**
CURRENT UPDATE	**_____ [29 MAY 2025]**
PREVIOUS UPDATE	**29 MAY 2025**
PREVIOUS UPDATE	**31 MAY 2024**
PREVIOUS REVIEW	**28 FEB 2024**
PREVIOUS REVIEW	**31 MAY 2023**
PREVIOUS REVIEW	**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**

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OVERSTRAND

TRAVEL & SUBSISTENCE POLICY

GENERAL EXPLANATORY NOTE:

[ ] Words in bold type in square brackets indicate omissions from existing enactments.

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TABLE OF CONTENTS

		PAGE
1.	PURPOSE	3
2.	OBJECTIVES OF THE POLICY	3
3.	LEGISLATIVE FRAMEWORK	3
4.	SCOPE OF APPLICATION	3
5.	DEFINITIONS	4
6.	AUTHORISATION	6
7.	GENERAL	6
8.	EXCLUSIONS	7
9.	AIR TRAVEL – Domestic and International	8
10.	ACCOMMODATION AND MEALS – Domestic and International	9
11.	USE OF VEHICLES	11
12.	SUBSISTENCE ALLOWANCE – Domestic and International	12
13.	MISCELLANEOUS EXPENSES	13
14.	SPONSORED TRIPS – Domestic and International	13
15.	TRAVEL INSURANCE	14
16.	GIFTS AND PROMOTIONAL GOODS	14
17.	DEVIATION	14
18.	TRAVEL AND SUBSISTENCE ALLOWANCE CLAIM FORM	14
19.	IMPLEMENTATION AND REVIEW PROCESS	15
20.	SHORT TITLE	15

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"	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 the Executive Mayor 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 public office bearers 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) travellers 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 **Municipal Manager** in terms of the delegated authority to do so.

7.7. In the event of direct payments made by travellers 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 traveller 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 need 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 provides 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 traveller, **recommended by the relevant Director** or Executive Mayor, as the case may be, 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 maximum rate per night (including Tourism Levy) for a single room will be payable as follows:
  - a) Graded Hotel or Boutique Hotel:
    - (i) Room Only : R1'360-00 (incl VAT);
    - (ii) Room & Breakfast : R1'470-00 (incl Vat);
    - (iii) Room, Breakfast & Dinner : R1'700-00 (incl VAT)
  - b) Graded Bed & Breakfast, County Houe or Guest House:
    - (i) Room Only : R1'090-00 (incl VAT);
    - (ii) Room & Breakfast : R1'260-00 (incl Vat);

(iii) Room, Breakfast & Dinner : R1'460-00 (incl VAT)

c) Graded Self-Catering Establishment:

(i) Room Only : R1'360-00 (incl VAT).

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 be made to the establishment based on "pro-forma" invoices in order to secure the reservation, it is the responsibility of the traveller 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 has 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 = R120-00;
b) Lunch = R170-00 (if not provided / included at the event);
c) Dinner = R190-00.

10.3. Meal Expenses – International Trips

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 traveller 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 in accordance with paragraph 6.1.

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. Travellers 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 official 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. 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.

11.2.3. Travellers in receipt of a fixed transportation allowance, or where such an allowance has been factored into the total cost of remuneration package of the traveller concerned, 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.

11.2.4. 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. Those travellers who are not in receipt of a travel allowance shall be reimbursed according to the latest prescribed SARS km tariff, calculated from their place of work or residence, which-ever is the nearest to the place of the approved destination.

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 traveller, 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, 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, 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 authorized 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 authorized in accordance with paragraph 6.1, 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.

18.3. 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 above.

19. IMPLEMENTATION AND REVIEW PROCESS

This policy will come into effect on **1 July 2025;**

This policy will be reviewed at least annually or when required by way of a Council resolution.

20. SHORT TITLE

This policy shall be known as the Travel and Subsistence Policy of the Overstrand Municipality.

POLICY SECTION:	**DIVISIONAL MANAGER: EXPENDITURE, ASSETS, FLEET AND LOGISTICS MANAGEMENT**
CURRENT UPDATE	**_____ [29 MAY 2025]**
PREVIOUS UPDATE	**29 MAY 2025**
PREVIOUS UPDATE	**31 MAY 2024**
PREVIOUS REVIEW	**31 MAY 2023**
PREVIOUS REVIEW	**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



CONTRACT MANAGEMENT POLICY

TABLE OF CONTENTS

1.	PRE-AMBLE	2
2.	DEFINITIONS	3
3.	ABBREVIATIONS	4
4.	OBJECTIVES	4
5.	STATUTORY AND REGULATORY FRAMEWORK FOR MANAGING CONTRACTS	5
6.	MAINTENANCE AND CONTRACT ADMINISTRATION	7
7.	ROLES AND RESPONSIBILITIES OF OFFICIALS	7
8.	RECORD KEEPING	8
9.	CONTRACTS HAVING BUDGETARY IMPLICATIONS BEYOND THREE FINANCIAL YEARS	9
10.	RESOLUTION OF DISPUTES, OBJECTIONS, COMPLAINTS AND QUERIES	9
11.	CONTRACT PRICE ESCALATIONS	9
12.	PERFORMANCE ON CONTRACTS	9
13.	REVIEW OF CONTRACTS	11
14.	IMPLEMENTATION AND REVIEW PROCESS	11

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 prevent 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 2026**.

This policy will be reviewed at least annually or when required by way of a Council resolution.

POLICY SECTION:	DIVISIONAL MANAGER: SUPPLY CHAIN MANAGEMENT
CURRENT UPDATE	27 MAY 2026
PREVIOUS UPDATE	29 MAY 2025
PREVIOUS UPDATE	31 MAY 2024
PREVIOUS UPDATE	31 MAY 2023
PREVIOUS UPDATE	31 MAY 2022
PREVIOUS UPDATE	27 MAY 2021
PREVIOUS REVIEW	27 MAY 2020
PREVIOUS REVIEW	29 MAY 2019
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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



COST CONTAINMENT POLICY

OVERSTRAND MUNICIPALITY – COST CONTAINMENT POLICY

CONTENTS

1 Definitions

2. Object of the Policy

3. Application of Policy

4. Use of consultants

5. Vehicles used for political office –bearers

6. Travel and subsistence

7. Domestic accommodation

8. Credit cards

9. Sponsorships, events and catering

10. Communication

11. Conferences, meetings and study tours

12. Other related expenditure items

13. Enforcement procedures

14. Disclosures of cost containment measures

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 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.

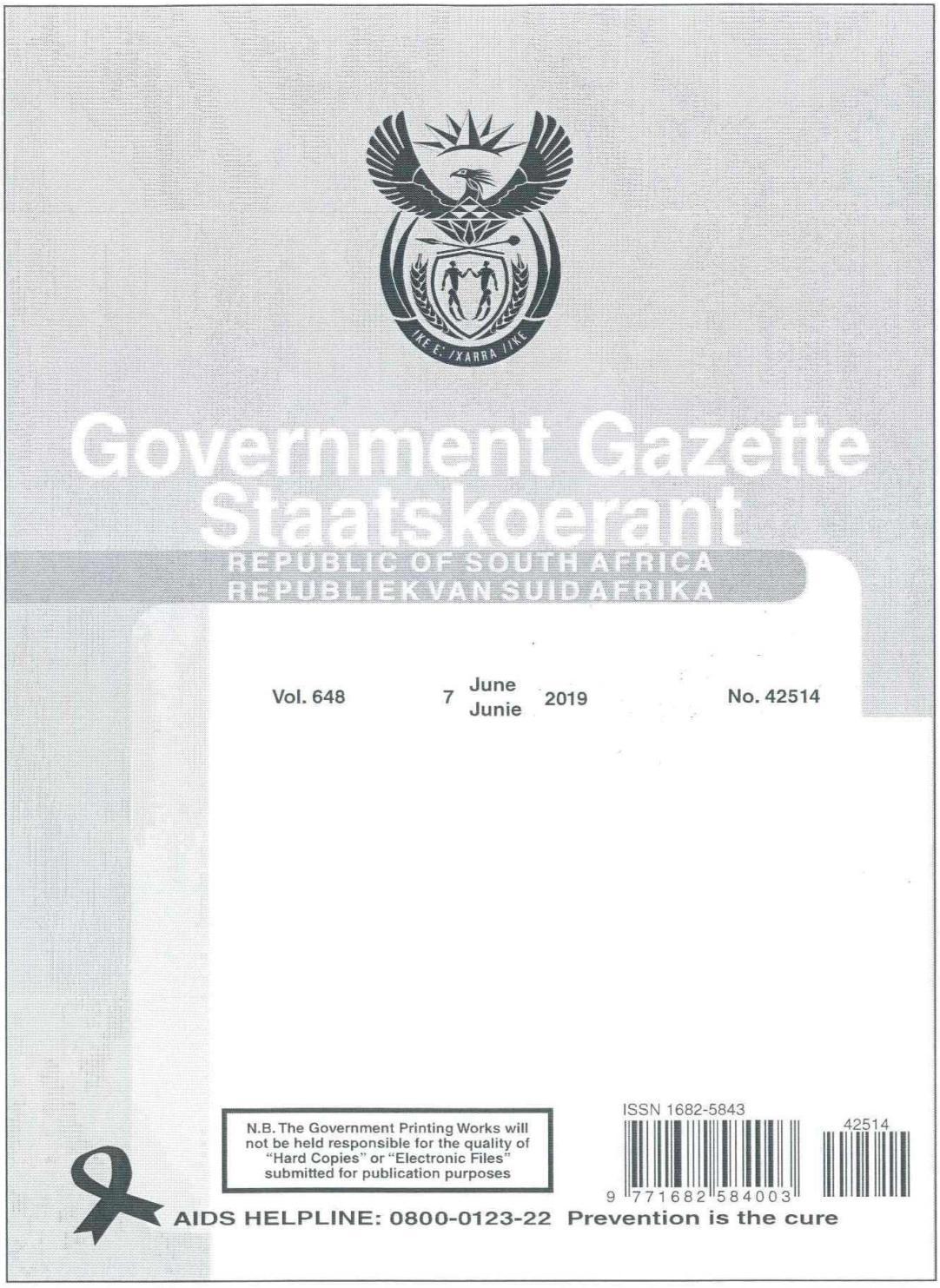
4) The reports referred to in sub -regulation (2) must be copied to the National Treasury and the relevant provincial treasury within seven calendar days after the report is submitted to municipal council.

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 2026**.

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:	**DIVISIONAL MANAGER: SUPPLY CHAIN MANAGEMENT**
CURRENT UPDATE	27 MAY 2026
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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.

SCHEDULE

TABLE OF CONTENTS

1. Definitions
2. Object of Regulations
3. Application of Regulations
4. Cost containment policies
5. Use of consultants
6. Vehicles used for political office-bearers
7. Travel and subsistence
8. Domestic accommodation
9. Credit cards
10. Sponsorships, events and catering
11. Communication
12. Conferences, meetings and study tours
13. Other related expenditure items
14. Enforcement procedures
15. Disclosures of cost containment measures
16. Short title and commencement

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.

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.

(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

(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.

(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.

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.

OVERSTRAND

MUNICIPALITY



PREFERENTIAL PROCUREMENT POLICY

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, 2022

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, 2022 are herewith integrated into the Overstrand Municipality's Preferential Procurement Policy to form the basis of the evaluation criteria for quotations and competitive tenders.

TABLE OF CONTENTS

1. Definitions
2. Introduction
3. Application of the policy
4. Purpose, and Objectives
5. Identification of preference point system
6. 80/20 preference point system for acquisition of goods or services with Rand value equal to or below R50 million
7. 90/10 preference point system for acquisition of goods or services with Rand value above R50 million
8. 80/20 preference points system for tenders to for income-generating contracts with Rand value equal to or below R50 million
9. 90/10 preference point system for tenders for income-generating contracts with Rand value above R50 million
10. Points for specific goals to promote economic development
11. Award of contracts to tenderers not scoring highest points
12. Remedies
13. Reporting
14. Performance management
15. Short title and commencement

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:

"Acceptable Tender"	*mean any tender which, in all respects, complies with the specification and conditions of tender as set out in tender document*
"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);
"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;
"Contract"	means the agreement that results from the acceptance of a tender by the Overstrand Municipality;
"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;
"Highest acceptable tender"	*means a tender that complies with all specifications and conditions of tender and that has the highest price compared to other tenders;*
"Large Enterprises"	*is a company with an annual turnover in excess of R50 million.*
"Local area"	*means the local suppliers and/or service providers whose registered business address is within the Overstrand Municipal area, the Overberg district boundaries, and the Western Cape.*
"Lowest acceptable tender"	*means a tender that complies with all specifications and conditions of tender and that has lowest price compared to other tenders;*
"Market Analysis"	means a technique used to identify market characteristics for specific goods or services
"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;
"Objective Criteria"	for the purpose of section of 2(1)f of the procurement Act must be criteria other than the additional to criteria relating to equity ownership by HDI's or whether or not a bidder was located in a particular province or municipal area
"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;
"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;
"Region"	means the district and/or Overberg District.
"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;
"Specific goals"	*means specific goals as contemplated in section 2(1)(d) of the Act which may include contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender and disability including the implementation of programmes of the Reconstruction and Development Programme as published in Government Gazette No. 16085 dated 23 November 1994;*
"Tender"	means a written offer in the form determined by Overstrand Municipality in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;
"Tender for income-generating contracts"	*means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions*
"the Act"	means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);
"treasury"	has the meaning assigned to it in section 1 of the Public Finance Management Act, 1999 (Act No. 1 of 1999); and
"Youth"	has the meaning assigned to it in section 1 of the National Youth Development Agency Act, 2008 (Act No. 54 of 2008).

2 Introduction

The Constitution of the Republic of South Africa, 1996, provides in sections 152(1)(c) and 152(2) that local government must promote social and economic development and that the municipality must strive within its financial and administrative capacity, to achieve the objects set out in subsection 152(1).

The Constitution provides in section 217 that an organ of state must contract for goods or services in accordance with a procurement system which is fair, equitable, transparent, competitive, and cost effective and to implement a policy to grant preferences within a framework prescribed by National Legislation.

The Broad-Based Black Economic Empowerment Act, 2003 provides in section 10 that every organ of state and public entity must apply any relevant code of good practice issued in terms of the Act in (b) developing and implementing a preferential procurement policy.

The Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000) was promulgated by the Minister in response to the Constitutional provision and allow for a Municipality to develop a preferential procurement policy and to implement such policy within the PPPFA framework.

Section 2 (1) (d) (i) and (ii) of the Preferential Procurement Policy Framework Act, 2000 refers to specific goals which may include:

(i) contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender or disability.

(ii) implementing the programmes of the Reconstruction and Development Programme (RDP) as published in Government Gazette 16085 dated 23 November 1994.

The RDP (1994), as basis for development in South Africa, was meant to provide a holistic, integrated, coherent socio-economic policy that is aimed at mobilising people and resources to work towards the upliftment of the material and social conditions of local communities to build sustainable livelihoods for these communities.

In terms of Section 2 (1)(d)(ii), the following activities may be regarded as a contribution towards achieving the goals of the RDP, in addition to the awarding of preference points in favour of HDIs (published in Government Gazette No. 16085 dated 23 November 1994):

(i) The promotion of South African owned enterprises.

(ii) The promotion of export orientated production to create jobs.

(iii) The promotion of SMMEs.

(iv) The creation of new jobs or the intensification of labour absorption.

(v) The promotion of enterprises located in a specific province for work to be done or services to be rendered in that province.

(vi) The promotion of enterprises located in a specific region for work to be done or services to be rendered in that region.

(vii) The promotion of enterprises located in a specific municipal area for work to be done or services to be rendered in that municipal area.

(viii) The promotion of enterprises located in rural areas.

(ix) The empowerment of the work force by standardising the level of skill and knowledge of workers.

(x) The development of human resources, including by assisting in tertiary and other advanced training programmes, in line with key indicators such as percentage of wage bill spent on education and training and improvement of management skills; and

(xi) The upliftment of communities through, but not limited to, housing, transport, schools, infrastructure donations, and charity organisations.

3 Application of the policy

1) This policy applies to all procurement of goods and services by means of a tender as defined in paragraph 1 above.
2) This policy does not apply to public auctions or any other sale or lease of assets where it is not practical to apply a system of preference.
3) This policy does not apply to procurement under R2 000.
4) This policy must be applied concurrently with other legislative prescripts and other policies that regulates the procurement of goods and services by the municipality.

4 Purpose, and Objectives

1) The purpose of this policy is to:
   a) Provide for categories of preference in awarding of tenders.
   b) Provide for the advancement of persons or categories of persons disadvantaged by unfair discrimination; and
   c) Clarify the mechanisms how the above items in paragraph 2 (i) and (ii) will be implemented.

2) Objectives
   a) Promote Broad-Based Black Economic Empowerment (B-BBEE) - enterprises providing services and goods.
   b) Promote Small Medium and Micro Enterprises (SMME's), Joint Ventures, Consortiums, and partnerships.
   c) Implement recognised best procurement practises through effective planning, strategic purchasing, and contract management.

5 Identification of preference point system

1) The Municipality shall, in the tender documents, stipulate —
   a) the preference point system applicable; and
   b) any specific goal as envisaged in section 2(1)(d) and (e) of the Preferential Procurement Act.
2) If it is unclear whether the 80/20 or 90/10 preference point system applies—
   a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or
   b) any other invitation for tender, 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.

6 80/20 preference point system for acquisition of goods or services with Rand value equal to or below R50 million

1) The following formula must be used to calculate the points out of 80 for price in respect of an invitation for a tender with a Rand value equal to or below R50 million inclusive of all applicable taxes:

$$Ps = 80 \left(1 - \frac{(Pt - Pmin)}{Pmin}\right)$$

Where;
Ps = Points scored for price of tender under consideration.
Pt = Price of tender under consideration; and
Pmin = Price of lowest acceptable tender.

2) *A maximum of 20 points may be awarded to a tenderer for the specified goals for the tender.*
3) *The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.*
4) *Subject to section 2(1)(f) of the Act, the contract must be awarded to the tenderer scoring the highest points.*

7 90/10 preference point system for acquisition of goods or services with Rand value above R50 million

1) The following formula must be used to calculate the points out of 90 for price in respect of an invitation for tender with a Rand value above R50 million, inclusive of all applicable taxes:

$$Ps = 90\left(1 - \frac{(Pt - Pmin)}{Pmin}\right)$$

Where;

Ps = Points scored for price of tender under consideration;
Pt = Price of tender under consideration; and
Pmin = Price of lowest acceptable tender.

2) *A maximum of 10 points may be awarded to a tenderer for the specified goals for the tender.*
3) *The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.*
4) *Subject to section 2(1)(f) of the Act, the contract must be awarded to the tenderer scoring the highest points.*

8 80/20 preference points system for tenders for income-generating contracts with Rand value equal to or below R50 million

1) The following formula must be used to calculate the points for price in respect of an invitation for tender for income-generating contracts, with a Rand value equal to or below R50 million, inclusive of all applicable taxes:

a) $$Ps = 80\left(1 + \frac{Pt - Pmax}{Pmax}\right)$$

Where

Ps = Points scored for price of tender under consideration.
Pt = Price of tender under consideration; and
Pmax = Price of highest acceptable tender

2) A maximum of 20 points may be awarded to a tenderer for the specific goal specified for the tender.
3) The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.
4) Subject to section 2(1)(f) of the Act, the contract must be awarded to the tenderer scoring the highest points.

9 90/10 preference point system for tenders for income-generating contracts with Rand value above R50 million

1) The following formula must be used to calculate the points for price in respect of a tender for income-generating contracts, with a Rand value above R50 million, inclusive of all applicable taxes:

a) $$Ps = 90\left(1 + \frac{Pt - Pmax}{Pmax}\right)$$

Where

Ps = Points scored for price of tender under consideration;
Pt = Price of tender under consideration; and
Pmax = Price of highest acceptable tender

2) A maximum of 10 points may be awarded to a tenderer for the specific goal specified for the tender.
3) The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.
4) Subject to section 2(1)(f) of the Act, the contract must be awarded to the tenderer scoring the highest points.

10 Points for specific goals to promote economic development

1. The tendering conditions will stipulate the specific goals, as contemplated in section 2(1)(d) **[(ii)]** of the Preferential Procurement Policy Framework Act, be attained.
2. A maximum of 20 points (80/20 preference points system) or 10 (90/10) preference points system), will be allocated for specific goals. These goals are:

   a) contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender or disability.

      i) For purposes of this Policy, persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race are black persons.

      ii) For purposes of this Policy, persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of gender are women.

      iii) For purposes of this Policy persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of disability are disabled persons.

      iv) These persons or categories of persons in (i) to (iii) above are hereafter referred as historically disadvantaged persons (HDI).

   b) the promotion of enterprises located in the local area (phased in approach to be applied for other RDP goals)

3. Regarding paragraph 10.2 (a), **[50% of the 20/10]** points will be allocated to promote this goal, **[and points will be allocated]** in terms of the **[B-BBEE scorecard]** tables below: **[as follows]**

   a) Two of the three specific goals as listed below must be applied for each tender.

Specific Goals	**Achievement Level**	**Total Number of Points That May Be Claimed**	
		80/20	**90/10**
Persons historically disadvantaged on the basis of **race**	100% black ownership	5	2.5
	75% - 99% black ownership	4	2
	60% - 74% black ownership	3	1.5
	51% - 59% black ownership	2	1
	0 – 50% black ownership	0	0
Persons historically disadvantaged on the basis of **gender**	100% owned by women	5	2.5
	75% - 99% owned by women	3	2
	60% - 74% owned by women	2	1.5
	51% - 59% owned by women	1	1
	0 – 50% owned by women	0	0
Persons historically disadvantaged on the basis of **disability**	100% owned by persons living with disabilities	5	2.5
	75% - 99% owned by persons living with disabilities	3	2
	60% - 74% owned by persons living with disabilities	2	1.5
	51% - 59% owned by persons living with disabilities	1	1
	0 – 50% owned by persons living with disabilities	0	0

[B-BBEE Status Level of Contributor	Number of Points for Preference (80/20) (Under R30k)	Number of Points for Preference (80/20) (Over R30k)	Number of Points for Preference (90/10)
1	20	10	5
2	18	8	4
3	14	6	3
4	12	4	2
5	8	2	1
6	6	2	1
7	4	2	1
8	2	2	1
Non-compliant contributor	0	0	0

4. **A tenderer must submit proof of its BBBEE status level contributor.**
5. **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 or 90 for price; and**
   b) **scores 0 points out of 20 or10 for B-BBEE status level of contributor, which is in line with section 2 (1) (d) (i) of the Act, where the supplier or service provider did not provide proof thereof.]**
6. Regarding paragraph 10.2 (b) **[50% of the 20/10]** points will be allocated to promote this goal in terms of the table below: **[Points will be allocated as follows:]**

   a) **Transaction values Above R30 000**

Local area of supplier	Number of Points for Preference	
	80/20	90/10
Within the boundaries of the Overstrand municipality	10	5
Within the boundaries of Overberg District	6	3
Within the boundaries of the Western Cape	4	2
Outside of the boundaries of the Western Cape	0	0
Outside of the boundaries of the Western Cape	0	

   b) **Transaction values under R30 000**

Local area of supplier	Number of Points for Preference
Within the boundaries of the Overstrand municipality	20
Within the boundaries of Overberg District	10
Within the boundaries of the Western Cape	6
Outside of the boundaries of the Western Cape	0

7. Any specific goal for which a point may be awarded, must be clearly specified in the invitation to submit a tender.
   a) In order to confirm/verify the specific goals claimed by a tenderer in a specific tender, the following is the only documentation which will deemed as acceptable and which must be submitted with the tender:
      i) **Race**
         a) Proof of B-BBEE status level of contributor, clearly indicating the percentage black ownership; and/or
         b) Company Registration Certification, as issued by the Companies and Intellectual Property Commission, clearly indicating the percentage shareholding of all owners, along with all necessary Identification Documentation; and/or

c) In respect of a Sole Proprietor or Partnership, a sworn affidavit clearly indicating the owners/partners of the organization and their respective percentage ownership.

ii) **Gender**
a) Proof of B-BBEE status level of contributor, clearly indicating the percentage black woman ownership; and/or
b) Company Registration Certification, as issued by the Companies and Intellectual Property Commission, clearly indicating the percentage shareholding of all owners, along with all necessary Identification Documentation; and/or
c) In respect of a Sole Proprietor or Partnership, a sworn affidavit clearly indicating the owners/partners of the organization and their respective percentage ownership.

iii) **Disability**
a) Company Registration Certification, as issued by the Companies and Intellectual Property Commission, clearly indicating the percentage shareholding of all owners, along with all necessary Identification Documentation; and/or
b) In respect of a Sole Proprietor or Partnership, a sworn affidavit clearly indicating the owners/partners of the organization and their respective percentage ownership; and
c) Proof of disability.

iv) **Locality**
a) The registered address as reflected on the Companies and Intellectual Property Commission (CIPC) report; or
b) In case of Sole Proprietor / Natural Person, etc.:
(i) Any verifiable proof of residence / address in the name of the bidder or owner, older than 3 months, which were issued prior to the advertising date of the bid.
(ii) Verifiable proof of residence / address may include the following but not limited to:
(iii) Bank statement
(iv) Municipal account
(v) Address on Tax Compliance Status Certificate

8. A tenderer failing to submit proof of required evidence to claim preferences for **[other specified]** specific goals, which is in line with section 2 (1) (d) **[(ii)]** of the Act.
   a) may only score in terms of the 80/90-point formula for price; and
   b) scores 0 points out of 10/5 of the relevant specific goals where the supplier or service provider did not stipulate.
9. The preference points scored by a tenderer must be added to the points scored for price.
10. The points scored must be rounded off to the nearest two decimal places.
11. The contract must be awarded to the tenderer scoring the highest points.

11 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 specific goals.
2. If two or more tenderers score an equal total number of points, the objective criteria in addition to those contemplated in paragraphs section 2(1)(d) and (e) justify the award to the tenderer that scored the highest points in terms in accordance with section 2(1)(f) of the Act.
3. If two or more tenderers score equal total points in all respects, the award must be decided by the drawing of lots.

12 Award of contracts to tenderers not scoring highest points

A 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.

13 Remedies

1. If a Municipality is of the view that a tenderer submitted false information regarding a specific goal, it must——
   a) inform the tenderer; accordingly, and
   b) give the tenderer an opportunity to make representations within 14 days as to why the tender may not be disqualified or, if the tender has already been awarded to the tenderer, the contract should not be terminated in whole or in part—
2. After considering the representations referred to in paragraph 12 (1)(b), the Municipality may—
   a) if it concludes that such false information was submitted by the tenderer—

i) disqualify the tenderer or terminate the contract in whole or in part; and
ii) if applicable, claim damages from the tenderer.

14 Performance management

The specific goals achieved through the application of the Preferential Procurement Framework Act, 2000 will be monitored in terms of the elements embedded in the Supply Chain Management Policy.

15 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 **01 July 2026** and will be reviewed at least annually by way of a Council resolution.

POLICY SECTION:	DIVISIONAL MANAGER: SUPPLY CHAIN MANAGEMENT				
CURRENT REVIEW	2026/05/27	PREVIOUS REVIEW	2019/05/29	PREVIOUS REVIEW	2012/11/28
PREVIOUS REVIEW	2025/05/29	PREVIOUS REVIEW	2018/05/30	PREVIOUS REVIEW	2012/06/26
PREVIOUS REVIEW	2024/05/31	PREVIOUS REVIEW	2017/11/29	PREVIOUS REVIEW	2012/05/30
PREVIOUS REVIEW	2024/02/29	PREVIOUS REVIEW	2017/05/31	PREVIOUS REVIEW	2011/11/30
PREVIOUS REVIEW	2023/05/31	PREVIOUS REVIEW	2017/03/29	PREVIOUS REVIEW	2011/05/04
PREVIOUS REVIEW	2022/12/14	PREVIOUS REVIEW	2016/05/25	PREVIOUS REVIEW	2010/05/26
PREVIOUS REVIEW	2022/05/31	PREVIOUS REVIEW	2016/02/24	PREVIOUS REVIEW	2009/05/27
PREVIOUS REVIEW	2021/05/26	PREVIOUS REVIEW	2015/05/28	APPROVAL	2008/06/25
PREVIOUS REVIEW	2020/05/27	PREVIOUS REVIEW	2014/05/28		
PREVIOUS REVIEW	2019/06/26	PREVIOUS REVIEW	2013/05/29		

OVERSTRAND
MUNICIPALITY



SUPPLY CHAIN MANAGEMENT POLICY

OVERSTRAND

MUNICIPALITY

Munisipaliteit • U-Masipala • Municipality
OVERSTRAND

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, as amended

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.

TABLE OF CONTENTS

POLICY STATEMENT AND OBJECTIVES

1. Definitions

CHAPTER 1:
IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

2. Supply Chain Management Policy
3. Adoption, amendment and implementation of the Supply Chain Management Policy
4. Delegation of Supply Chain Management powers and duties
5. Sub-delegations
6. Oversight role of council
7. Supply Chain Management Unit
8. Training of Supply Chain Management officials

CHAPTER 2:
FRAMEWORK FOR SUPPLY CHAIN MANAGEMENT POLICY

9. Format of Supply Chain Management Policy

Part 1: DEMAND MANAGEMENT

10. System of demand management

Part 2: ACQUISITION MANAGEMENT

11. System of Acquisition Management
12. Range of procurement processes
13. General preconditions for consideration of written quotations or bids
14. Lists of accredited prospective providers
15. Petty Cash and Direct Purchases
16. . . . . .
17. Formal written price quotations
18. Procedures for procuring goods or services through formal written price quotations
19. Competitive bids
20. Process for competitive bidding
21. Bid documentation for competitive bids
22. Public invitation for competitive bids
23. Procedure for handling, opening, recording and cancellation of bids
24. Negotiations with preferred bidders and communication with prospective providers and bidders
25. Two-stage bidding process
26. Committee system for competitive bids
27. Bid Specification Committees
28. Bid Evaluation Committees
29. Bid Adjudication Committees
30. Procurement of Banking Services
31. Procurement of Information- and Communication Technology (ICT) related goods or services
32. Procurement of goods and services under contracts secured by other organs of state

33. Procurement of goods necessitating special safety arrangements
34. Proudly SA Campaign
35. Appointment of consultants
36. Deviation from, and ratification of minor breaches of procurement processes
37. Unsolicited bids
38. Combating of abuse of supply chain management system

Part 3: LOGISTICS, DISPOSAL, RISK AND PERFORMANCE MANAGEMENT

39. Logistics management
40. Disposal management
41. Risk management
42. Performance management

Part 4: OTHER MATTERS

43. Prohibition on awards to persons whose tax matters are not in order
44. Prohibition on awards to persons in the service of the state
45. Awards to close family members of persons in the service of the state
46. Ethical standards
47. Inducements, rewards, gifts and favours to municipal officials and other role players
48. Sponsorships
49. Objections and complaints
50. Resolution of disputes, objections, complaints and queries
51. Contract management
52. Public Private Partnerships
53. Contract Management
54. Transversal Contracts
55. Framework for Infrastructure Delivery
56. Framework for Infrastructure Procurement
57. Infrastructure Procurement Gates
58. Gateway Reviews
59. Short title and commencement

Annexures

ANNEXURE A - Delegations

ANNEXURE B - Code of Conduct

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.
"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 paragraph 12(1)(c) 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.
"Direct purchase"	means the procurement of goods and/or services whereby only one written quote is required to be obtained.
"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. v. Generation, transmission and distribution of power. vi. Firefighting. vii. 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 paragraph 12(1)(b) 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 on 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 (1) year and does not have the same meaning as contracts of a long term nature referred to in paragraph 22(1)(b)(i) of this policy;
"long term nature"	means a contract as defined by section 33(1) of the Municipal Finance Management Act imposing financial obligations on the Municipality beyond the first three years covered in the approved annual budget and includes income-generating contracts with a duration period longer than three (3) years;
"list of accredited prospective providers"	means the list of accredited prospective providers which the Overstrand Municipality must keep in terms of paragraph 14 of this policy;
"material irregularity"	means any non-compliance with, or contravention of, legislation, policy prescript, fraud, theft or a breach of a fiduciary duty identified during a procurement process which may render the procurement process not fair, equitable, transparent, competitive and cost effective;
"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 j) 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; as amended.
"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 practitioner**[s]**"	means any post on the approved organisational structure where the primary function is at least one of the six systems of supply chain management and 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 Competitive Bidding Process;
"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.
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; including income-generating contracts

b) disposes of goods no longer needed; including the letting of fixed assets

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 that 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 R300 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) not exceeding R300 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 five 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 written report referred to in sub-paragraph (3) must be submitted –

a) to the Accounting Officer, in the case of an award by –

(i) the Chief Financial Officer;

(ii) a director; or

(iii) a bid adjudication committee of which the Chief Financial Officer or a director is a member; and

b) to the Chief Financial Officer or the senior manager responsible for the relevant bid, in the csse of an award by the –

(i) a manager referred to in sub-paragraph 2(c).

c) 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.

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 30 days of the end of each financial year, submit a report on the implementation of this Policy and the supply chain management policy of any municipal entity under the sole or shared control of the municipality, to the council of the municipality; and
   b) Whenever there are serious and material problems in the implementation of this Policy, immediately submit a report to Council.
3) The Accounting Officer must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the 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 draft Demand Management 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 by 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.]**

8) Demand management provides for an effective system to ensure that the resources required to support the strategic operational commitments of the municipality are delivered at the correct time, at the right price and at the right location, and that the quantity and quality satisfy the needs.

9) The municipality's Integrated Development Plan (IDP) is a comprehensive strategy document setting out how the municipality intends to tackle its development challenges in a financial year. The IDP provides the basis that the resources of the municipality will be allocated and on which the budget is based.

10) To achieve effective demand management, the Head: Supply Chain Management shall continuously ensure:

a) That efficient and effective Supply Chain Management systems and practices are implemented to enable the municipality to deliver the required quantity and quality of services to the public;

b) The establishment of uniformity in policies, procedures, documents and contract options and the implementation of sound systems of control and accountability;

c) The development of a professional supply chain management system which results in continuing improvement in affordability and value for money, based on total cost of ownership and quality of procurement as competition amongst suppliers is enhanced;

d) In dealing with suppliers and potential suppliers, the municipality shall respond promptly, courteously and efficiently to enquiries, suggestions and complaints.

11) **Major Activities**

Demand management is the beginning of the supply chain management process and the major activities associated with identifying demand are:

a) establishing requirements;

b) determining needs; and

c) deciding on appropriate procurement strategies.

d) Demand management accordingly shall involve the following activities:

e) understanding the future needs;

f) identifying critical delivery dates;

g) identifying the frequency of the need;

h) linking the requirement to the budget;

i) conducting expenditure analyses based on past expenditure;

j) determining requirements (including the internal capacity to implement);

k) conducting commodity analyses to check for alternatives; and

l) conducting industry analyses.

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 and direct purchases for procurement transactions with a value up to R2 000 (Incl. VAT);
   b) formal written price quotations for procurement of a transaction value over R2 000 (Incl. VAT) up to R300 000 (Incl. VAT); and
   c) a competitive bidding process for procurement above a transaction value of R300 000 (Incl. VAT).
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) formal written price quotations be obtained for any specific procurement of a transaction value lower than R[**30**]2 000 (Incl. VAT); or
      (ii) a competitive bidding process be followed for any specific procurement of a transaction value lower than R300 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 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) Service/product providers must submit their applications on the prescribed form and be accompanied by the following documentation where applicable:

(a) Proof of company/close corporation registration (CIPC);

(b) The company and the owner/director(s)/member(s)/shareholder(s)/partners proof of municipal account(s) not older than 3 months:

(c) Certified ID copy(ies) of the owner/director(s)/member(s)/shareholder(s)/partners of the company;

(d) A valid Tax Compliance Status (TCS) Pin;

(e) The owner/company's bank confirmation letter**[/cancelled cheque]** or a copy thereof if the Credit Order Instruction on the form is not stamped by the bank;

(f) Proof of VAT registration, where applicable;

(g) Certificate of Acceptability for Food Premises;

(h) Proof of registration at the Construction Industry Development Board (CIDB), where applicable;

(i) Accreditation certificate if selling IT equipment;

(j) An originally certified copy of a valid B-BBEE status level verification certificate. Exempted Micro Enterprises (EME's) and Qualifying Small Enterprises (QSE's) may submit an originally certified Sworn Affidavit as per their sector codes.

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 Petty Cash and Direct Purchases

1) The following shall be applicable for all purchases not exceeding R2 000 (Incl. VAT)

2) Conditions for petty cash purchases –

a) Petty cash purchases are limited to R1 000 per transaction.

b) The Chief Financial Officer may approve petty cash purchases up to R2 000.

c) Only officials duly delegated in terms of **[delegation 4.2.81.1 of]** the Delegations of Power may authorise purchases from petty cash.

d) Each department is allowed a maximum of 15 petty cash transactions per month.

e) Petty cash purchases are to be used for ad-hoc goods/services and not routinely occurring needs.

f) The same goods/services may not be purchased again out of petty cash within a 60-day period, unless it is of an insignificant value and the demand for the year is less than or equal to R2 000. E.g. ad-hoc courier services.

g) A register of petty cash purchases must be maintained for each department:

requiring monthly reconciliation reports from each manager to the Chief Financial Officer, including—

(i) the total amount of petty cash purchases for that month; and
(ii) receipts and appropriate documents for each, purchase"

3) The conditions for the procurement of goods by means of written quotations referred to in paragraph 12(1)(a) 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.

4) The practice of splitting orders to circumvent the formal written price quotation process through petty cash or direct purchases are not permissible.

16 . . . . . .

[Deleted by amendment dated 31 January 2024]

17 Formal written price quotations

1) The conditions for the procurement of goods or services through formal written price quotations for amounts above R2,000 (Incl. VAT) up to R300,000 (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 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 formal written price quotations

1) The procedure for the procurement of goods or services through formal written price quotations is as follows:
   a) 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 seven days on the website and an official notice board of the Municipality;
   b) when using the list of accredited prospective providers, the Accounting Officer must promote on-going competition amongst providers including **[by]** inviting providers to submit quotations on a rotation basis;
   c) the accounting officer must take all reasonable steps to ensure that the procurement of goods and services through formal written price quotations is not abused and includes –
      (i) quotations received must be evaluated on a comparative basis taking into account unconditional discounts;
      (ii) quotations must be awarded based on compliance to specifications, conditions of contract, ability and capability to deliver the goods and services and the preference points system will apply in terms of the Preferential Procurement Policy for quotations up to R300 000 (Incl. VAT);
   d) the Accounting Officer or Chief Financial Officer must on a monthly basis be notified in writing of all formal written price quotations accepted by an official acting in terms of a sub-delegation;
   e) 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 R300 000 (Incl. VAT) 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 R300 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, 2022, 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, published on the municipality's tariff list, 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 R300 000 (Incl. VAT).

3) Tenders to be evaluated on functionality:
a) The Municipality must indicate in the tender documents if the tender will be evaluated on functionality.
b) The evaluation criteria for measuring functionality must be objective.
c) The tender documents must specify-
(i) evaluation criteria for measuring functionality.
(ii) the points for each criterion and, if any, each sub-criterion; and
(iii) minimum qualifying score for functionality,
d) The minimum qualifying score for functionality for a tender to be considered further-
(i) must be determined separately for each tender; and
(ii) may not be so-
(a) low that it may jeopardise the quality of the required goods or services; or
(b) high that it is unreasonably restrictive.
e) Points scored for functionality must be rounded off to the nearest two decimal places.
f) A tender that fails to obtain the minimum qualifying score for functionality as indicated in the tender documents is not an acceptable tender.
g) 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.
h) The functionality assessment must be performed by at least three persons and be scored independently.

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 30 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 14 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) the required CIDB contractor category and grading designation for construction procurement, date, time and venue of any proposed site meetings or briefing sessions, provided that site meetings / information sessions may not be scheduled within 7 days of the date on which a bid advertisement is placed.

2) The Accounting Officer may determine a closure date for the submission of bids which is less than the required 30 or 14 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 Accounting Officer, or his/her duly appointed delegate, shall when the evaluation or adjudication of a bid is envisaged to go beyond the validity period as stipulated in the bid documentation, request bidders to extend the validity of their bids. Bidders may either accept or reject the extended validity period and those who do not wish to extend the validity period would be regarded as non-responsive and would be excluded from further evaluation.

6) Communication with bidders before the closing date:

a) [The budget holder must approach the chairperson of the Bid Specification Committee, if necessary, to consider authorisation in writing, of communication with bidders prior to bids closing.]

All communication with bidders or potential bidders must be authorised by the Chairperson of the Bid Specification Committee and the communication must be performed by an official in the Supply Chain Management Unit.

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]** communicated to all prospective bidders to whom bid documents have been issued, and 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, recording and cancellation 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.

   e) No bidder may submit more than one bid (offer) for the same tender. Failure to adhere to this requirement will disqualify all bids submitted. This does not apply to alternative offers submitted for a tender.

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.

5) Cancellation of tender/s:

   a) The Municipality may, before the award of a tender, cancel a tender invitation if-

      (i) due to changed circumstances, there is no longer a need for the goods or services specified in the invitation.

      (ii) funds are no longer available to cover the total envisaged expenditure.

      (iii) no acceptable tender is received; or

      (iv) there is a material irregularity in the tender process.

24 Negotiations with preferred bidders and communication with prospective providers and bidders

1) The Accounting Officer may negotiate the final terms of a contract, including market related prices, 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 SCM member of the Bid Evaluation Committee, as determined in paragraph 28(2)**,** must authorise all communication **[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. All communication with bidders must be performed by an official in the Supply Chain Management Unit.

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 Organisation, or an authority accredited or recognised by the South African National Accreditation System (SANAS) 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 trademark, 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;
   b) the budget holder from the Directorate for whom the bid is called; and
   c) the chairperson to be appointed by the Accounting Officer.
   d) any other officials 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 or 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
   d) any other official 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;
   b) a senior supply chain management practitioner; and
   c) a technical expert in the relevant field who is an official of the municipality, if the municipality has such an expert.
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 50%+1 members and must include the Chief Financial Officer and the senior supply chain management practitioner.
   a) In the event of an equality of votes the chairperson shall have a casting vote over and above a deliberate vote.
5) The chairperson of the Bid Evaluation Committee and the budget holder, or their delegates, must be present at the Bid Adjudication Committee meetings without voting rights, to clarify issues that were dealt with in the Bid Evaluation Committee meetings.
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.
7) 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.

8) 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.

9) 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.

10) The Accounting Officer must comply with Section 114 of the Act within 10 working 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 60 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 wherever 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 R300 000 (Incl. VAT); or

b) the 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 explicitly approved verbally or in writing by the **[Municipal Manager]** Accounting Officer or delegated official prior to incurring the expenditure (before issuing an instruction to the supplier).

(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.

4) A Deviation process may be followed in the following cases:

a) Where the Municipality followed a competitive bidding process for Tenders no acceptable bids were received.

b) Where the Municipality followed a competitive bidding process for Formal Written Quotations and no quotations were received.

c) When a Deviation process is followed in terms of paragraphs (a) and (b) above the same specification must be used as in the original Tender or Formal Written Quotation.

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 30 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 seven 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 30 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;]

d) Purchase orders must be created with reference to requisitions where the supply source is either tenders or quotations.

e) All purchase orders will be captured on the municipality's financial system exclusive of VAT.

f) Standing orders may be used in cases where longer term arrangements, necessitating interim payments, are required.

g) The municipality shall not be liable for payment for any goods delivered or services rendered without an official order.

h) 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;

i) 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;

j) regular checking to ensure that all assets are properly managed and maintained in terms of Council's Asset Management Policy; and

k) monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

l) 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 or leased in terms of the Municipal Asset Transfer Regulations, Overstrand Municipality's Asset Management Policy and Administration of Immovable Property Policy respectively.

b) Although the prescribed procurement processes are followed in the disposal of assets and is thus exempt from the prohibitions of paragraph 44 of this policy in relation to the disposal of immovable assets for residential purposes only. As a result, the municipality is not prohibited from selling/disposing of immovable assets to persons in the service of the state where such sale/disposal is to be used for primary residential occupation.

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, the municipality must verify the bidder's tax compliance status. Where the recommended bidder is not tax compliant, the bidder should be notified of the non-compliant status and be requested to submit proof of tax compliance to the municipality within 7 working days or written proof from SARS that they have made arrangements to meet their outstanding tax obligations. The proof of tax compliance submitted by the bidder must be verified by the municipality via CSD or e-Filing. The municipality should reject a bid submitted by the bidder if such bidder fails to provide proof of tax compliance within the timeframe stated.

3) The municipality is not required to verify a suppliers' tax compliance status with SARS during the execution of any contract procured through the supply chain management system. Subject to sub-paragraphs (1) and (2), tax matters are only verified when the duly appointed delegated authority makes an award.

4) Sub-paragraphs (1) and (2) is applicable when contracts are amended by the duly appointed delegated authority as contemplated in paragraph 5.6 of the Contract Management Policy.

5) **[Sub-paragraphs (1) and (2) is applicable when the cumulative value of transactions entered into with a supplier during a financial year is anticipated to exceed R30 000.]**

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 whose prior or current obligations creates any conflict of interest or unfair advantage. **[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 14 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 60 days; or

b) no response is forthcoming within 60 days.

5) If the Provincial Treasury does not or cannot resolve the matter, the dispute, objection, complaint or query 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 MFMA with 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 **01 July 2026** and will be reviewed at least annually by way of a Council resolution.

POLICY SECTION:	DIVISIONAL MANAGER: SUPPLY CHAIN MANAGEMENT				
CURRENT UPDATE	2026/05/27	PREVIOUS REVIEW:	2020/05/27	PREVIOUS REVIEW:	2014/05/28
PREVIOUS REVIEW	2025/11/06	PREVIOUS REVIEW:	2020/03/25	PREVIOUS REVIEW:	2013/05/29
PREVIOUS REVIEW	2025/05/28	PREVIOUS REVIEW:	2019/06/26	PREVIOUS REVIEW:	2012/11/28
PREVIOUS REVIEW	2024/10/30	PREVIOUS REVIEW	2019/05/29	PREVIOUS REVIEW:	2012/06/26
PREVIOUS REVIEW:	2024/05/31	PREVIOUS REVIEW:	2018/05/30	PREVIOUS REVIEW:	2012/05/30
PREVIOUS REVIEW:	2024/02/28	PREVIOUS REVIEW:	2017/11/29	PREVIOUS REVIEW:	2011/11/30
PREVIOUS REVIEW:	2024/01/31	PREVIOUS REVIEW:	2017/05/31	PREVIOUS REVIEW:	2011/05/04
PREVIOUS REVIEW:	2023/05/31	PREVIOUS REVIEW:	2017/03/29	PREVIOUS REVIEW:	2010/05/26
PREVIOUS REVIEW:	2022/12/14	PREVIOUS REVIEW:	2016/05/25	PREVIOUS REVIEW:	2009/05/27
PREVIOUS REVIEW:	2022/05/31	PREVIOUS REVIEW:	2016/02/24	APPROVAL	2008/06/25
PREVIOUS REVIEW:	2021/05/26	PREVIOUS REVIEW:	2015/05/28		

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/or 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	A manager (Director) directly accountable to the Municipal Manager.	Petty cash Purchases in terms of the Petty Cash Policy AND / OR direct purchases
R2 000.01 – R30 000.00	A manager directly accountable to the Chief Financial Officer or a Senior Manager (Director).	Three (3) written price quotations in terms of Paragraph 17(1)(a) of the SCM Policy
R30 000.01 – R300 000.00	Head: Supply Chain Management	Formal written price quotations in terms of Paragraph 18(b) of the SCM Policy
R300 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)(i) TO (v)(a)		
>R0.00	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	Manager: Electrical	
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 paragraph 22 of the SCM Policy.	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 – R300 000.00 (total inclusive of amendment)	Head: Supply Chain Management	NT Circular 62 Expansion / Variation
R300 000.01 – R10 million (total inclusive of amendment)	Bid Adjudication Committee	NT Circular 62 Expansion / Variation
R0 - unlimited	Municipal Manager with consent from Council	S116(3) Amendments
Cryptic description of Power or Duty	**Sub-delegated to**	**Remarks, Limitations or Conditions**
Extension of time for construction contracts.	Directors	The General Conditions of Contract for construction works makes provision in Sub-Clause 5.6.4 for the review and adjustment of the construction program.
Extension of delivery periods in respect of ad-hoc and specific term contracts.	Chief Financial Officer (Director: Finance)	Motivated applications for the extension of delivery periods in respect of ad hoc and specific term contracts may be considered favourably but are subject to the restriction that no price adjustments, which arise during the extended period, will be considered.

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

UNAUTHORISED, IRREGULAR OR FRUITLESS AND WASTEFUL EXPENDITURE POLICY

TABLE OF CONTENTS

1 ABBREVIATIONS/ACRONYMS 3

2 DEFINITIONS 3

3 INTRODUCTION 4

4 OBJECTIVE 4

5 ENABLING LEGISLATION 5

6 APPLICATION OF THIS POLICY 5

7 UNAUTHORISED EXPENDITURE 5

8 IRREGULAR EXPENDITURE 7

9 FRUITLESS AND WASTEFUL EXPENDITURE 8

10 REPORTING ON UNAUTHORISED, IRREGULAR OR FRUITLESS AND WASTEFUL EXPENDITURE 8

11 MAINTAINING OF REGISTERS FOR UNAUTHORISED, IRREGULAR OR FRUITLESS AND WASTEFUL EXPENDITURE 9

12 INVESTIGATION OF UNAUTHORISED, IRREGULAR OR FRUITLESS AND WASTEFUL EXPENDITURE 9

13 DISCIPLINARY AND CRIMINAL CHARGES FOR UNAUTHORISED, IRREGULAR OR FRUITLESS AND WASTEFUL EXPENDITURE 10

14 RECOVERY OF UNAUTHORISED, IRREGULAR OR FRUITLESS AND WASTEFUL EXPENDITURE 10

15 PROTECTION OF OFFICIALS OR COUNCILLORS WHO HAVE REPORTED UNAUTHORIZED, IRREGULAR OR FRUITLESS AND WASTEFUL EXPENDITURE 11

16 GUIDANCE TO BE IMPLEMENTED TO IMPROVE THE INTERNAL CONTROL ENVIRONMENT 11

17 STRATEGIES TO BE IMPLEMENTED TO REDUCE UIF&W INCREMENTAL TARGETS 17

17 SHORT TITLE AND COMMENCEMENT 18

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. 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. 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

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;

7.4.2.2 To defray unforeseen / unavoidable expenditure circumstances strictly in accordance with Section 29 (1) of the MFMA 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;

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; and

7.4.2.11 To defray increased expenditure in terms of section 31.

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 GUIDANCE TO BE IMPLEMENTED TO IMPROVE THE INTERNAL CONTROL ENVIRONMENT

GUIDANCE ONE – IMPROVING THE CONTROL ENVIRONMENT – PREVANTATIVE CONTROLS

CONTROL	ACTION	TIMELINE	OWNER
1. Effective leadership is provided based on a culture of honesty, ethical business practices and good governance, protecting and enhancing the interests of the entity	- Ensure that all SCM officials have signed the Code of Conduct - Implement Disciplinary or necessary action against staff who breached the code of conduct.	31 July of each year Ongoing as required	Divisional Manager: SCM SCM Managers
2. The municipality implements effective human resources management to ensure that adequate and sufficiently skilled resources are in place and that performance is monitored, which should include implementing effective consequences against officials who fail to comply with applicable legislation, continuously underperform or are negligent, as well as against those whose actions and decisions cause financial losses	- Review the SCM Organogram to ensure compliance and efficiency - Ensure all SCM staff have signed their job descriptions that reflect assigned tasks and delegations	31 May 2025 31 May 2025	Divisional Manager: SCM SCM Managers

3. The municipality establishes and communicates policies and procedures to enable and support understanding and execution of internal control objectives, processes, and responsibilities - an approved SCM policy is in place	- Annually review the SCM Policy and SOPs as part of the Budget process - Ensure staff sign acknowledgement of SCM policy and SOP reviews annually - Approve UIF&W Policy and Reduction Strategy - Communicate to staff and have SCM staff sign acknowledgement. - Ensure Consequence Management is enforced in terms of MFMA section 32.	31 May each year 31 July of each year 31 May of each year 30 June of each year Ongoing as required	Divisional Manager: SCM SCM Managers Municipal Manager
4. Develop and monitor the implementation of action plans to address internal control deficiencies	- Implement Audit Action Plan timeously	31 July of each year	SCM Managers
5. Implement proper record keeping promptly to ensure that complete, relevant, and accurate information is accessible and available to support financial and performance reporting	- Maintain a suitable hard-copy filing system where applicable - Make an electronic backup of hard copies where possible	Immediate & Ongoing Immediate & Ongoing	SCM Managers
6. Implement controls over daily and monthly processing and reconciling of transactions	- Maintain Segregation between selecting quotes and making payments - Ensure systems are in place to prevent intentional splitting of procurement - Evaluate all Service Providers Performance Monthly with minutes of meetings - Ensure declarations of interest / gifts or benefits are continuously made	Immediate & Ongoing Immediate & Ongoing Immediate & Ongoing Immediate & Ongoing	Divisional Manager: SCM SCM Managers Contract Managers Principle Clerk
7. Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information	- Ensure all SCM Regulations reporting requirements are adhered to on a monthly; quarterly; & annual basis	Immediate & Ongoing	Divisional Manager: SCM SCM Managers

8. Review and monitor compliance with applicable laws and regulations	- Ensure all SCM compliance and possible abuse of SCM Policy is reported monthly	Immediate & Ongoing	Divisional Manager: SCM SCM Managers
9. Implement appropriate risk management activities to ensure that regular risk assessments, including consideration of IT risk and fraud prevention, are conducted and that a risk strategy to address the risks is developed and monitored	- Conduct annual Risk Assessment of SCM system, procedures, and processes - Update SCM areas in Risk registers - Review SCM risks in Fraud prevention plan annually	by 30 June of each year by 30 June of each year by 30 June of each year	Divisional Manager: SCM SCM Managers Chief Risk Officer
10. There is an adequately resourced and functioning internal audit unit that identifies internal control deficiencies and recommends corrective action effectively	- Ensure SCM findings raised by internal and external audit are addressed.	by 30 June of each year	Divisional Manager: SCM SCM Managers
11. The audit committee promotes accountability and service delivery through evaluating and monitoring responses to risks and providing oversight over the effectiveness of the internal control environment including financial and performance reporting and compliance with laws and regulations	- Ensure Internal audit reports on SCM to the AC covers the compliance with laws & regulations and internal controls	31 December of each year	Chief Audit Executive SCM Managers

GUIDANCE TWO – PROCUREMENT AND CONTRACT MANAGEMENT – SUGGESTED PREVENTATIVE CONTROLS

CONTROL	ACTION	TIMELINE	OWNER
1. Implementation of demand management and the utilisation of procurement plan goods, service, or infrastructure projects in a proactive manner (to get the right price and at the right location, and that the quantity and quality satisfy the needs of the municipality) instead of merely reacting to purchasing requests	- Develop a Draft procurement plan to be tabled with Draft Budget - Develop a Final Procurement plan to be tabled with Final Budget - Report adherence & deviations to procurement plan monthly - Report contracts; contract extensions and	31 March each year 31 May each year Monthly	Divisional Manager: SCM SCM Managers

	variations that should but did not go through a competitive process	Immediate & Ongoing	
2. An effective system of acquisition management to ensure that: • the municipality procures typical goods and services following authorised processes and different threshold values only; • expenditure on goods and services is incurred in terms of an approved budget in terms of section 15 of the Act; • quotes are evaluated following the preference point system as prescribed by the PPPF Act; • bid documentation, evaluation and adjudication criteria, and general conditions of a contract, are in accordance with any applicable legislation.	- Ensure that SOP's are adhered to for procurement thresholds and report variances - Ensure Budget Manager / Official signs to confirm correct and available budget; - Monitor correct BBBEE / preferential points allocation; - Ensure continuous controls over evaluation for bid compliance.	Immediate & Ongoing Daily Ongoing Ongoing	Divisional Manager: SCM SCM Managers
3. Appropriate measures are in place and operating effectively where competitive bidding was not followed: • This was done only under the following circumstances: - i) in an emergency - where immediate action is necessary; ii) if goods or services are produced or available from a sole provider; iii) for the acquisition of special works of art or historical objects; iv) acquisition of animals for zoos; or iv) in any other exceptional case where it is impractical or impossible to follow the official procurement process. • The deviation from inviting competitive bids was recorded and approved by the accounting officer or delegated official, was reported to the next council/ board meeting, was disclosed in the notes to the annual financial statements is not indicative of fraud.	- Develop a SOP for deviations. - Ensure that all deviations are processed as per the SOP. - Ensure deviations are reported to the next Council (Section 80) meeting and in the Annual Financial Statements.	30 April Immediate & Ongoing Immediate & Ongoing	Divisional Manager: SCM SCM Managers
4. The utilisation of a list of accredited prospective providers or, if not from the list, the providers meet the listing criteria in the SCM policy	- Ensure procurement is only done from registered Service Providers	Immediate & Ongoing	Divisional Manager: SCM SCM Managers
5. Proper committee systems exist, and bid documentation is maintained in a manner that is complete, appropriate and accurate	- Ensure all Bid attendance registers Agenda & minutes are signed and filed accordingly	Immediate & Ongoing	Divisional Manager: SCM SCM Managers

6. Effective measures are implemented to ensure that construction contracts are awarded following the applicable SCM and CIDB legislation	- Ensure that Construction and similar contracts as prescribed by CIDB include the correct CIDB criteria and is advertised on CIDB and correct platforms	Immediate & Ongoing	Divisional Manager: SCM SCM Managers
7. Proper mechanisms, controls and safeguards are in place to manage conflict of interest, as it relates to: • declarations of interests by SCM officials and role players recorded in a register kept by the accounting officer; • declarations by SCM officials or other role players 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; • declarations by council members (including the mayor) of their financial interest. • controls for staff members to declare their benefits to the council where a staff member, or his/her spouse, partner business associate or close family member, acquired or stands to acquire any direct benefit from a contract concluded with the municipality.	- Ensure all SCM staff sign declarations of interests by 01 July each year - Ensure all Directors and MM disclose their interests by 01 July - Ensure all other staff complete declarations upon entry to the institution - HR to send an annual reminder to all staff to update their declarations of interest - Continuously request MBD declarations from service providers and not less than once per year	01 July each year 01 July each year Ongoing by 31 May each year Ongoing	Divisional Manager: SCM SCM Managers Divisional Manager: HR
8. Utilising effective contract management ensures that the extension, expansion, or variation of a contract is justifiable and not indicative of the circumvention of SCM processes.	- send 7-month reminder before contract expiry	Ongoing	Divisional Manager: SCM SCM Managers
9. All fruitless and wasteful expenditure identified (whether by the municipality or through the audit process) are disclosed in the municipality's financial statements, together with the relevant details of the non-compliance.	- disclose all F&W expenditure in the AFS	31 August each year	Divisional Manager: SCM SCM Managers

GUIDANCE THREE – CONSEQUENCE MANAGEMENT – SUGGESTED PREVENTATIVE CONTROLS

CONTROL	ACTION	TIMELINE	OWNER
1. There should be consequences for transgressions, a lack of action and poor performance. Consequences should be instituted against officials who fail to comply with applicable legislation, continuously underperform or are negligent, and against those whose actions and decisions cause financial losses.	- Ensure policies on UIF&W are approved by Council - Circulate approved policy to all users - Ensure All Managers, Directors and SCM staff are aware of policy contents and consequences of UIF&W and poor performance	30 June 31 May 31 December	Municipal Manager Section 56 Managers Divisional Manager: SCM Divisional Manager: HR
2. Historical irregular expenditure is dealt with expeditiously by the municipal public accounts committee.	- Ensure UIF&W investigation reports are tabled to MPAC at least Quarterly	Every quarter as per calendar of meetings	Municipal Manager Section 56 Managers

17 STRATEGIES TO BE IMPLEMENTED TO REDUCE UIF&W INCREMENTAL TARGETS

1. To eliminate Irregular Expenditure by 100% of the 2021/22 baseline by 2026.
2. To eliminate Fruitless & Wasteful Expenditure by 100% of the 2021/22 baseline by 2026.
3. To eliminate Unauthorised Expenditure by 100% of the 2021/22 baseline by 2026.

The above goals will be broken down into the following annual targets and where targets were missed in prior years, additional efforts must be exerted to catch-up to the current financial year target:

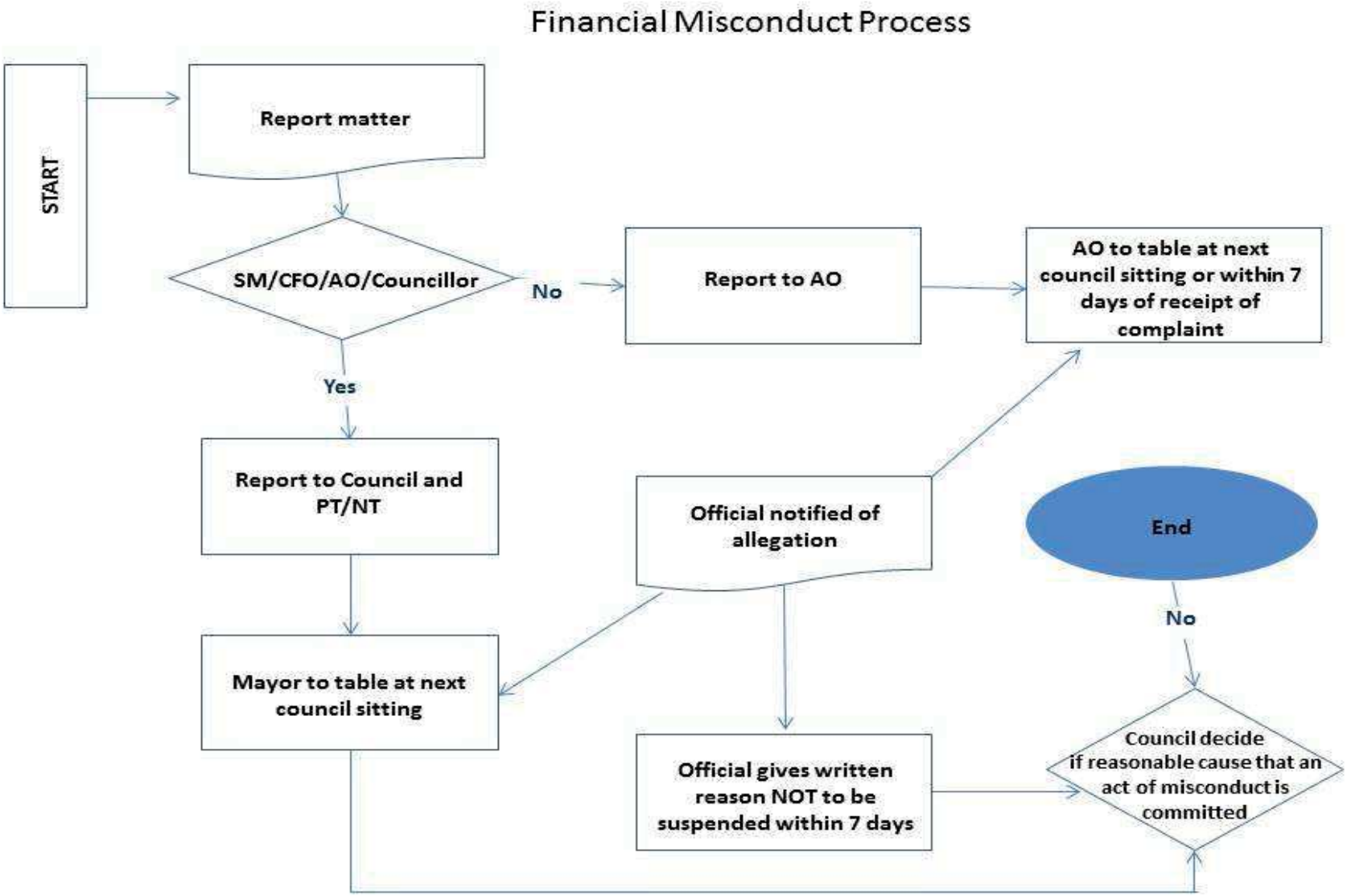
Outcome	Outcome Indicators	Baseline	Incremental Target			Main Target
			2022-23	2023-24	2024-25	2025-26
Sound Financial controls and management of public finances.	Percentage reduction of irregular expenditure	2021/22 Audited AFS baseline of R110,946	5% elimination of irregular expenditure incrementally from the baseline of 2021/22 by 2023 R534,119 **target not met**	15% elimination of irregular expenditure incrementally from the baseline of 2021/22 by 2024 R3,836,366 **Target not met**	50% elimination of irregular expenditure incrementally from the baseline of 2021/22 by 2025	100% elimination of irregular expenditure incrementally from the baseline of 2021/22 by 2026
	Percentage reduction of fruitless & wasteful expenditure	2021/22 Audited AFS baseline of R27,394	50% elimination of fruitless & wasteful expenditure incrementally from the baseline of 2021/22 by 2023 R4,748 **Target met**	75% elimination of fruitless & wasteful expenditure incrementally from the baseline of 2021/22 by 2024 R0 **Target met**	90% elimination of fruitless & wasteful expenditure incrementally from the baseline of 2021/22 by 2025	100% elimination of fruitless & wasteful expenditure incrementally from the baseline of 2021/22 by 2026
	Percentage reduction of unauthorised expenditure	2021/22 Audited AFS baseline of R14,108,285	5% elimination of unauthorised expenditure incrementally from the baseline of 2021/22 by 2023 R26,061,573 **Target not met**	15% elimination of unauthorised expenditure incrementally from the baseline of 2021/22 by 2024 R0 **Target met**	50% elimination of unauthorised expenditure incrementally from the baseline of 2021/22 by 2025	100% elimination of unauthorised expenditure incrementally from the baseline of 2021/22 by 2026

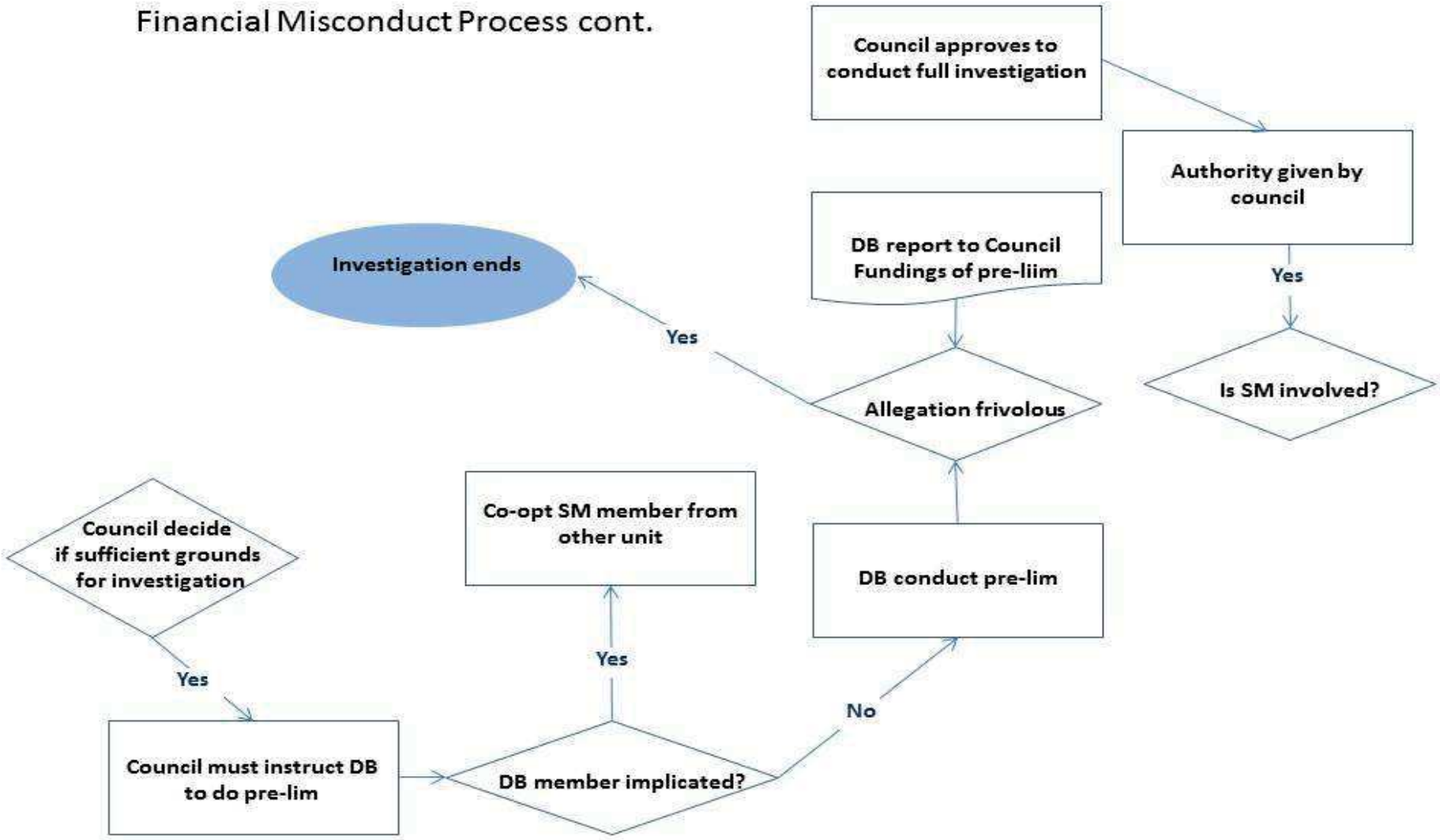
18 SHORT TITLE AND COMMENCEMENT

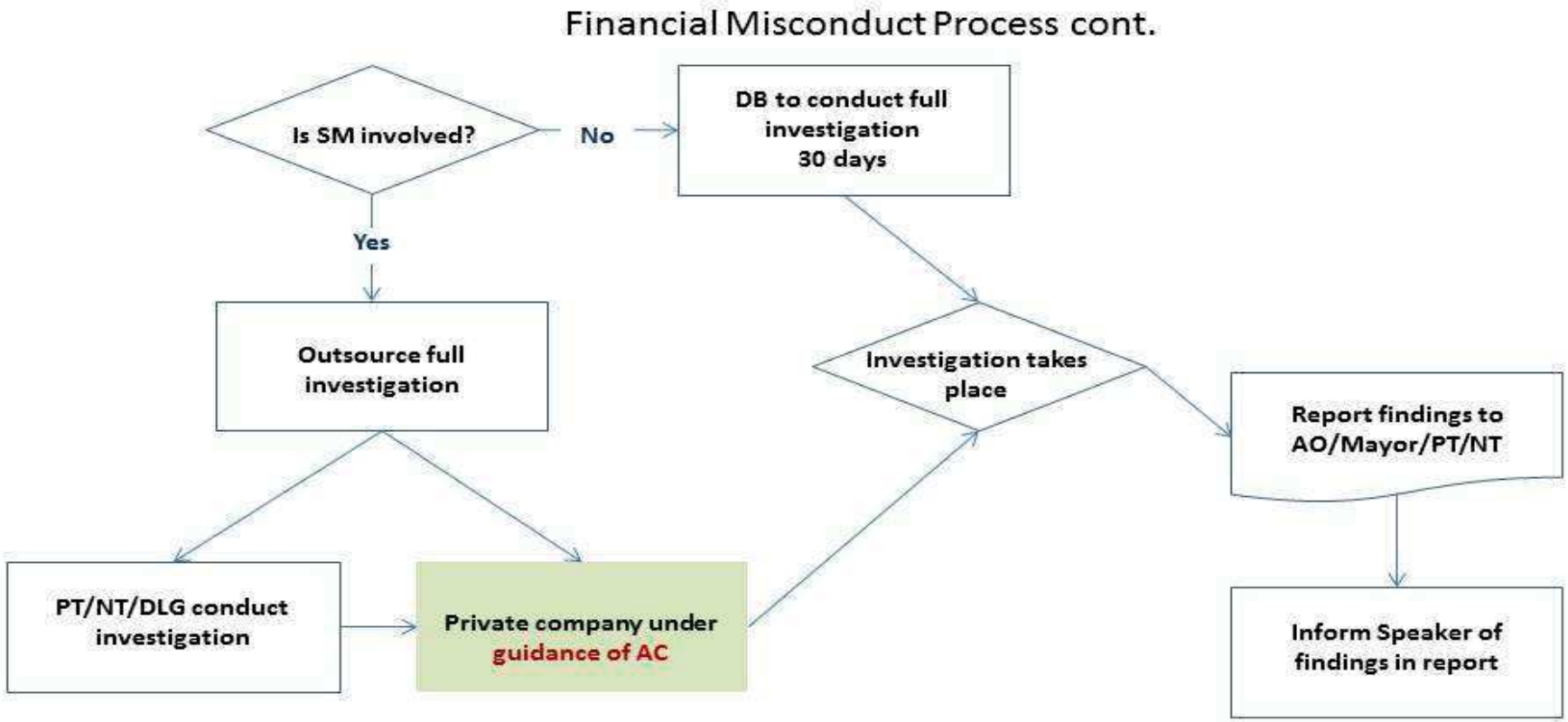
This policy is called the Overstrand Municipality's Unauthorised, Irregular or Fruitless and Wasteful Expenditure Policy.

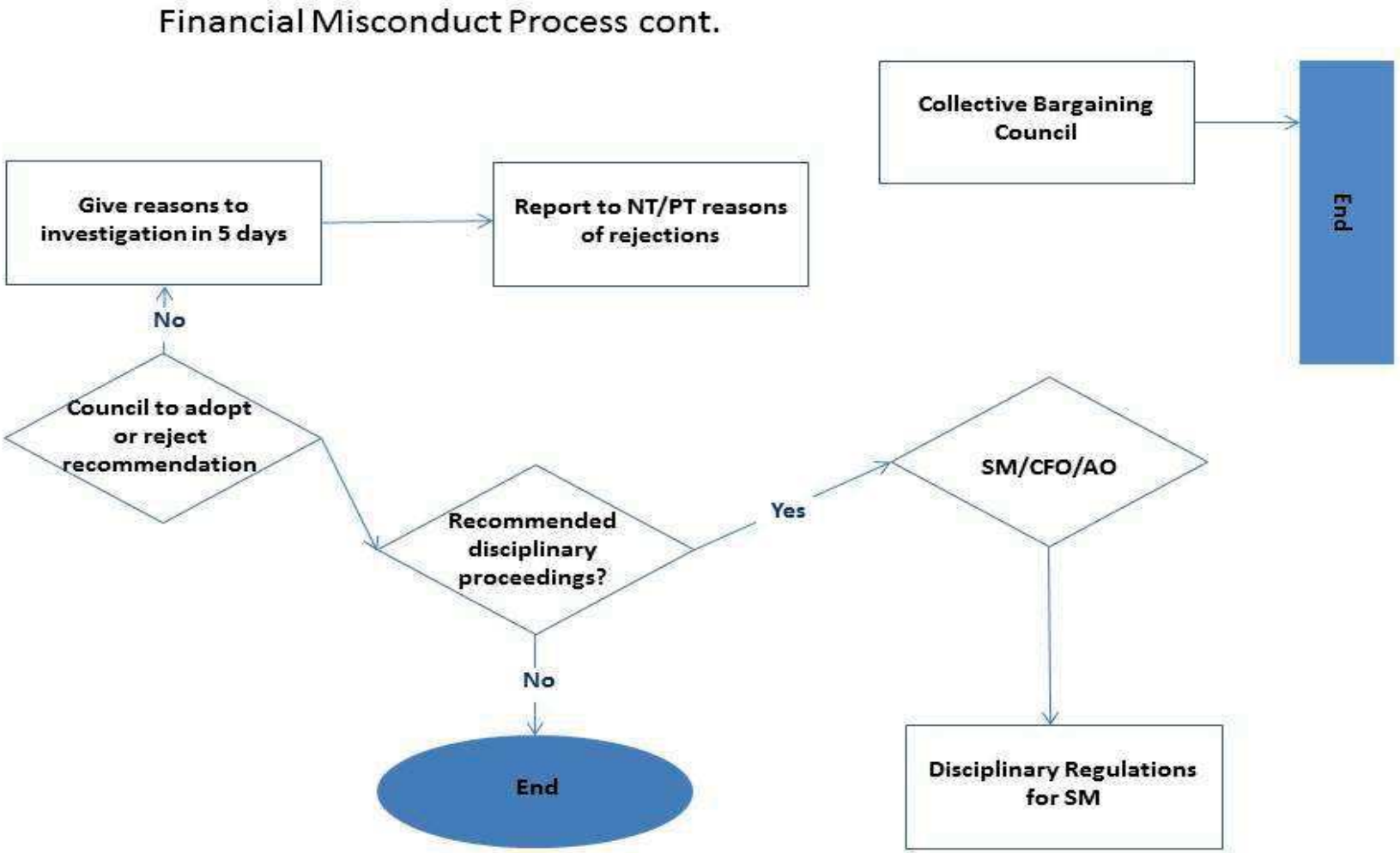
This policy will come into effect on **1 July 2026** and will be reviewed at least annually by way of a Council resolution.

POLICY SECTION:	DIVISIONAL MANAGER: SUPPLY CHAIN MANAGEMENT
CURRENT UPDATE	27 MAY 2026
PREVIOUS REVIEW:	29 MAY 2025
PREVIOUS REVIEW:	31 MAY 2024
PREVIOUS REVIEW:	31 MAY 2023
PREVIOUS REVIEW:	31 MAY 2022
PREVIOUS REVIEW:	27 MAY 2020
PREVIOUS REVIEW:	29 MAY 2019
APPROVAL BY COUNCIL	30 MAY 2018

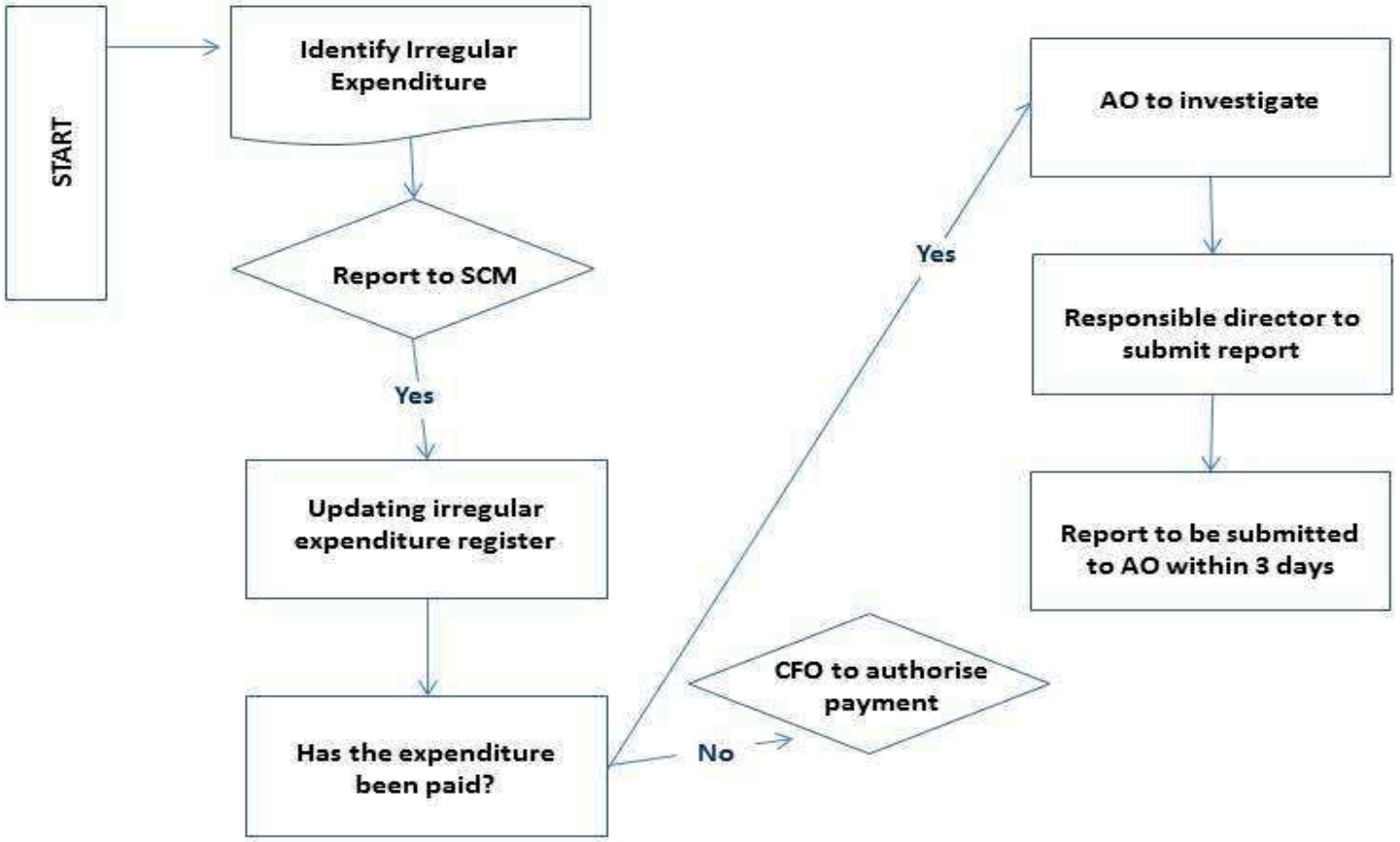

Financial Misconduct Process
START
Report matter
SM/CFO/AO/Councillor
No
Report to AO
AO to table at next council sitting or within 7 days of receipt of complaint
Yes
Report to Council and PT/NT
Official notified of allegation
End
No
Mayor to table at next council sitting
Official gives written reason 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
Council decide if sufficient grounds for investigation
Co-opt SM member from other unit
DB conduct pre-lim
Yes
Yes
No
Council must instruct DB to do pre-lim
DB member implicated?

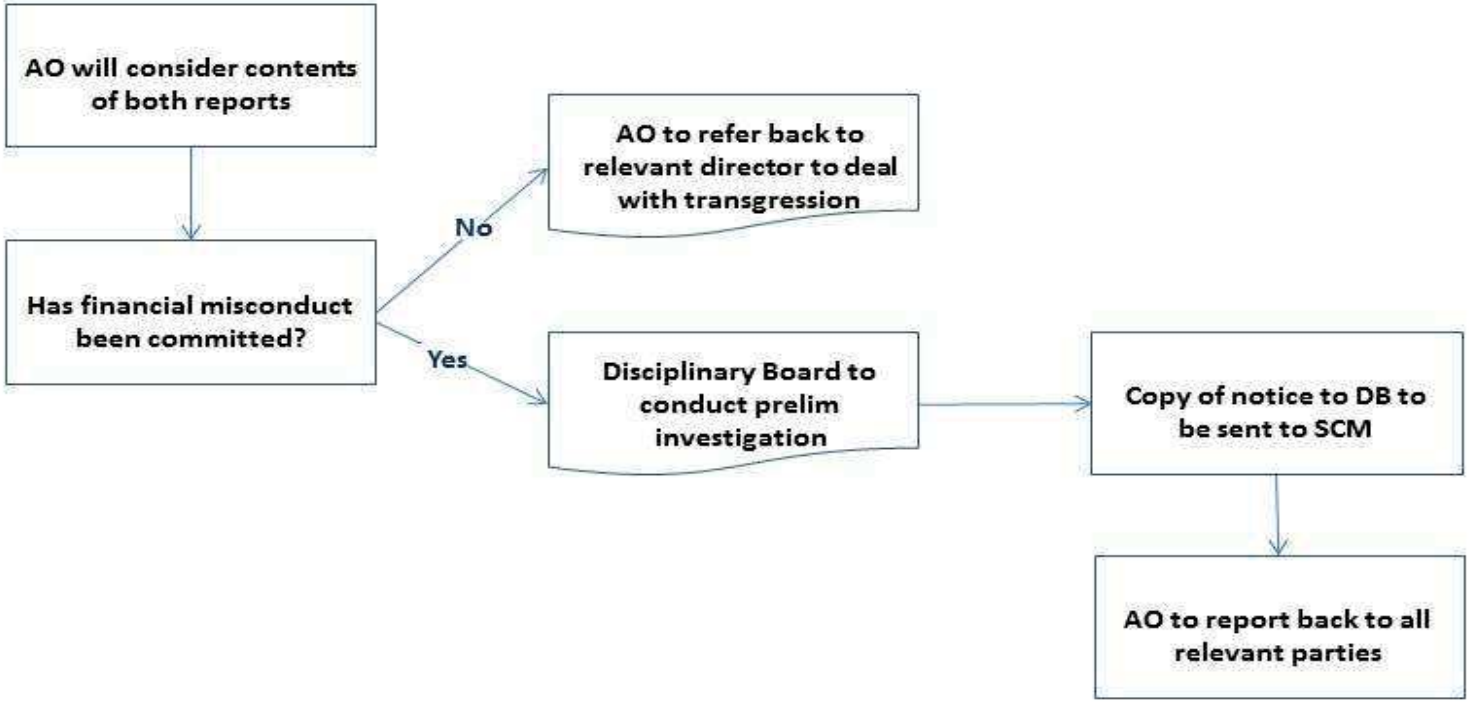

Financial Misconduct Process cont.
Is SM involved?
No
DB to conduct full investigation 30 days
Yes
Outsource full investigation
Investigation takes place
Report findings to AO/Mayor/PT/NT
PT/NT/DLG conduct investigation
Private company under guidance of AC
Inform Speaker of findings in report


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



BORROWING POLICY

TABLE OF CONTENTS

1 PURPOSE 1

2 OBJECTIVES 1

3 SCOPE OF THE POLICY 1

4 LEGISLATIVE FRAMEWORK AND DELEGATION OF AUTHORITY 1

5 TYPES OF LOANS AND FINANCING 2

6 OTHER CONSIDERATIONS 3

7 REFINANCING DEBT 4

8 DEBT REPAYMENT PERIOD 4

9 SECURITY 4

10 SHORT TERM DEBT 5

11 DISCLOSURE 5

12 GUARANTEES 5

13 APPROVAL OF LOANS BY THE MUNICIPALITY 5

14 PROVISION FOR REDEMPTION OF LOANS 6

15 NON-REPAYMENT OR NON-SERVICING OF LOAN 6

16 PROHIBITED BORROWING PRACTICES 6

17 FOREIGN BORROWINGS 7

18 NATIONAL TREASURY AND OTHER REPORTING AND MONITORING REQUIREMENTS 7

19 IMPLEMENTATION AND REVIEW PROCESS 7

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 Hire Purchase

Hire purchase (HP) is a financing arrangement where the municipality can acquire an asset/s by paying fixed monthly installments, which include interest and any other costs, over a set period. Legal ownership or title to the assets would transfer to the municipality at the end of the agreement if all installments were paid.

This type of financing could be considered in the event of acquiring assets that normally has a useful life of 3 – 6 years.

5.4 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.

5.5 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**]** **three** 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**]** **R25** 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) **should not exceed 30%**. **[**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 **ten to** 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 2025** 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:	**DIVISIONAL MANAGER: FINANCIAL ACCOUNTING**
CURRENT UPDATE:	27 MAY 2026
PREVIOUS UPDATE:	29 MAY 2025
PREVIOUS UPDATE:	31 MAY 2024
PREVIOUS UPDATE:	31 MAY 2023
PREVIOUS REVIEW:	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
APPROVAL BY COUNCIL:	27 June 2012

OVERSTRAND MUNICIPALITY



BUDGET POLICY

TABLE OF CONTENTS

1.	OBJECTIVES OF POLICY	1
2.	BUDGET PRINCIPLES	1
	Capital Budgets	1
	Operational Budgets	3
	Adjustments Budgets	7
3	IMPLEMENTATION AND REVIEW OF POLICY	7

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 **Divisional Manager: Financial Accounting** and the **Manager: Budgets** 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 **Divisional Manager: Financial Accounting** and the **Manager: Budgets**, engage with the Directors and the **Divisional Manager: Strategic Support 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**]** business 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 **Divisional Manager: Financial Accounting** and the **Manager: Budgets**, 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 Budgets

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.

2.3.5 Any other adjustments budgets may be tabled in terms of the relevant stipulations of the MFMA and within the timeframes as stipulated in the MBRR.

3. IMPLEMENTATION AND REVIEW OF POLICY

This policy shall be implemented on **1 July 2026** 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:	DIVISIONAL MANAGER: FINANCIAL ACCOUNTING
CURRENT UPDATE:	27 MAY 2026
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PREVIOUS REVIEW:	30 MAY 2012
APPROVAL BY COUNCIL:	04 MAY 2011

OVERSTRAND MUNICIPALITY

FUNDING, RESERVES AND PROVISIONS POLICY

INDEX

1.	**INTRODUCTION AND OBJECTIVE**	**1**
2.	**SECTION A: FUNDING POLICY**	**1**
	2.1 LEGISLATIVE REQUIREMENTS	1
	2.2 STANDARD OF CARE	1
	2.3 STATEMENT OF INTENT	1
	2.4 CASH MANAGEMENT	2
	2.5 LIABILITY MANAGEMENT	2
	2.6 FUNDING THE OPERATING BUDGET	2
	2.7 FUNDING THE CAPITAL BUDGET	3
	2.8 FUNDING COMPLIANCE MEASUREMENT	4
3.	**SECTION B: RESERVES POLICY**	**7**
	3.1 INTRODUCTION	7
	3.2 LEGAL REQUIREMENTS	7
	3.3 TYPES OF RESERVES/PROVISIONS	7
	3.4 ACCOUNTING FOR RESERVES AND PROVISIONS	8
4.	**SECTION C: REVIEW OF THE POLICY**	**8**

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**]** **3** 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 than 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 2026** and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.

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APPROVAL BY	04 MAY 2011

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:

TABLE OF CONTENTS

1.	DEFINITIONS	1
2.	OBJECTIVE OF POLICY	1
3.	SCOPE OF POLICY	2
4.	RESPONSIBILITY / ACCOUNTABILITY	2
5.	INVESTMENT INSTRUMENTS	2
6.	LIQUIDITY & CASH FLOW ESTIMATES	3
7.	INVESTMENT ETHICS AND PRINCIPLES	5
8.	INVESTMENT PROCEDURES	6
9.	OTHER EXTERNAL DEPOSITS	7
10.	CONTROL OVER INVESTMENTS	7
11.	IMPLEMENTATION AND REVIEW OF POLICY	8
12.	SHORT TITLE	8

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;

6.4.1.1 All earmarked or conditional grant transfers from spheres of Government or from Public Contributions made to Overstrand Municipality that have not yet been utilized;

6.4.1.2 All funds not yet been utilised in relation to agency services provided on behalf of Provincial or National Government should also be treated as earmarked funds;

6.4.1.3 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**]** **three** 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 : 1 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. maturity 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 2026** 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:	DIVISIONAL MANAGER: FINANCIAL ACCOUNTING
CURRENT UPDATE:	27 MAY 2026
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PREVIOUS REVIEW:	28 MAY 2015
PREVIOUS REVIEW:	28 MAY 2014
PREVIOUS REVIEW:	29 MAY 2013
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OVERSTRAND MUNICIPALITY



LONG TERM FINANCIAL PLANNING AND IMPLEMENTATION POLICY

TABLE OF CONTENTS

		Page
1.	INTRODUCTION	1
2.	PURPOSE	1
3.	GUIDING PRINCIPLES	1
4.	DEVELOPMENT OF A FINANCIAL PLAN	2
5.	ANNUAL REVIEW	5
6.	IMPLEMENTATION AND REVIEW OF THIS POLICY	6

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, dependent on the timing of the compilation of the LTFP, allocations for a long term financial plan are:-

1.3.1 Immediate (12 months – Past or Current Financial Year).

1.3.2 Medium term (3 years – MTREF, subject to timing in compiling the LTFP).

1.3.3 Long term (7 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 2026** 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

POLICY SECTION:	**DIVISIONAL MANAGER: FINANCIAL ACCOUNTING**
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OVERSTRAND
MUNICIPALITY



VIREMENT POLICY

CONTENTS

1	DEFINITIONS	1
2	ABBREVIATIONS	1
3	OBJECTIVE	2
4	VIREMENT CLARIFICATION	2
5	FINANCIAL RESPONSIBILITIES	2
6	VIREMENT RESTRICTIONS	2
7	VIREMENT PROCEDURE	3
8	IMPLEMENTATION AND REVIEW OF THIS POLICY	4
9	ANNEXURE A:	
	mSCOA FUNCTION/SUB-FUNCTION	5
	DIRECTORATES AND DEPARTMENTS (OWN SEGMENT)	7

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

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**]** **address** service delivery in a financially responsible manner. **Virements only relate to the current financial year / approved budget as the budgets for outers years' are indicative and subject to change with subsequent budget processes.**

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 the CFO and Municipal Manager 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 **or projects**, significantly vary from current policy **or approved projects** or **significantly** alter the approved **budgeted amounts** / outcomes / outputs, and as approved in the IDP for the current or subsequent years. (section 19 and 21 MFMA)

(d) Virements **passed during an adjustments budget,** 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 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.

(t) Virements are not permitted from the mSCOA line item Inventory: Zero Rated (Fuel) to other expenditure line items within a directorate/department, except where approved 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.

(c) Capital Budget Virements within 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 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 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) (i) The relevant Director is required to approve all virements pertaining to their respective directorates, with a maximum as determined under section 6b. Virements in excess of R20 000 requires the the express approval of the Chief Financial Officer and virements in excess of R100 000 requires the express approval of the Municipal Manager. (Section 79 MFMA).

(ii) All virements generated by the budget section for additional budget line items, where applicable and corrections to budget line items, require the approval of the Chief Financial Officer.

(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 R20 000 per item.

8. IMPLEMENTATION AND REVIEW OF THIS POLICY

This policy shall be implemented on **1 July 2026** and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.

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Directorate	Department	OV CODE	Dept Code
Municipal Council	Council:Council's General	OV000012000100	**8010**
Municipal Council	Council:Mayors Office	OV000012000200	**8020**
Municipal Council	Council:Pensioners & Continued Members	OV000012000300	**8030**
Office of the Municipal Manager	MM:Municipal Manager	OV000013000100	**8040**
Office of the Municipal Manager	MM:Internal Audit	OV000013000200	**8050**
Office of the Municipal Manager	MM:Strategic Support Services	OV000013000300	**8060**
Office of the Municipal Manager	MM:Legal Services & Contract Management	OV000013000400	**8070**
Corporate Services	Corp:Director:Corporate Services	OV000014000100	**8080**
Corporate Services	Corp:Risk Management	OV000014000200	**8090**
Corporate Services	Corp:Human Resources Management	OV000014000300	**8100**
Corporate Services	Corp:Info & Communication Technolgy	OV000014000400	**8110**
Corporate Services	Corp:Business Architecture & CRM	OV000014000500	**8120**
Corporate Services	Corp:Administrative Support Services	OV000014000600	**8130**
Corporate Services	Corp:Municipal Court	OV000014000700	**8140**
Financial Services	Fin:Chief Financial Officer	OV000015000100	**8150**
Financial Services	Fin:Financial Accounting	OV000015000200	**8160**
Financial Services	Fin:Revenue Management	OV000015000300	**8170**
Financial Services	Fin:Expenditure, Fleet & Asset Management	OV000015000400	**8180**
Financial Services	Fin:Supply Chain Management	OV000015000500	**8190**
Infrastructure Services	Infra:Chief Engineer:Infrastructure Services	OV000016000100	**8200**
Infrastructure Services	Infra:Principal Engineer:Civil Infrastructure Planning	OV000016000200	**8210**
Infrastructure Services	Infra:Senior Engineer:Waste Management	OV000016000300	**8220**
Infrastructure Services	Infra:Waste Management:Transfer Stations & Drop-Offs	OV000016000400	**8230**
Infrastructure Services	Infra:Principal Engineer:Civil Enineering Services	OV000016000500	**8240**
Infrastructure Services	Infra:Principal Technologist Civil:Gansbaai & Stanford	OV000016000600	**8250**
Infrastructure Services	Infra:Principal Technologist Civil:Hermanus	OV000016000700	**8260**
Infrastructure Services	Infra:Principal Technologist Civil:Kleinmond	OV000016000800	**8270**
Infrastructure Services	Infra:Water:Gansbaai & Stanford	OV000016000900	**8280**
Infrastructure Services	Infra:Water:Hermanus	OV000016001000	**8290**
Infrastructure Services	Infra:Water:Kleinmond	OV000016001100	**8300**
Infrastructure Services	Infra:Sewerage:Gansbaai & Stanford	OV000016001200	**8310**
Infrastructure Services	Infra:Sewerage:Hermanus	OV000016001300	**8320**
Infrastructure Services	Infra:Sewerage:Kleinmond	OV000016001400	**8330**
Infrastructure Services	Infra:Sewerage Tankers:Gansbaai	OV000016001500	**8340**
Infrastructure Services	Infra:Sewerage Tankers:Hermanus	OV000016001600	**8350**
Infrastructure Services	Infra:Sewerage Tankers:Kleinmond	OV000016001700	**8360**
Infrastructure Services	Infra:Roads:Gansbaai & Stanford	OV000016001800	**8370**
Infrastructure Services	Infra:Roads:Hermanus	OV000016001900	**8380**

Infrastructure Services	Infra:Roads:Kleinmond	OV000016002000	**8390**
Infrastructure Services	Infra:Stormwater:Gansbaai & Stanford	OV000016002100	**8400**
Infrastructure Services	Infra:Stormwater:Hermanus	OV000016002200	**8410**
Infrastructure Services	Infra:Stormwater:Kleinmond	OV000016002300	**8420**
Infrastructure Services	Infra:Principal Engineer:Electrical Services	OV000016002400	**8430**
Infrastructure Services	Infra:Electrical:GB&ST	OV000016002500	**8440**
Infrastructure Services	Infra:Electrical:HM&KM	OV000016002600	**8450**
Infrastructure Services	Infra:Principal Engineer:Project Management	OV000016002800	**8470**
Infrastructure Services	Infra:Housing Development	OV000016002900	**8480**
Infrastructure Services	Infra:Revenue:Electricity	OV000016003000	**8490**
Infrastructure Services	Infra:Revenue:Water	OV000016003100	**8500**
Infrastructure Services	Infra:Revenue:Sewerage	OV000016003200	**8510**
Infrastructure Services	Infra:Revenue:Waste Management	OV000016003300	**8520**
Community Services	Comm:Director:Community Services	OV000017000100	**8530**
Community Services	Comm:Community Services	OV000017000200	**8540**
Community Services	Comm:Resorts:Onrus Caravan Park	OV000017000300	**8550**
Community Services	Comm:Resorts:Hawston Swimming Pool & Caravan Park	OV000017000400	**8560**
Community Services	Comm:Resorts:Kleinmond & Palmiet	OV000017000500	**8570**
Community Services	Comm:Resorts:Gansbaai	OV000017000600	**8580**
Community Services	Comm:Parks and Open Spaces	OV000017000700	**8590**
Community Services	Comm:Sportsfields	OV000017000800	**8600**
Community Services	Comm:Beaches	OV000017000900	**8610**
Community Services	Comm:Slipways	OV000017001000	**8620**
Community Services	Comm:Cemeteries	OV000017001100	**8630**
Community Services	Comm:Refuse Removal:Stanford & Gansbaai	OV000017001200	**8640**
Community Services	Comm:Refuse Removal:Hermanus	OV000017001300	**8650**
Community Services	Comm:Refuse Removal:Kleinmond	OV000017001400	**8660**
Community Services	Comm:Hermanus CBD Cleansing	OV000017001500	**8670**
Community Services	Comm:Intergrated Human Settlements & Development	OV000017001600	**8680**
Community Services	Comm:Library Services	OV000017001700	**8690**
Community Services	Comm:Sports Development	OV000017001800	**8700**
Community Services	Comm:Housing Administration	OV000017001900	**8710**
Community Services	Comm:Halls,Facilities&Building Maintenance	OV000017002000	**8720**
Community Services	Comm:Facilities & Halls	OV000017002100	**8730**
Community Services	Comm:Building Maintenance	OV000017002200	**8740**
Community Services	Comm:Cleaning Services	OV000017002300	**8750**
Municipal Public Safety	MPS:Director: Municipal Public Safety	OV000018000100	**8760**
Municipal Public Safety	MPS:Traffic Services	OV000018000200	**8770**
Municipal Public Safety	MPS:Law Enforcement Services	OV000018000300	**8780**
Municipal Public Safety	MPS:Fire, Rescue & Disaster Management	OV000018000400	**8790**
Municipal Public Safety	MPS:Disaster Management	OV000018000500	**8800**

Municipal Public Safety	MPS:Safety,Security & CCTV	OV000018000600	**8810**
Planning and Development	P&D:Director:Planning & Development	OV000019000100	**8820**
Planning and Development	P&D:Town Planning & Spatial Planning	OV000019000200	**8830**
Planning and Development	P&D:Environmental Management & Conservation	OV000019000300	**8840**
Planning and Development	P&D:Building Control	OV000019000400	**8850**
Planning and Development	P&D:Socio-Economic Programme	OV000019000500	**8860**
Planning and Development	P&D:Property Management	OV000019000700	**8880**