OVERSTRAND MUNICIPALITY



DRAFT

BUDGET REPORT

2023/2024

2023/24 TO 2025/26
MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

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Abbreviations and Acronyms

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

Foreword

The Overstrand Municipal Advisory Forum (OMAF) will be held on 29th March 2023 at 18h00.

Part 1 – Annual Budget

1.1 Mayor's Report

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

The draft Integrated Development Plan (IDP) review for 2023/24 and the draft SDBIP will also be tabled during 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 2023/24:

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 2023/24 to 2025/26 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 2023/24;

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 2023/24;

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 R50 million per year.

5. that the following schedules be noted:

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

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

7. that **cognisance be taken** of the 2023/24 Budget Report.

1.3 Executive Summary

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided 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 so as to maintain sound financial stewardship. A critical review was also undertaken of expenditure with regards to cost containment measures, non-core and 'nice to have' items.

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

The draft reviewed IDP for 2023/24 will be tabled in Council on 29 March 2023. The strategic direction remains unchanged, therefore the vision, mission, strategic objectives and the Mayor's 3 C priorities of Communication, Crime Prevention & Law Enforcement and Cost and Ease of doing business with Overstrand will continue to support the implementation of the strategic objectives.

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

The approach for the compilation of the current budget (2022/23 financial period ending 30 June 2023), was to a large extent the continuation of another year, marked by the challenge of the severe economic impact of the worldwide pandemic since the start of 2020 three years ago.

During this public participation process with the draft budget being considered, our communities are provided again with the context and strategy followed since April 2020, immediately after the announcement of the COVID pandemic at the time -

Stringent measures were implemented during those budget processes to ensure minimal increases in tariffs for municipal services approved over the past 3 years with only 4,5% across the board for 2020/21, followed by 4.5% for 2021/22 and increases ranging from 4.9% for water, refuse at 5.9% and sewage service charges at 4,3% for the current financial year (2022/23). Before-mentioned strategy was implemented after careful consideration of our own position, as conscious decisions to contain at least the cost of municipal services for these two budget cycles, in view of the COVID-19 hard lockdown and subsequent devastating effect on our communities, causing many businesses to close doors for months and in some instances permanently closing down, causing job losses and hardship for those who were self-employed at the time. This approach represented the extreme caution and care exercised by the municipality to contribute in alleviating the burden on communities in containing rates- and tariff increases.

The municipality was however confronted since February 2022 with skyrocketing oil prices, which caused petrol and diesel prices to rise drastically over the past year. Before-mentioned context provides the basis for the compilation of the draft MTREF budget for 2023/24, and recommended tariffs included in this report.

The Budget Steering Committee recommended revenue projections for 2023/24 based on tariff increases for the respective basic municipal services ranging from 6,5% to 7.5%. Electricity increase is indicated as 15% (more information later on in this report).

A new, discounted rate in the rand in comparison with current rate, will be applicable for the calculation and levying of property rates, which calculations will furthermore be based on the new

property valuations in accordance with the new Valuation Roll for implementation from 1 July 2023. These increases are now also recommended to Council in the draft MTREF Budget Report (2023/24), to be tabled in Council on 29 March 2023. **To be noted that the continuation of rebates is recommended for the new financial period (2023/24), with the following as example:**

Residential Property:

- Minus: First R15 000 of property value
- Minus: R35 000
- Minus: additional 20% of the levy calculated on such property

Pensioners Rebate

- 100% to approved applicant 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.
- 50% to approved applicant who are older than 60, who's gross monthly household income may not exceed the amount of two times (4X) of state funded social pensions per month.
- 40% to approved applicant who are older than 60, who's gross monthly household income more than four times (4X) but less than eight times (8X) of state funded pension per month.

The National Treasury shared the following guiding perspective with Local Government in December 2022(abbreviated) –

The recovery in economic activity that began in 2021 was driven by a strong rebound in global economic activity, high commodity prices and easing COVID-19 restrictions. The scarring impact of the pandemic on employment and investment decisions will likely weigh on the recovery over the medium term. Investment remains well below pre-pandemic levels.

The economy grew by 1.4 per cent in the first half of 2022 compared with the first half of 2021. Real GDP grew more than expected in the first quarter of 2022, with output returning to pre-pandemic levels. However, a deteriorating global environment, flooding in KwaZulu-Natal and the Eastern Cape, industrial action in the electricity and mining sectors, and prolonged and intense power cuts resulted in a broad-based contraction across most sectors during the second quarter. The third quarter was marked by frequent and prolonged power cuts, which significantly disrupted economic activity.
CPI Inflation estimation for 2022/23 is indicated as 4.9% whilst forecasts for 2023/24 was at 6.9% beginning of March 2023.

The economic outlook (provincial government level) indicate the following scenario (abbreviated) -

- *Internationally: Natural disasters, conflict, rising commodity, fuel and food prices*
- *Nationally: Transnet strike, load shedding, inflation, rising interest rates, unemployment, social unrest, crime*
- *Provincially: floods/droughts/fires, improved tourism activity, efficient vaccine roll-out*
- *Locally: Aging infrastructure, municipal financial capacity subdued by weak economy*

South Africa has also been grey-listed in February 2023 by global financial crime watchdog, the Financial Action Task Force (FATF), for not fully complying with international standards related to the prevention of money laundering, terrorist financing and proliferation financing. Before-mentioned can have significant implications for economic growth and global competitiveness, resulting in a negative impact on South African businesses and consumers if not addressed effectively.

Provincial Treasury also issued Treasury Circular No 5 of 2023 in March 2023, regarding budget related matters and the proposed Strategic Integrated Municipal Engagements (SIME) engagements, with the following guidance to municipalities with the finalisation of the 2023/24 Medium Term Revenue and Expenditure Framework (MTREF) Budgets -

While the expectation has been that inflation would remain steady, annual headline Consumer Price Inflation (CPI) moved to 7.0 per cent in February 2023, largely driven by sharp hikes in food prices. Some of the most prominent expenditure drivers to be considered as part of a municipality's budget assumptions are as follows:

Provision for indigent households: The constrained fiscal environment, including high levels of food price inflation and rising interest rates, continues to impact heavily on disposable household income. Households are reducing discretionary spend to afford necessities. Some reduction in spending on consumption of trading services should be expected. However, the larger impact on municipal budgets is likely to come from an increase in indigent household applications and municipalities should anticipate this and provide for the cost in their budget.

Increase in fuel prices:
While fuel price inflation has slowed between December 2022 and January 2023, a year-on-year comparison reveals a 13.1 per cent increase from January 2022. Geo-political uncertainty persists (notably the Ukraine/Russian war) which does leave fuel prices susceptible to ongoing fluctuations. That said, the decision to not increase fuel taxes in the national budget provides a measure of relief to consumers. Fuel is a major cost driver for municipalities in general, but additional provision needs to be made for fuel costs associated with alternative power solutions (such as generators). Municipalities are advised to provide for at least the volumes of fuel that have been consumed monthly for additional generator usage since load shedding escalated in December 2022.

Repairs and Maintenance:
It is crucial that municipalities continue to make adequate provision for the routine care and upkeep of assets to prevent breakdowns and service delivery disruptions. Such provision must be in line with the national norm of 8 per cent of the asset value of Property, Plant and Equipment.
Municipalities need to also make additional provision within their operating budget for repairs and maintenance associated with network breakdowns resulting from load shedding (most notably, electricity and water breakdowns).Additional costs associated with the increase in repairs and maintenance efforts include, but are not limited to, a significant increase in overtime; the use of sub-contractors; as well as inventory consumed. Municipalities must ensure that adequate provision is made in the budget for these specific line-items as part of the repairs and maintenance function.
Contracted services:
Due to the technical nature of electrical technology, municipalities are expected to make use of skilled and experienced consultants and service providers to assist with the transition to renewable energy sources.
Security services:
As load shedding intensifies, municipalities are reporting an increase in illicit activities, especially in terms of theft and vandalism affecting municipal assets.

It is against this that the Budget Steering Committee of the municipality considered budget requests during the draft budget process -

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

Rates and tariff increases (to be discussed later on in this report), are recommended to council for approval (31 May 2023) in accordance with legislative requirements, in finalising the budget for 2023/24.

The draft budget provided for a increase in Electricity tariffs for municipal consumers of 15%. Important to note however that the final recommendation to Council for Electricity tariffs for municipal consumers will be based on the percentage increase stipulated in the NERSA consultation paper to be published and approved by the National Energy Regulator of South Africa (NERSA) from 1 April annually. The applicable tariffs for municipal consumers are annually implemented from 1 July, as

the starting date of the municipal financial year. The draft tariffs application are based on the increase of 15% until the final guideline letter is issued. The final tariffs applicable on Overstrand residents will be aligned to the final approval of the municipal electricity tariffs by NERSA.

In order to present a balanced budget to Council, the respective municipal directorates were requested to cut back on initial expenditure budget requests. Against this backdrop, it is emphasized again that a proviso will remain relevant for the 4th year now, implying that emphasis be placed on responsible spending in view of the uncertainty as mentioned and the further impact of intensified spells of load shedding on the municipality's operations and finances, further drastic price increase of Eskom from 1 July 2023, exorbitant fuel prices, and debt collection performance.

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

The mSCOA chart is reviewed on an annual basis by the National Treasury, to address implementation challenges and correct chart related errors and improvements. Towards this end, National Treasury issued a revised A Schedule – mSCOA Version 6.7 (Municipal annual budgets and MTREF & supporting tables) effective from 2023/24, and to be deployed to compile the 2023/24 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 following are extracts from the preamble to the regulations:

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

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

The segments classification consists of the following:

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

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

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

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

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

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

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

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

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

The main challenges experienced during the compilation of the 2023/24 MTREF, many of these already a standing item listed annually, can be summarised as follows:

- Infrastructure capacity not able to serve growing needs, in view of continuous increase in Overstrand's population, and the immediate demand for services versus the Municipality's financial capacity to deliver.
- The subsequent impact of COVID-19 on the financial sustainability of the municipality;
- The major financial risks, uncertainty and constraints facing the municipality due to worsening stages of power cuts which –
  - significantly and directly disrupt economic activity;
  - costs for the use of back-up power (Gensets) and additional costs for distribution network maintenance, upgrades and new infrastructure are key areas; and
  - risk of an adjustments budget to address loss in revenue (downwards adjustment)) and increased expenditure (to avoid unforeseen and unavoidable expenditure);
- The on-going difficulties in the national and local economy;
- Uncertainty with regard to future allocations to local government in view of the deterioration in the public finances due to various spending pressures on the national fiscus;
- Ever aging existing water, roads, sewage and electricity infrastructure;
- Sustainable refuse disposal, increasingly regulated over the past number of years;
- The need to reprioritise projects and expenditure within the existing resource envelope;
- The cost of bulk electricity;
- Revenue recovery from cost reflective core municipal services;
- Wage increases for municipal staff that have exceeded headline consumer inflation in the past, as well as the need to restructure certain components for operational efficiencies;
- Affordability of capital projects and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2023/24 MTREF process;
- Maintaining a positive cash flow; and
- Ensuring financial sustainability.

The following budget principles and guidelines directly informed the compilation of the 2023/24 MTREF:

- The 2022/23 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 2023/24 annual budget;
- Service level standards were used to inform the measurable objectives, targets and any backlog eradication goals;
- Tariffs and property rates increases should aim to be affordable;
- Some price increases in the input costs of services are beyond the control of the municipality, for instance the cost of fuel, chemicals and electricity, as cost drivers. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure maintenance and backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;
- The following cost saving measures were applied:
    - The principle of a minimal increase in non-core general expenses unless valid motivations such as contractual inflation adjustments dictate.
    - The examining of expenses to see if they are essential to the municipality's operations.
    - Municipal Cost Containment Regulations, 2019.
    - Provision for ward specific projects were replaced with budget provision for caring projects.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2023/24 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2023/24 MTREF

(a) Total Revenue (including capital grants)

R thousand	Budget Year 2022/23	Budget Year 2023/24	Budget Year +2 2024/25	Budget Year +3 2025/26			
Revenue	1,607,226	1,745,573	1,869,554	1,994,730	8.61%	7.10%	6.70%
Expenditure	1,610,448	1,748,972	1,855,792	1,931,500	8.60%	6.11%	4.08%
Surplus / (Deficit)	(3,222)	(3,399)	13,762	63,230			
Capital	206,216	203,615	130,325	164,442	-1.26%	-35.99%	26.18%

(b) Total Revenue (excluding capital grants)

R thousand	Budget Year 2022/23	Budget Year 2023/24	Budget Year +2 2024/25	Budget Year +3 2025/26			
Revenue	1,511,017	1,691,906	1,829,319	1,953,508	11.97%	8.12%	6.79%
Expenditure	1,610,448	1,748,972	1,855,792	1,931,500	8.60%	6.11%	4.08%
Surplus / (Deficit)	(99,431)	(57,066)	(26,473)	22,008			
Capital	206,216	203,615	130,325	164,442	-1.26%	-35.99%	26.18%

Total revenue (including capital grants) to expenditure (Table 1a) indicates a movement towards a surplus position over the 2023/24 MTREF.

Total revenue (Table 1a) indicates an increase in revenue of 8,6 per cent for the 2023/24 financial year when compared to the 2022/23 Adjustments Budget. For the two outer years, revenue will increase by 7,1 and increase with 6,7 per cent respectively. Revenues in Table 1(a) are as informed by fluctuations in the allocation of the Housing grant (Construction Contracts) between operating (top structures) and capital (infrastructure) in the respective financial years.

Total operating expenditure for the 2023/24 financial year has been appropriated at R1,748bn and translates into a budgeted deficit of R57.1m (excluding capital grants) and a deficit of R3.4m

(including capital grants). When compared to the 2022/23 Adjustments Budget, operating expenditure has increased by 8,6 per cent in the 2023/24 budget and increases by 6,1 and 4,1 per cent for each of the respective outer years of the MTREF.

It should be noted that although the 2023/24 operational budget and first indicative year indicate budgeted deficits (Table 1b), this does not reflect the actual cash position. This phenomenon will continue for the foreseeable future. These circumstances arose as the result of the implementation of GRAP, with special reference to GRAP 17 (Property, Plant and Equipment-PPE). The asset value before depreciation is in excess of R6 billion, which relates to substantially high depreciation charges. Although accurately reflecting asset value, the cost of a substantial portion of these assets had been fully redeemed previously, but the useful life of assets was extended as well as ever increasing assets funded by grants. The replacement thereof can thus not be recouped via current tariffs as this would lead to taxation in advance of need and no reserves may be established for these purposes. The principle of recovering actual cash costs during each financial period is adhered to.
The capital budget of R203.6m for 2023/24 is 1,3 per cent less when compared to the 2022/23 Budget. The dedicated infrastructure upgrading/replacement project for water and sewerage networks had a 3-year lifespan, which came to an end on 30 June 2021. Council however approved funding in subsequent years as well to ensure that pipe replacements remain an ongoing project, although on a less bold basis. The impact of roll over projects for the current financial period also results in a decreased capital budget for 2023/24.

The capital programme decreases to R130.3m and to R164.4m in the outer years, which is still aligned on average to the estimated minimum of R100m required annually to sustain capital infrastructure. Own funding (new borrowings) is anticipated at R50m. Borrowings contribute to 46,8 % of the funding over the 2023/24 MTREF. Internally generated funds contribute 6,3% and capital grants 46.9%. The various sources of funded roll-over projects are included in these figures.

The Municipality had reached its planned outer borrowing limit of 60% of operational revenue in 2012. This was a result of much needed investment in infrastructure during the period from 2009 to 2012, after which the municipality embarked on a strategy to manage this rate down by at least 10% over a ten-year period. In January 2014 National Treasury published the first norms and standards circular in which it recommended an upper limit of 45% to revenue. It is expected that this rate would be below 35% at the end of the 2023/24 MTREF. The repayment of capital and interest (debt services costs) remains within the NT acceptable norm band.

1.4 Operating Revenue Framework

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

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

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

- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

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

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

Revenue generated from rates and services forms a significant percentage of the revenue basket for the Municipality. Rates and services revenues comprise 75,15% of the total operating revenue mix for 2023/24. For the 2023/24 financial year, revenue from rates and services charges totals R1,271bn and increases to R1,407bn, R1,506bn in the respective financial years of the MTREF.

The following table is a summary of the 2023/24 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue									
Exchange Revenue									
Service charges - Electricity	415,960	443,718	512,750	541,692	528,044	528,044	593,645	692,904	752,413
Service charges - Water	133,037	130,885	142,917	138,138	138,138	138,138	147,269	156,593	165,876
Service charges - Waste Water Management	80,925	86,983	93,177	90,962	90,962	90,962	104,715	104,595	110,861
Service charges - Waste Management	68,256	72,115	76,951	78,850	78,850	78,850	85,430	95,948	101,664
Sale of Goods and Rendering of Services	123,359	86,171	114,179	113,250	116,250	116,250	131,673	112,040	119,146
Agency services	4,376	6,164	6,858	7,858	7,858	7,858	8,319	8,818	9,346
Interest	31	28	24	0	0	0	0	0	0
Interest earned from Receivables	3,869	3,257	3,370	3,136	3,136	3,136	6,400	6,700	7,100
Interest earned from Current and Non Current Assets	48,116	30,476	31,884	24,871	34,671	34,671	41,800	44,600	47,700
Dividends	–	–	–	–	–	–	–	–	–
Rent on Land	2,314	2,088	1,650	1,229	1,229	1,229	1,127	1,149	1,173
Rental from Fixed Assets	3,425	4,068	5,042	4,573	4,573	4,573	5,646	5,975	6,290
Licence and permits	698	626	1,002	953	953	953	964	1,016	1,071
Operational Revenue	15,867	12,296	8,528	7,419	7,819	7,819	8,093	8,328	8,568
Non-Exchange Revenue									
Property rates	240,910	263,442	278,154	287,941	287,941	287,941	340,506	357,532	375,408
Surcharges and Taxes	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	18,211	1,095	35,124	20,344	20,344	20,344	19,597	20,768	22,009
Licences or permits	1,277	1,601	1,778	1,683	1,683	1,683	1,943	2,060	2,184
Transfer and subsidies - Operational	122,921	140,895	151,903	166,184	179,496	179,496	185,579	200,916	213,137
Interest	1,170	987	851	846	846	846	1,300	1,378	1,461
Fuel Levy	–	–	–	–	–	–	–	–	–
Operational Revenue	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets	–	53	–	–	–	–	–	–	–
Other Gains	3,890	7,545	7,570	8,225	8,225	8,225	7,900	8,000	8,100
Discontinued Operations	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	**1,288,611**	**1,294,494**	**1,473,713**	**1,498,153**	**1,511,017**	**1,511,017**	**1,691,906**	**1,829,319**	**1,953,508**

Table 3 Percentage growth in revenue by main revenue source

Description	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework					
R thousand		Budget Year 2023/24		Budget Year +1 2024/25		Budget Year +2 2025/26	
Revenue							
Exchange Revenue							
Service charges - Electricity	528,044	593,645	**12.42%**	692,904	**16.72%**	752,413	**8.59%**
Service charges - Water	138,138	147,269	**6.61%**	156,593	**6.33%**	165,876	**5.93%**
Service charges - Waste Water Management	90,962	104,715	**15.12%**	104,595	**-0.11%**	110,861	**5.99%**
Service charges - Waste Management	78,850	85,430	**8.35%**	95,948	**12.31%**	101,664	**5.96%**
Sale of Goods and Rendering of Services	116,250	131,673	**13.27%**	112,040	**-14.91%**	119,146	**6.34%**
Agency services	7,858	8,319	**5.87%**	8,818	**5.99%**	9,346	**5.99%**
Interest	0	0	**0.00%**	0	**0.00%**	0	**0.00%**
Interest earned from Receivables	3,136	6,400	**104.13%**	6,700	**4.69%**	7,100	**5.97%**
Interest earned from Current and Non Current A	34,671	41,800	**20.56%**	44,600	**6.70%**	47,700	**6.95%**
Rent on Land	1,229	1,127	**-8.28%**	1,149	**1.95%**	1,173	**2.09%**
Rental from Fixed Assets	4,573	5,646	**23.45%**	5,975	**5.83%**	6,290	**5.28%**
Licence and permits	953	964	**1.15%**	1,016	**5.40%**	1,071	**5.42%**
Operational Revenue	7,819	8,093	**3.50%**	8,328	**2.90%**	8,568	**2.88%**
Non-Exchange Revenue							
Property rates	287,941	340,506	**18.26%**	357,532	**5.00%**	375,408	**5.00%**
Fines, penalties and forfeits	20,344	19,597	**-3.67%**	20,768	**5.98%**	22,009	**5.98%**
Licences or permits	1,683	1,943	**15.45%**	2,060	**6.02%**	2,184	**6.02%**
Transfer and subsidies - Operational	179,496	185,579	**3.39%**	200,916	**8.26%**	213,137	**6.08%**
Interest	846	1,300	**53.66%**	1,378	**6.00%**	1,461	**6.02%**
Other Gains	8,225	7,900	**-3.95%**	8,000	**1.27%**	8,100	**1.25%**
Total Revenue (excluding capital transfers and contributions)	**1,511,017**	**1,691,906**	**11.97%**	**1,829,319**	**8.12%**	**1,953,508**	**6.79%**

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 2022/23 and the subsequent adjustments budget and further reclassifications of revenue categories relating to mSCOA. The determination of proposed revenue for 2023/24 has been based on the current statistics available, limited growth and pending slump in economic activity also partly still due to the impact of the coronavirus, as well as the impact of the downgrade on South Africa's credit rating.

South Africa has also been grey-listed in February 2023 by global financial crime watchdog, the Financial Action Task Force (FATF), for not fully complying with international standards related to the prevention of money laundering, terrorist financing and proliferation financing. Before-mentioned can have significant implications for economic growth and global competitiveness, resulting in a negative impact on South African businesses and consumers if not addressed effectively.

After collective service charges, property rates are the second largest revenue source. The third largest source is operational grants from national and provincial government, which is showing growth over the MTREF. This is followed by other revenue which consists of various items such as revenue received from permits and licenses, building plan fees, connection fees, advertisement fees and construction contracts relating to low-cost housing etc., interest on investments and fines. Departments delivering these services have been urged to review the tariffs of these items on an annual basis to ensure they are cost reflective.

Operating grants and transfers total R185.6m in the 2023/24 financial year. This increases in the outer years to R200.9m in 2024/25 and R213.1 in 2025/26 respectively, of the MTREF. The housing allocation for the building of top structures for housing development are included under other revenue in accordance with GRAP construction contracts, and amounts to R302m over the MTREF.
Equitable share increases over the 3-year MTREF period, from the current 2022/23 adjustments budget by 11,3% in terms of the equitable share formula. The NT municipal budget circular release in March 2023 confirm that the local government equitable share formula has been updated to account for projected household growth, inflation and estimated increases in bulk water and

electricity costs over the 2023 MTEF period. It also includes allocations for the operational and maintenance costs associated with the provision of free basic services.

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

Table 4 Operating Transfers and Grant Receipts

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
RECEIPTS:									
Operating Transfers and Grants									
National Government:	**110,994**	**138,372**	**127,977**	**152,183**	**155,762**	**155,762**	**168,528**	**183,668**	**194,726**
Operational Revenue:General Revenue:Equitable Share	106,697	134,322	123,897	141,896	141,896	141,896	157,935	174,790	191,658
Energy Efficiency and Demand-side [Schedule 5B]	–		–	5,000	5,000	5,000	4,200	6,000	–
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	2,635	2,500	2,530	2,593	2,593	2,593	3,565	–	–
Local Government Financial Management Grant [Schedule 5B]	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,688
Municipal Disaster Grant [Schedule 5B]	112		–	–	–	–	–	–	–
Municipal Infrastructure Grant [Schedule 5B]	–	–	–	1,144	1,144	1,144	1,278	1,328	1,380
Water Services Infrastructure Grant	–	–	–	–	3,579	3,579	–	–	–
Provincial Government:	**10,691**	**10,371**	**57,967**	**71,715**	**79,365**	**79,365**	**87,519**	**78,710**	**53,329**
Capacity Building	2,898	2,575		–	–	–	–	–	–
Capacity Building and Other	380						–	–	–
Housing	–						766	–	–
Libraries, Archives and Museums	7,287	7,651	6,580	8,258	8,258	8,258	8,399	8,727	9,118
Library Support Grant			2,222						
Thusong Services Centres Grant				150	150	150			
Resource funding for the establish & support of K9 Unit			2,420	2,420	2,420	2,420	3,345	3,772	4,400
Municipal Electricity Masterplan Grant			1,000						
Financial Management Capacity Building Grant			400						
Community Development Workers			76	75	75	75	76	76	76
Municipal Energy Resilience Grant			650						
LG Public Employment Grant			1,300						
Maintenance & Construction of Transport Infrastructure			145	140	140	140	400	450	500
Financial Management Capability Grant					450	450			
Municipal Service Delivery & Capacity Building Grant			244		300	300			
Municipal Intervention Grant					200	200			
Resource funding for the est of Law Enforcement Reaction Unit			6,307	2,958	2,958	2,958	4,065	4,223	4,317
Emergency Municipal Load-shedding relief grant					6,700	6,700			
Human Settlements (Housing - Construction Contracts)	–		36,623	57,714	57,714	57,714	70,468	61,462	34,918
Public Transport	–		–	–	–	–	–	–	–
Road Infrastructure - Maintenance	126	145	–	–	–	–	–	–	–

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 which must 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 and cost elements and identify all the costs associated with the service concerned.

It must be acknowledged that the whole of the Overstrand municipal area can to a large extent be regarded as a holiday destination with many holiday homeowners as well as still 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 base, and a municipality as Overstrand cannot be compared.

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

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Inflation (CPI) is currently within the 3 to 6 per cent target band of the South African Reserve Bank's inflation targets, with very little change in inflation forecasts over the 2023/24 MTREF. Municipalities should justify increases in excess of the 5,3 per cent projected inflation target as indicated in Municipal Budget Circular 123. Excessive increases are by nature fundamentally likely to be counterproductive, which could result in possible higher levels of non-payment.

However, subsequent to the release of the budget circular and inflation forecasts, the release of the February consumer inflation (CPI) in March 2023 indicated that 7% was reached. The estimated inflation for the current financial period (2022/23) is now indicated in the circular at 6,9% exceeding

the upper limit of the Reserve Bank's target range of 3% to 6%. This is largely due to skyrocketing oil prices, which caused petrol and diesel prices to rising drastically over the past year. With this in mind, the increases from 1 July 2022 was approved at 4.9% for water, refuse at 5.9% and sewage service charges at 4,3%.

Taking before-mentioned into account, the proposed increases for the 2023/24 budget is 6,65% for water (consumption up to 18 kl), refuse at 6,8% and sewage service charges at an average of 7,21%. In order to address the drastic increases in costs for the water services and to preserve water resources as a scarce commodity, the 3rd and 4th step of the sliding scale for water are consolidated in one step, at the cost of the 4th step. **This will relate to a steeper increase for water consumption in excess of 18 kl.**

The percentage increase of Eskom bulk tariffs charged to municipalities in the NERSA media statement released on 16 March 2023 are now indicated as 18,49% in this report, based on the tariff increase for Eskom customers, as approved by NERSA. The indicative overall tariff increases for municipal electricity tariffs for municipal consumers applicable from 1 July 2023 for the electricity basket are now 15%. The publication of the NERSA guideline consultation paper for Local Government is still awaited at the time of finalising this report. Any changes to the recommended increases based on forthcoming NERSA guidelines will be effected accordingly.

The South African Local Government Association (SALGA) recently acknowledged the challenges faced by the country due to load shedding as a result of failing generation infrastructure and lack of maintenance to Eskom's generation fleet. This relates to the following -

"During load shedding municipalities are experiencing a range of negative impacts such as:

• Increased theft of infrastructure such as cables

•Increased frequency of vandalism of infrastructure (such as transformers etc.)

• Damage to electricity distribution networks, especially substations, due to excessive switching.

• Cable fault increases due to high loads after restoring the supply of electricity - Approximately R150 000 to R250 000/day of load shedding.

• Medium voltage switchgear failure - Approximately R50 000 to R 150 000/day of load shedding.

• Impact on WWTW and water purification plants.

➢ The huge financial implications of utilising back-up power for wastewater treatment works.

• Loss of sales revenue

➢Cities incur a loss of income due to unserved energy whereby the overall average direct loss ranges from between R3 million to R6million per day of load shedding.

• Overtime budgets are abnormally high

➢ Switching operators and control officers who are performing network switching operations and restoring supply after equipment damage or theft & Vandalism incidents are costing between R60 000 to R80 000 per day of load shedding."

Furthermore, the loss of income from unserved energy due to load shedding and the iimpact of load shedding on WWTW facilities and water purification plants, costs for the use of back-up power (Gensets) and additional costs for distribution network maintenance, upgrades and new infrastructure are key areas. Before-mentioned must be continuously monitored, to reduce risk where there is an indication that the budget must be adjusted if there is material under-collection of revenue, or unforeseen and unavoidable expenditure. With the current mid-year review process, the adjustments budget at the end of January 2023 included reduced Electricity Revenue of R13,6m for the six month period, as well as increased budget for fuel costs (generators).

The following table sets out the costing of services. The portion of the Equitable Share equal to the subsidies to indigents has since 1 July 2017 been reflected as revenue to the relevant service. This is to ensure that the tariffs for these services are not unduly burdened as a result of the revised budget presentation.

Table 5 Costing of services

	Original Budget 2021/2022	Original Budget 2022/23	Original Budget 2023/2024
Service : ELECTRICITY			
TOTAL EXPENDITURE	505,140,622	543,769,630	606,066,038
TOTAL INCOME	-538,843,532	-578,502,339	-640,359,051
(SURPLUS)/DEFICIT	-33,702,910	-34,732,709	-34,293,013
	6.25%	6.00%	5.36%
Service : WATER			
TOTAL EXPENDITURE	144,040,386	148,858,064	161,098,070
TOTAL INCOME	-147,445,938	-154,432,770	-164,563,559
(SURPLUS)/DEFICIT	-3,405,553	-5,574,706	-3,465,489
	2.31%	3.61%	2.11%
Service : WASTE WATER MANAGEMENT			
TOTAL EXPENDITURE	99,523,480	106,907,803	123,281,489
TOTAL INCOME	-106,856,118	-112,181,355	-127,423,360
(SURPLUS)/DEFICIT	-7,332,638	-5,273,552	-4,141,871
	6.86%	4.70%	3.25%
Service : WASTE MANAGEMENT			
TOTAL EXPENDITURE	94,017,578	97,766,118	104,393,528
TOTAL INCOME	-94,144,886	-96,834,597	-104,634,185
(SURPLUS)/DEFICIT	-127,308	931,521	-240,657
	0.14%	-0.96%	0.23%

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 quite drastically, 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. 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 municipality obtained permission from the Minister for Local Government, on recommendation of Council, during the COVID pandemic in 2020, for the extension of the Valuation Roll for a period of two years. The General Valuation roll for the financial years 2023/24 - 2027/28 has thus been published in February 2023 by the municipality, and property owners have until 3 April 2023 to object. The Valuation Roll is the official record of the value of all rateable properties. The last general valuation was effective from July 2016 and it was found that property values increased significantly since then to bring it in line with present market values. Property owners may have been shocked at these significant increases and are rightly so, concerned about how this will affect their municipal

accounts. **However, to note that the rate in the rand is downwards adjusted and table 6 sets out the categories of rateable properties for purposes of levying rates and the proposed rates for the 2023/24 financial year, to increase from 1 July 2023. Calculations, based on the new valuations, are the basis for the new rate in the rand recommended in the draft budget to Council for consideration.**

Table 6 Comparison of proposed rates to be levied for the 2023/24 financial year

RATES TARIFFS

Tariff Code	Detail	2023/2024		2022/2023		1.0950 / 1.0400
		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	0.007368	0.007368	0.00994	0.00994	-26%
RATE2*	Residential Land with Improvements	0.004210	0.004210	0.00657	0.00657	-36%
	** 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	0.00000	0.00000	
RATE6	Building Clause	Equals to tariff for rates on property	Equals to tariff for rates on property	Equals to tariff for rates on property	Equals to tariff for rates on property	
RATE7	Farm/Agriculture (Bona-fide)	0.001053	0.001053	0.00164	0.00164	-36%
RATE8	Undeveloped erven	0.006315	0.006315	0.00899	0.00899	-30%
	Special Rating Areas					
RAT11	HSRA (Hermanus)	0.000423	0.000423	0.000660	0.000660	-35.91%
RAT12	KSRA (Kleinmond)	0.000333	0.000333	0.000520	0.000520	-35.96%
RAT13	OVSRA (Onrus-Vermont)	0.000231	0.000231	0.000360	0.000360	-35.83%
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: ~~1 - 2 X lettable room : 100%~~ 3 X lettable room : 75% 4 X lettable room : 50% 5 X lettable room : 25%	Prime rights adjusted
BUSO	General Tax: Tourism and Recreational Resorts outside the municipal service areas	Hotels, Guest Houses, Cottages, Caravan Parks and Holiday Resorts, Chalets	50% rebate on the tax applicable on commercial property in urban areas	
RES	General Tax: Residential properties within the municipal service areas	Single residential properties, Group housing, Retirement villages, Flats, Sectional schemes, Small holdings not used for bona fide farming purposes	The first R15 000.00 of the rateable value of all residential properties is exempted from property tax as per the Municipal Propery Rates Act, Section 17 (1) h A further R35 000.00 of the rateable value is exempted in respect of all residential properties where a residential completion certificate has been issued An Additional rebate of 20% of the levy calculated on such properties is granted Rebate to qualifying property owners as indicated under "Other Retabe"	
RESO	General Tax: Residential properties outside the municipal service area	Single residential properties, Group housing, Retirement villages, Flats, Sectional schemes	50% of the tax applicable on residential property in urban areas Rebate to qualifying property owners as indicated under "Other Retabe"	
FARMS	General Tax: Farming properties	Small holdings used for bona fide farming purposes outside municipal service area	Agricultural purpose in relation to the use of a property, excludes the use of the property for the purpose of ecotourism or for the trading In or hunting game	
FARMS	Conservation land	Privately owned properties whether designated or used for conservation purposes	Not rateable in terms of section 17(1)(e) of the Municipal Property Rates Act	
	Other Rebates	Single residential properties, Group housing, Retirement villages, Flats, Sectional schemes	- Property zoned single residential must be occupied permantly by the applicant; - The applicant must be the registered owner; - Applicant may not be the registered owner of more than one property	
PR100			* A rebate of 100% to approved applicant in terms of the Property Rates Policy, who 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	
PR050			* A rebate of 50% to approved applicants, in terms of the Property Rates Policy who are older than 60 with a gross monthly household income less than four times (4X) of state funded social pensions per month	
PR040			* A rebate of 40% to approved applicants, in terms of the Property Rates Policy who are older than 60 with a gross monthly household income more than four times (4X) but less than eight times (8X) of state funded social pensions per month	

1.4.2 Sale of Water and Impact of Tariff Increases

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

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

National Treasury has urged all municipalities some years ago to ensure that water tariff structures are cost reflective from 2014 onwards. Overstrand has implemented a phased approach in this regard. Water source management and maintenance of infrastructure together with cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability. The second infrastructure levy (Table 7 below), implemented in the 2018/19 financial year, relates to a loan for water & waste water infrastructure networks, raised over a period of three years.

Tariff increases as from 1 July 2023 are indicated in the list of tariffs in Annexure C. The increase to **10 kℓ** free water per 30-day period was implemented from 1 July 2022. 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. The third level of phasing in the increases in the 0 – 6 kℓ category as implemented during 2013/14, to recover minimum cost of the production of water, has been further postponed up to date. The increases in

the 0 – 6 kℓ category for all other residential consumers, in this budget will be the same as the general 6.65% increase for water consumption tariffs, for consumption up to 18kl.

The municipality had to revise the budgetary provision for in the current financial year (2022/23) due to the continued drastic escalation of prices internationally. This, together with preservation of water as a scarce commodity, consolidation of the 3rd and 4th step of the sliding scale for water in one step, at the cost of the 4th step are implemented. **This will relate to a steeper increase for water consumption in excess of 18 kl.**

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

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

WATER TARIFFS (ROUNDING APPLICABLE)						1.068
Tariff Code	Detail	2023/2024		2022/2023		1.068
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%	1.068
W1	BASIC CHARGE					
W1A1	Basic Monthly Charge per erf/unit per month	165.74	190.60	155.62	178.96	6.50%
W1A2A	Basic Monthly Subsidy : Residential Indigent as per paragraph A of the Indigent Policyper erf/unit per month	-165.74	-190.60	-155.62	-178.96	6.50%
~~W1A2B~~	~~Basic Monthly Subsidy: Residential Indigent as per paragraph B, C & D of the Indigent Policy per erf/unit per month from 01/03/2023 - 30/06/2023~~	~~43.05~~	~~49.51~~	~~43.05~~	~~49.51~~	~~0.00%~~
W1A3	Infrastructure					
W1A3A	Fixed Infrastructure Basic Charge per erf/unit per month (No 1 end date 30 June 2026)	15.45	17.77	15.45	17.77	0.00%
W1A3B	Fixed Infrastructure Basic Charge per erf/unit per month (No 2 end date 30 June 2029)	8.41	9.67	8.41	9.67	0.00%
W1A3C	Subsidised Fixed Infrastructure Basic Charge per erf/unit per month - Registered Indigent Households (No 2 end date 30 June 2029)	-8.41	-9.67	-8.41	-9.67	0.00%
	See attachment for the amount of RUE's allocated to different household consumers					
W1B	CONSUMPTION - HOUSEHOLDS					
	Normal Tariff & Level 1 water restrictions					
W1B1	0 - 6 kl per kl	6.81	7.83	6.38	7.34	6.74%
W1B2	7 - 18 kl per kl	13.97	16.07	13.08	15.04	6.80%
~~W1B3~~	~~19 - 30 kl per kl~~	~~0.00~~	~~0.00~~	~~21.22~~	~~24.40~~	~~-100.00%~~
W1B4	19 ~~31~~ - 45 kl per kl	34.90	40.14	32.68	37.58	6.79%
W1B5	46 - 60 kl per kl	45.32	52.12	42.43	48.79	6.81%
W1B6	>60kl per kl	60.43	69.49	56.58	65.07	6.80%
	Restriction Tariff 1 (level 2 & 3 water restrictions)					
W1B7	0 - 6 kl per kl	6.81	7.83	6.38	7.34	6.74%
W1B8	7 - 18 kl per kl	18.16	20.89	17.00	19.55	6.80%
~~W1B9~~	~~19 - 30 kl per kl~~	~~0.00~~	~~0.00~~	~~27.59~~	~~31.72~~	~~-100.00%~~
W1B10	19 ~~31~~ - 45 kl per kl	45.37	52.18	42.48	48.86	6.79%
W1B11	46 - 60 kl per kl	58.92	67.75	55.16	63.43	6.81%
W1B12	>60kl per kl	78.56	90.34	73.55	84.59	6.80%
	Restriction Tariff 2 (level 4 & 5 water restrictions)					
W1B13	0 - 6 kl per kl	6.81	7.83	6.38	7.34	6.74%
W1B14	7 - 18 kl per kl	22.35	25.70	20.93	24.07	6.80%
~~W1B15~~	~~19 - 30 kl per kl~~	~~0.00~~	~~0.00~~	~~33.95~~	~~39.04~~	~~-100.00%~~
W1B16	19 ~~31~~ - 45 kl per kl	55.84	64.22	52.29	60.13	6.79%
W1B17	46 - 60 kl per kl	72.51	83.39	67.89	78.07	6.81%
W1B18	>60kl per kl	96.69	111.19	90.53	104.11	6.80%
	Restriction Tariff 3 (level 6 water restrictions)					
W1B19	0 - 6 kl per kl	6.81	7.83	6.38	7.34	6.74%
W1B20	7 - 18 kl per kl	27.94	32.13	26.16	30.08	6.80%
~~W1B21~~	~~19 - 30 kl per kl~~	~~0.00~~	~~0.00~~	~~42.44~~	~~48.81~~	~~-100.00%~~
W1B22	19 ~~31~~ - 45 kl per kl	69.80	80.27	65.36	75.16	6.79%
W1B23	46 - 60 kl per kl	90.64	104.24	84.86	97.59	6.81%
W1B24	>60kl per kl	120.86	138.99	113.16	130.13	6.80%

1.4.3 Sale of Electricity and Impact of Tariff Increases

The percentage increase of Eskom bulk tariffs charged to municipalities in the NERSA media statement released on 16 March 2023 are now indicated as 18,49% in this report, based on the tariff increase for Eskom customers, as approved by NERSA. The indicative overall tariff increases for municipal electricity tariffs for municipal consumers applicable from 1 July 2023 for the electricity basket are now 15% on electricity. The publication of the NERSA guideline consultation paper for Local Government is still awaited at the time of finalising this report. Any changes to the recommended increases based on forthcoming NERSA guidelines will be effected accordingly. The municipality must submit the electricity tariffs application, to ensure that NERSA considers and approves the application on time for implementation on 1 July 2023.The respective brackets of the Inclining Block Tariffs (0-350 kWh, 351-600kWh, and >600kWh), are thus now stated at 15% as

already referred to in this report. The recommendation of tariffs, for final approval by Council on 31 May 2023 must be in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) of tariffs and charges for the budget year 2023/24.

Registered indigents continue to be granted 50 kWh per 30-day period free of charge, in the instance that they qualify for this indigent benefit. The following table shows the impact of the proposed increases in electricity tariffs for domestic consumers:

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

ELECTRICITY TARIFFS (ROUNDING APPLICABLE) (AFTER NERSA approval)

Tariff Code	Detail		2023/2024		2022/2023		1.1500 1.1500 1.06 1.1500
			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	16.65	19.15	0.00%
E1	SINGLE PHASE : DOMESTIC						
E1A	Two-Part Tariff: Credit meters up to 60 Amp (13.8 kVA BDMD) (Including Resorts)						
E1A1	Basic Monthly charge per meter	R	504.46	580.13	438.66	504.46	15.00%
	kWH Unit cost						
E1A2	IBT BLOCK 1 0 - 350 kWh	c	193.56	222.59	168.31	193.56	15.00%
E1A3	IBT BLOCK 2 351 - 600 kWh	c	284.27	326.91	247.19	284.27	15.00%
E1A4	IBT BLOCK 3 > 600 kWh	c	349.27	401.66	303.71	349.27	15.00%
E1B	Two-Part Tariff: Pre-paid up to 60 Amp (13.8 kVA BDMD) (Including Resorts)						
E1B1	Basic Monthly charge per meter	R	504.46	580.13	438.66	504.46	15.00%
	kWH Unit cost						
E1B2	IBT BLOCK 1 0 - 350 kWh	c	178.79	205.61	155.47	178.79	15.00%
E1B3	IBT BLOCK 2 351 - 600 kWh	c	267.88	308.06	232.94	267.88	15.00%
E1B4	IBT BLOCK 3 > 600 kWh	c	335.73	386.09	291.94	335.73	15.00%

The inclining block tariff for electricity, as previously proposed by NERSA is still applicable. Inclining block tariffs for the electricity consumption tariffs will be phased out in future, in accordance with the direction of NERSA. The reduced tariffs for prepaid meters, compared to conventional meters, will continue as in the past.

A basic charge for electricity is part of the electricity tariff structure, since the costs of service rendering for this service also have a large component representing overheads/fixed costs. The basic charge must be associated with the fixed costs to have electricity services available to the community, inclusive of capital costs for expansion and replacement of electricity infrastructure. All other costs (maintenance, operational requirements) related to daily network availability on a 24 hours basis and service rendering from the Eskom intake points, relate to Fixed Costs. Service rendering with regard to Electricity provision is a high risk service with immediate and costly consequences.

A major effort has been made to contain the increase in basic charges, and with that, this service will have only a 5.36% surplus.

The full set proposed tariffs are included in Annexure C.

1.4.4 Sanitation and Impact of Tariff Increases

A average tariff increase of 7,21% for sanitation (basic & consumption) is proposed from 1 July 2023.

With the previous budget (2022/23) an intensified effort to contain the costs of this service for the consumer, resulted in a 4,3% increase from 1 July 2023. However in order to render a sustainable service, the recommendation of 7,21% for 2023/24 will generate a minor surplus of 3,25%. The tariffs for this service will thus have to be increased at a higher rate for the next MTREF budget (2023/24).

The following factors inform the proposed tariffs:

- Sanitation charges are calculated according to the percentage water discharged as indicated in the table below;

- Tariff structure comparability research was undertaken by the Infrastructure & Planning directorate, where it was found that the current tariff structure compares very favourably, towards the consumer, against tariff structures locally and international; and
- Free sanitation **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 (ROUNDING APPLICABLE)						1.075
Tariff Code	Detail	2023/2024		2022/2023		1.068
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%	1.060
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.	16.69	19.19	15.53	17.86	7.47%
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.	148.22	170.45	137.88	158.56	7.50%
SE7A3	Call out fee for Tank Service request but no service due to another defect/no acces to tank	677.42	779.03	634.29	729.43	6.80%
SE7A5	Double the basic charge levied where networks are available but client is not connected	294.51	338.69	275.76	317.12	6.80%
	SEWERAGE - REGISTERED INDIGENT HOUSEHOLDS					
SE7A4	0 - 7 kl - **subsidised**	-16.69	-19.19	-15.53	-17.86	7.47%
SE7A5	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	-16.69	-19.19	-15.53	-17.86	7.47%
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	16.69	19.19	15.53	17.86	7.47%
SE7B2	Call out fee for Tank Service request but no service due to another defect/no acces to tank	677.42	779.03	634.29	729.43	6.80%
SE7C	**SEWERAGE - GUEST HOUSE; BED & BREAKFAST ESTABLISHMENTS**					
SE7C1	per kl (based on 70% of water usage) per unit per month.	16.69	19.19	15.53	17.86	7.47%
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	16.69	19.19	15.53	17.86	7.47%
SE7B2	Call out fee for Tank Service request but no service due to another defect/no acces to tank	677.42	779.03	634.29	729.43	6.80%
SE7E	**CONSUMPTION - DEPARTMENTAL**					
SE7E1	0 - 35 kl per kl (based on 70% of max 50kl water usage) per unit per month	16.69	19.19	15.53	17.86	7.47%
SE8	**BASIC CHARGE**					
SE8A	Basic Monthly Charge Developed sites per erf/unit per month	147.40	169.51	137.88	158.57	6.90%
SE8A1	Basic Monthly Subsidy Residential Indigent as per paragraph A of the Indigent Policy per month	-147.40	-169.51	-137.88	-158.57	6.90%
~~SE8A2~~	~~Basic Monthly Subsidy Residential Indigent as per paragraph B, C & E of the Indigent Policy per month from 01/03/2023 - 30/06/2023~~	~~0.00~~	~~0.00~~	~~38.36~~	~~44.11~~	~~-100.00%~~
SE8B	Basic Monthly Charge Undeveloped sites - can not connect to the network per erf/unit per	99.32	114.22	92.91	106.85	6.90%
SE8C	Basic Monthly Charge Undeveloped sites - can connect to the network per erf/unit per month	147.39	169.50	137.88	158.56	6.90%
SE8D	Basic Monthly Charge Developed sites - with a septic Tank per erf/unit per month	99.32	114.22	92.91	106.85	6.90%
SE8E	Basic Monthly Charge - Low Cost Housing & Single Quarters per erf/unit per month	99.32	114.22	92.91	106.85	6.90%
SE8F	**Infrastructure**					
SE8F1	Fixed Infrastructure Basic Charge per erf/unit per month (No 1 end date 30 June 2026)	9.60	11.04	9.60	11.04	0.00%
SE8F2	Fixed Infrastructure Basic Charge per erf/unit per month (No 2 end date 30 June 2029)	3.43	3.94	3.43	3.94	0.00%
SE8F3	Subsidised Fixed Infrastructure Basic Charge per erf/unit per month - Registered Indigent Households (No 2 end date 30 June 2029)	-3.43	-3.94	-3.43	-3.94	0.00%

The full proposed tariffs are included in Annexure C.

1.4.5 Waste Removal and Impact of Tariff Increases

A recommended tariff increase of at least 6,8% is proposed for 2023/24, in view of the nature of cost drivers for rendering the municipal waste removal service in a heavily regulated environment. Cell 4 of the Overberg District Municipality operates since 1 April 2019, this cell is still operational. The new Hermanus Waste Management Facility became operational during 2022/23. Refuse removal, refuse dumps and solid waste disposal mechanisms must comply with stringent legislative requirements such as the National Environmental Management: Waste Act, No 59 of 2008. Revision of the solid waste strategy to ensure that this service can be rendered in a sustainable manner is ongoing.

The following table compares current and proposed amounts payable from 1 July 2023:

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

REFUSE (SOLID WASTE) TARIFFS (ROUNDING APPLICABLE)

Tariff Code	Detail	2023/2024		2022/2023		1.068 1.060
		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**)	228.00	262.20	213.48	245.50	6.80%
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)**	-228.00	-262.20	-213.48	-245.50	6.80%

All proposed refuse tariffs are listed in Annexure C.

1.4.6 Overall impact of tariff increases on households

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

MONTHLY BASKET OF TARIFFS - SINGLE RESIDENTIAL 2022/2023 and 2023/2024

Residential				Year	Year	Increase/Decrease	
High Consumption with prepaid elect meter				2022/2023	2023/2024	Amount	%
	Valuation	R3,500,000					
Sewer	**SE7A1+SE8A**			355.30	381.06	25.76	7.25
Infrastructure Basic Charge Water, Electricity & Sewer				53.54	53.54	0.00	0.00
Refuse	**1X Per Week**			213.48	228.00	14.52	6.80
Water		20 kl		393.30	444.04	50.74	12.90
SUB TOTAL				**1,015.62**	**1,106.64**	**91.02**	**8.96**
VAT			15%	152.34	166.00	13.65	8.96
TOTAL				1,167.97	1,272.64	104.67	8.96
SRA Rate as might be applicable to be added							

Medium Consumption with prepaid elect meter				2022/2023	2023/2024	Amount	%
	Valuation	R2,500,000					
Sewer	**SE7A1+SE8A**			300.95	322.65	21.70	7.21
Infrastructure Basic Charge Water, Electricity & Sewer				53.54	53.54	0.00	0.00
Refuse	**1X Per Week**			213.48	228.00	14.52	6.80
Water		15 kl		311.62	332.33	20.71	6.65
SUB TOTAL				**879.59**	**936.52**	**56.93**	**6.47**
VAT			15%	131.94	140.48	8.54	6.47
TOTAL				1,011.53	1,076.99	65.46	6.47
SRA Rate as might be applicable to be added							

Low Consumption with prepaid elect meter				2022/2023	2023/2024	Amount	%
	Valuation	R1,000,000					
Sewer	**SE7A1+SE8A**			300.95	322.65	21.70	7.21
Infrastructure Basic Charge Water, Electricity & Sewer				53.54	53.54	0.00	0.00
Refuse	**1X Per Week**			213.48	228.00	14.52	6.80
Water		15 kl		311.62	332.33	20.71	6.65
SUB TOTAL				**879.59**	**936.52**	**56.93**	**6.47**
VAT			15%	131.94	140.48	8.54	6.47
TOTAL				1,011.53	1,076.99	65.46	6.47
SRA Rate as might be applicable to be added							
Life-Line Consumption (ONE PART) (Indigent)				2022/2023	2023/2024	Amount	%
	Valuation	R50,000					
Sewer	**SE7A1**			0.00	0.00	0.00	0.00
Infrastructure Basic Charge Water, Electricity & Sewer				41.70	41.70	0.00	0.00
Refuse	**1X Per Week**			0.00	0.00	0.00	0.00
Water		8 kl		0.00	0.00	0.00	0.00
SUB TOTAL				**41.70**	**41.70**	**0.00**	**0.00**
VAT			15%	6.26	6.26	0.00	0.00
TOTAL				47.96	47.96	0.00	0.00
SRA Rate as might be applicable to be added							

All proposed basket of tariffs is listed in Annexure C.

Table 11 MBRR Table SA14 – Household bills

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
Rand/cent	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24 % incr.	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Monthly Account for Household - 'Middle Income Range'										
Rates and services charges:										
Property rates	247.14	258.27	268.67	284.70	284.70	284.70	(36.0%)	182.43	193.38	204.98
Electricity: Basic levy	335.34	356.20	408.17	438.66	438.66	438.66	15.0%	504.46	534.73	566.81
Electricity: Consumption	1,753.87	1,862.96	2,134.79	2,294.26	2,294.26	2,294.26	15.0%	2,638.39	2,796.69	2,964.49
Water: Basic levy	136.50	142.64	148.35	155.62	155.62	155.62	6.5%	165.74	175.68	186.22
Water: Consumption	400.93	419.04	435.81	449.88	449.88	449.88	6.8%	627.30	664.94	704.84
Sanitation	409.35	427.84	444.89	464.01	464.01	464.01	7.3%	497.89	527.76	559.43
Refuse removal	185.49	193.84	201.59	213.48	213.48	213.48	6.8%	228.00	241.68	256.18
Other	53.54	53.54	53.54	53.54	53.54	53.54	–	53.54	53.54	53.54
sub-total	**3,522.16**	**3,714.33**	**4,095.81**	**4,354.15**	**4,354.15**	**4,354.15**	**12.5%**	**4,897.75**	**5,188.40**	**5,496.49**
VAT on Services	491.25	518.41	574.07	610.42	610.42	610.42	8.6%	707.30	749.25	793.73
Total large household bill:	**4,013.41**	**4,232.74**	**4,669.88**	**4,964.57**	**4,964.57**	**4,964.57**	**12.9%**	**5,605.05**	**5,937.65**	**6,290.22**
% increase/-decrease		**5.5%**	**10.3%**	**6.3%**	**–**	**–**		**12.9%**	**5.9%**	**5.9%**
Monthly Account for Household - 'Affordable Range'										
Rates and services charges:										
Property rates	171.10	178.80	186.00	197.10	197.10	197.10	(36.0%)	126.30	133.88	141.91
Electricity: Basic levy	335.34	356.20	408.17	438.66	438.66	438.66	15.0%	504.46	534.73	566.81
Electricity: Consumption	683.08	725.57	831.44	893.56	893.56	893.56	15.0%	1,027.59	1,089.25	1,154.61
Water: Basic levy	136.50	142.64	148.35	155.62	155.62	155.62	6.5%	165.74	175.68	186.22
Water: Consumption	303.75	317.47	330.17	343.78	343.78	343.78	6.8%	452.80	479.97	508.77
Sanitation	361.40	377.72	392.78	409.66	409.66	409.66	7.3%	439.48	465.85	493.80
Refuse removal	185.49	193.84	201.59	213.48	213.48	213.48	6.8%	228.00	241.68	256.18
Other	53.54	53.54	53.54	53.54	53.54	53.54	–	53.54	53.54	53.54
sub-total	**2,230.20**	**2,345.78**	**2,552.04**	**2,705.40**	**2,705.40**	**2,705.40**	**10.8%**	**2,997.91**	**3,174.58**	**3,361.84**
VAT on Services	308.87	325.05	354.91	376.25	376.25	376.25	8.6%	430.74	456.11	482.99
Total small household bill:	**2,539.07**	**2,670.83**	**2,906.95**	**3,081.65**	**3,081.65**	**3,081.65**	**11.3%**	**3,428.65**	**3,630.69**	**3,844.83**
% increase/-decrease		**5.2%**	**8.8%**	**6.0%**	**–**	**–**		**11.3%**	**5.9%**	**5.9%**
Monthly Account for Household - 'Indigent' Household receiving free basic services										
Rates and services charges:										
Property rates	95.06	99.33	103.34	109.50	109.50	109.50	(36.0%)	70.17	74.38	78.84
Electricity: Basic levy	335.34	356.20	408.17	438.66	438.66	438.66	15.0%	504.46	534.73	566.81
Electricity: Consumption	415.98	441.84	506.31	544.15	544.15	544.15	15.0%	625.77	663.32	703.12
Water: Basic levy	136.50	142.64	148.35	155.62	155.62	155.62	6.5%	165.74	175.68	186.22
Water: Consumption	210.70	220.22	229.02	210.88	210.88	210.88	6.8%	249.66	264.64	280.52
Sanitation	313.45	327.60	340.66	355.99	355.99	355.99	7.3%	381.06	403.92	428.16
Refuse removal	185.49	193.84	201.59	213.48	213.48	213.48	6.8%	228.00	241.68	256.18
Other	(884.44)	(935.13)	(1,016.56)	(1,154.19)	(1,154.19)	(1,154.19)	–	(1,278.23)	(1,354.92)	(1,436.22)
sub-total	**808.08**	**846.54**	**920.88**	**874.09**	**874.09**	**874.09**	**8.3%**	**946.63**	**1,003.43**	**1,063.63**
VAT on Services	106.95	112.08	122.63	114.69	114.69	114.69	8.6%	131.47	139.36	147.72
Total small household bill:	**915.03**	**958.62**	**1,043.51**	**988.78**	**988.78**	**988.78**	**9.0%**	**1,078.10**	**1,142.79**	**1,211.35**
% increase/-decrease		**4.8%**	**8.9%**	**(5.2%)**	**–**	**–**		**9.0%**	**6.0%**	**6.0%**

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

1.5 Operating Expenditure Framework

The Municipality's expenditure framework for the 2023/24 budget and MTREF is informed by the following:

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

The following table is a high-level summary of the 2023/24 budget and MTREF (classified per main type of operating expenditure):

Table 12 Summary of operating expenditure by functional classification item

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Expenditure									
Employee related costs	380,774	436,214	452,651	504,478	505,647	505,647	538,535	549,452	577,304
Remuneration of councillors	11,282	11,219	11,538	12,335	12,335	12,335	12,514	13,014	13,540
Bulk purchases - electricity	278,548	298,272	351,600	384,161	371,533	371,533	440,824	496,986	546,684
Inventory consumed	42,302	45,053	52,658	52,137	64,364	64,364	62,499	68,235	66,340
Debt impairment	23,434	7,579	28,248	13,564	19,617	19,617	19,414	19,608	19,804
Depreciation and amortisation	134,574	140,116	147,004	146,596	146,596	146,596	149,154	151,672	154,226
Interest	46,570	48,805	47,584	48,056	48,056	48,056	49,658	51,817	49,865
Contracted services	178,363	208,907	237,081	269,929	272,201	272,201	295,738	323,452	341,534
Transfers and subsidies	560	8,710	12,813	13,057	14,786	14,786	16,380	17,143	17,944
Irrecoverable debts written off	–	4,559	5,258	–	–	–	–	–	–
Operational costs	93,037	112,218	118,193	150,658	155,312	155,312	164,254	164,414	144,258
Losses on disposal of Assets	1,369	–	30,979	–	–	–	–	–	–
Other Losses	270	159	192	–	–	–	–	–	–
Total Expenditure	**1,191,084**	**1,321,810**	**1,495,800**	**1,594,971**	**1,610,448**	**1,610,448**	**1,748,972**	**1,855,792**	**1,931,500**

The budgeted allocation for employee related costs and remuneration of councillors for the 2023/24 financial year totals R551m which equals 31,5 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 R26,3m of which the majority of the amount is a long-term liability (post-retirement benefits) and therefore not cash remuneration.

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

The proposed increase in the salary budget is 5,4%, and notch increases, which average 2% have also been budgeted for in view of the SALGBC agreement between the employer organization (SALGA) and the respective unions. Staff vacancies are still frozen and may only be filled, following a motivation to Senior Management. No new posts were considered for inclusion in the Draft Budget for 2023/24. With effect from 1 July 2010, the Section 57 Employees (Directors) remuneration is determined by an independent consulting firm, appointed by the Employer to determine market related cost-to-employer remuneration packages. The afore-mentioned employees receive no bonuses, which principle was negotiated with them. The recommendation does compare the salaries of incumbents with similar job descriptions, whether it is the private or government sector. The remuneration model developed by the consultants for senior managers in the local government sector has been adjusted to reflect the remuneration trends in the labour market.

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 02 June 2022, the Minister of Cooperative Governance and Traditional Affairs published the upper limits notice for the salaries, allowances and benefits of councillors in Government Gazette No 46470, with increases applicable with effect from 1 July 2021. An increase in remuneration of councillors has been factored into the 2023/24 budget, providing for 5,4%, 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 close to 99 per cent and the Debt Write-off Policy of the Municipality. The provision for impairment has however been revisited.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate of asset consumption. Budget appropriations in this regard total R149,1m for the 2023/24 financial year and equates to 9,19 per cent of the total operating expenditure. Note that the implementation of the GRAP 17 accounting standard meant bringing a range of assets previously fully depreciated and not included in the assets register, back onto the assets register. This resulted in a significant increase in depreciation at implementation, relative to previous years. This aspect is further highlighted in para. 1.3 of this report.

Finance charges consist of the repayment of interest on long-term borrowing (cost of capital). Finance charges comprise 2,84 per cent of operating expenditure. The gearing ratio of borrowing to revenue is expected to below 35% for 2023/24, which is below the outer proposed limit of National Treasury.

Bulk purchases are directly informed by the purchase of electricity from Eskom. The approval by NERSA for Eskom tariff increases has been published and the NERSA The publication of the Draft Guideline for municipalities is awaited. NERSA published a media release on 16 March 2023, advising of an increase of 18,49% for bulk purchases. The increase indicated in this budget report now reflects the same price increase from 1 July 2023, which percentage will be adjusted in accordance with the final guideline when published.

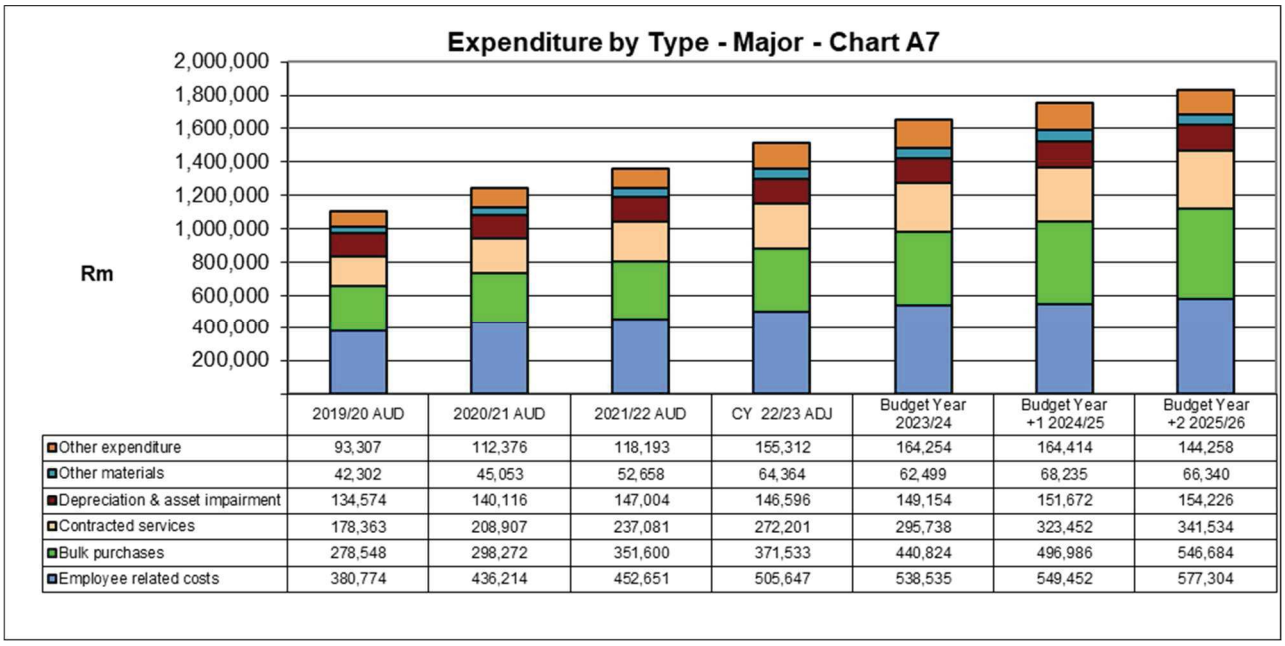
Other materials, now classified as Inventory in mSCOA, comprise amongst others the purchase of materials for maintenance, cleaning materials, fuel, printing and stationery etc. In previous financial years the expenditure on top structures relating to Housing Projects funded through the Human Settlement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

In line with the Municipality's repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the Municipality's infrastructure. The introduction of further reclassification resulting from mSCOA caused a shift in expenditure budgeted under Repairs and maintenance as well as Contracted Services, in relation to figures in the past few years.

Contracted services have been identified as an area for the municipality to implement efficiencies. As part of the compilation of the 2023/24 MTREF this group of expenditure was critically evaluated and operational efficiencies are being enforced, a process that will be continued with. In the 2023/24 financial year, this group of expenditure totals R295,7m. Further details relating to contracted services can be seen in Table 62 MBRR SA1.

Other Expenditure, now classified as Operational Costs in mSCOA, comprises of various line items relating to the daily operations of the municipality. The introduction and reclassification resulting from mSCOA has caused a shift in expenditure previously classified and budgeted under general expenses to Inventory (materials) and contracted services. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Further details relating to other expenditure can be seen in Table 62 MBRR SA1. 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 2023/24 financial year.



	2019/20 AUD	2020/21 AUD	2021/22 AUD	CY 22/23 ADJ	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Other expenditure	93,307	112,376	118,193	155,312	164,254	164,414	144,258
Other materials	42,302	45,053	52,658	64,364	62,499	68,235	66,340
Depreciation & asset impairment	134,574	140,116	147,004	146,596	149,154	151,672	154,226
Contracted services	178,363	208,907	237,081	272,201	295,738	323,452	341,534
Bulk purchases	278,548	298,272	351,600	371,533	440,824	496,986	546,684
Employee related costs	380,774	436,214	452,651	505,647	538,535	549,452	577,304

Figure 1 Main operational expenditure categories for the 2023/24 financial year

1.5.1 Priority given to repairs and maintenance

Alignment to this priority has been given to preserving and maintaining the Municipality's current infrastructure, the 2023/24 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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand									
Repairs and Maintenance by Expenditure Item									
Employee related costs	96,517	101,119	113,771	125,413	122,867	122,867	132,606	139,767	147,314
Inventory Consumed (Project Maintenance)	18,430	19,462	22,089	25,392	26,170	26,170	25,845	29,069	25,008
Contracted Services	59,184	80,996	99,098	104,388	109,203	109,203	115,690	131,083	138,611
Other Expenditure	15,684	9,941	10,428	12,751	13,645	13,645	14,476	15,137	15,856
Total Repairs and Maintenance Expenditure	189,815	211,518	245,386	267,944	271,885	271,885	288,616	315,056	326,790

For 2023/24 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 16.79 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

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	**134,766**	**140,742**	**141,079**	**161,349**	**148,822**	**148,822**	**168,080**	**179,101**	**183,172**
Roads Infrastructure	65,691	67,439	64,340	72,275	60,564	60,564	75,266	79,593	84,168
Roads	61,812	64,190	64,340	72,275	60,564	60,564	75,266	79,593	84,168
Road Structures	3,879	3,249	–	–	–	–	–	–	–
Storm water Infrastructure	4,749	5,584	6,870	7,335	6,545	6,545	6,469	6,836	7,224
Drainage Collection	2,558	2,515	–	–	–	–	–	–	–
Storm water Conveyance	2,192	3,069	6,870	7,335	6,545	6,545	6,469	6,836	7,224
Electrical Infrastructure	36,812	31,045	30,721	39,232	38,565	38,565	41,404	45,107	41,533
Power Plants	383	436	–	–	–	–	–	–	–
HV Transmission Conductors	–	25	–	–	–	–	–	–	–
MV Networks	33,018	28,149	–	–	–	–	–	–	–
LV Networks	3,411	2,435	30,721	39,232	38,565	38,565	41,404	45,107	41,533
Capital Spares	–	–	–	–	–	–	–	–	–
Water Supply Infrastructure	16,161	21,046	21,088	22,142	22,089	22,089	23,527	24,847	26,242
Water Treatment Works	–	–	272	297	297	297	312	329	347
Distribution	16,161	21,046	18,916	19,083	19,141	19,141	20,317	21,456	22,660
Distribution Points	–	–	1,900	2,761	2,650	2,650	2,898	3,062	3,236
Sanitation Infrastructure	10,072	12,980	11,710	13,044	13,465	13,465	13,718	14,494	15,314
Reticulation	800	–	6,507	7,386	7,691	7,691	7,815	8,237	8,682
Waste Water Treatment Works	9,134	12,980	5,203	5,658	5,774	5,774	5,903	6,257	6,633
Outfall Sewers	138	–	–	–	–	–	–	–	–
Solid Waste Infrastructure	1,168	2,535	6,351	7,320	7,593	7,593	7,697	8,224	8,691
Landfill Sites	36	61	–	–	–	–	–	–	–
Waste Transfer Stations	11	1,186	–	–	–	–	–	–	–
Waste Processing Facilities	152	272	1,574	2,397	2,397	2,397	2,517	2,759	2,925
Waste Drop-off Points	929	1,009	4,777	4,924	5,196	5,196	5,180	5,465	5,766
Waste Separation Facilities	39	7	–	–	–	–	–	–	–
Coastal Infrastructure	113	110	–	–	–	–	–	–	–
Promenades	113	110	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	1	–	–	–	–	–	–	–
Data Centres	–	1	–	–	–	–	–	–	–
Community Assets	**33,597**	**44,371**	**50,376**	**58,365**	**58,426**	**58,426**	**62,282**	**68,850**	**72,693**
Community Facilities	29,422	37,364	37,455	43,516	44,407	44,407	47,164	49,790	52,562
Halls	3,502	5,332	4,464	6,029	6,296	6,296	7,200	7,605	8,032
Centres	–	67	–	–	–	–	–	–	–
Fire/Ambulance Stations	344	440	–	–	–	–	–	–	–
Testing Stations	–	54	–	–	–	–	–	–	–
Libraries	93	121	–	–	1,559	1,559	1,785	1,892	2,006
Cemeteries/Crematoria	693	967	1,037	1,112	880	880	948	1,001	1,057
Police	209	358	–	–	–	–	–	–	–
Parks	20,368	25,542	27,586	31,703	30,780	30,780	32,063	33,831	35,698
Public Open Space	4,213	4,304	3,886	3,684	3,904	3,904	4,187	4,425	4,677
Public Ablution Facilities	–	178	482	988	988	988	982	1,036	1,093
Sport and Recreation Facilities	4,176	7,007	12,921	14,849	14,019	14,019	15,119	19,060	20,131
Indoor Facilities	–	–	–	–	–	–	–	–	–
Outdoor Facilities	4,176	7,007	12,921	14,849	14,019	14,019	15,119	19,060	20,131
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	**1,582**	**2,137**	**15,056**	**15,246**	**19,382**	**19,382**	**18,438**	**25,359**	**26,838**
Operational Buildings	1,582	2,136	15,056	15,246	19,382	19,382	18,438	25,359	26,838
Municipal Offices	1,539	2,086	15,048	15,208	18,754	18,754	18,400	25,321	26,800
Building Plan Offices	28	35	–	–	590	590	–	–	–
Stores	15	–	–	–	–	–	–	–	–
Depots	–	16	8	38	38	38	38	38	38
Housing	–	1	–	–	–	–	–	–	–
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Intangible Assets	6,009	5,672	5,915	6,994	7,212	7,212	8,331	8,737	9,174
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	6,009	5,672	5,915	6,994	7,212	7,212	8,331	8,737	9,174
Computer Software and Applications	6,009	5,672	5,915	6,994	7,212	7,212	8,331	8,737	9,174
Computer Equipment	766	1,947	2,490	2,280	2,386	2,386	2,423	2,740	2,979
Computer Equipment	766	1,947	2,490	2,280	2,386	2,386	2,423	2,740	2,979
Furniture and Office Equipment	242	1,128	5,004	6,330	12,310	12,310	6,812	6,882	7,227
Furniture and Office Equipment	242	1,128	5,004	6,330	12,310	12,310	6,812	6,882	7,227
Machinery and Equipment	–	–	4,059	5,601	4,963	4,963	6,036	6,241	6,574
Machinery and Equipment	–	–	4,059	5,601	4,963	4,963	6,036	6,241	6,574
Transport Assets	12,853	15,521	21,406	11,779	18,385	18,385	16,214	17,145	18,132
Transport Assets	12,853	15,521	21,406	11,779	18,385	18,385	16,214	17,145	18,132
Land	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–
Living resources	-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	**189,815**	**211,518**	**245,386**	**267,944**	**271,885**	**271,885**	**288,616**	**315,056**	**326,790**

For the 2023/24 financial year, 16.5 per cent or R288.6m of the total budget will be spent on repairs and maintenance, of which R168.1m is for infrastructure. Roads infrastructure has received a significant proportion of the infrastructure allocation totalling 44.8 per cent (R75.3m), followed by community assets at 21.58 per cent (R62.3m) and electricity at 14.35 per cent (R41.4m) 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 2023/24 is estimated at 7000.

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

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

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

Grants-in-aid to organisations has been budgeted for Animal welfare organisations again for 2023/24, after due consideration by the Budget Steering Committee.

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

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Cash Transfers to Organisations									
Operational	400	–	–	500	500	500	538	578	621
Capital	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Organisations	400	–	–	500	500	500	538	578	621
Cash Transfers to Groups of Individuals									
Operational	100	8,651	12,750	12,557	14,286	14,286	15,843	16,565	17,323
Capital	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Groups Of Individuals:	100	8,651	12,750	12,557	14,286	14,286	15,843	16,565	17,323
TOTAL CASH TRANSFERS AND GRANTS	500	8,651	12,750	13,057	14,786	14,786	16,380	17,143	17,944
TOTAL TRANSFERS AND GRANTS	500	8,651	12,750	13,057	14,786	14,786	16,380	17,143	17,944

1.6 Capital expenditure

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

Table 16 2023/24 Medium-term capital budget per function

Vote Description	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital Expenditure - Functional										
Governance and administration	4,049	7,054	3,761	1,875	1,875	1,875	822	9,075	–	–
Executive and council	2	355	3	5	5	5	–	5,005	–	–
Finance and administration	4,048	6,699	3,759	1,870	1,870	1,870	822	4,070	–	–
Internal audit				–	–	–	–	–	–	–
Community and public safety	112,758	96,981	63,534	53,438	58,181	58,181	22,016	50,354	41,788	79,461
Community and social services	1,330	16,072	1,458	7,261	4,781	4,781	760	735	–	–
Sport and recreation	9,981	22,886	5,047	2,500	3,047	3,047	1,749	7,429	11,698	16,241
Public safety	15,694	8,425	7,998	2,792	6,042	6,042	1,415	300	–	–
Housing	85,753	49,598	49,031	40,885	44,311	44,311	18,092	41,890	30,090	63,220
Health				–	–	–	–	–	–	–
Economic and environmental services	6,865	29,200	11,405	14,068	18,668	18,668	7,150	5,390	–	2,981
Planning and development	1,220	8,466	2,656	1,478	1,844	1,844	491	390	–	–
Road transport	5,645	20,734	8,748	12,590	16,824	16,824	6,659	5,000	–	2,981
Environmental protection	–	–	–	–	–	–	–	–	–	–
Trading services	87,384	121,565	113,677	166,639	127,492	127,492	47,933	138,796	88,537	82,000
Energy sources	21,428	10,436	28,253	65,389	52,907	52,907	16,810	56,528	33,500	34,000
Water management	31,752	35,574	36,721	39,970	35,789	35,789	11,357	25,603	33,500	25,700
Waste water management	26,893	57,190	45,732	57,736	32,921	32,921	15,974	56,265	21,537	17,800
Waste management	7,311	18,365	2,972	3,544	5,876	5,876	3,792	400	–	4,500
Other	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	211,056	254,800	192,377	236,020	206,216	206,216	77,921	203,615	130,325	164,442
Funded by:										
National Government	31,528	35,100	36,688	72,254	75,741	75,741	28,532	53,667	40,235	41,222
Provincial Government	85,965	48,390	1,290	–	5,400	5,400	890	–	–	–
District Municipality	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind)	–	–	53,387	51,447	56,853	56,853	24,654	41,890	30,090	63,220
Transfers recognised - capital	117,493	83,490	91,365	123,702	137,994	137,994	54,076	95,557	70,325	104,442
Public contributions & donations	3,730	23,919	–	–	–	–	–	–	–	–
Borrowing	50,476	45,443	65,237	80,175	38,411	38,411	15,160	95,214	60,000	60,000
Internally generated funds	39,358	101,949	35,775	32,143	29,811	29,811	8,685	12,845	–	–
Total Capital Funding	211,056	254,800	192,377	236,020	206,216	206,216	77,921	203,615	130,325	164,442

For 2023/24 an amount of R138,8m has been appropriated for the development of basic services infrastructure which represents 68.2 per cent of the total capital budget of R203.6m. In the outer years this amount totals R88,5m, 67.9 per cent and R82m, 49.9 per cent respectively for each of these financial years. Waste water infrastructure has the second highest allocation at R56,3m in 2023/24 which equates to 40.5 per cent of the basic services infrastructure allocation, followed by water management at 18.5 per cent, R25.6m, waste management 0.29 per cent, R0.4m and electricity as the highest allocation at 40.7 per cent, R56,5m. Over the MTREF the capital housing grant expenditure relating to housing infrastructure provision amounts to R135,2 million.

Further detail relating to asset classes and proposed capital expenditure is contained in Table 25 MBRR A9 (Asset Management). In addition to the MBRR Table A9, MBRR Tables SA34a, b, c & e provides a detailed breakdown of the capital programme relating to new assets construction as well as operational repairs and maintenance by asset class. Some of the salient projects to be undertaken during 2023/24 includes, amongst others:

Top 10 Capital Projects

Project Description	Ward	AMOUNT
LCH SERVICES CONSTRUCTION CONTRACTS	Overstrand	41,890,000
KLEINMOND WWTW REFURBISH UPGRADE	Multi-ward Kleinmond Area	28,532,608
ELECTRIFICATION OF LOW COST HOUSING AREAS	Overstrand	27,380,000
FRANSKRAAL KLEINBAAI BIRKENHEAD-NEW 66 11KV SUBSTATION	Multi-ward Gansbaai Area	18,416,897
REPLACEMENT OF OVERSTRAND WATER PIPES	Overstrand	11,450,000
UPGRADE STORMWATER INFRASTRUCTURE- PROTEADORP, MOUNT	Ward 09	8,232,400
UPGRADE HERMANUS WELL FIELDS PHASE 2	Multi-ward Hermanus Area	7,000,000
NEW DISINFECTION SYSTEMS AT WASTEWATER TREATMENT	Overstrand	7,000,000
UPGRADE HAWSTON SPORT COMPLEX	Ward 08	6,554,350
HERMANUS MV LV UPGRADE REPLACEMENT	Overstrand	5,200,000

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.

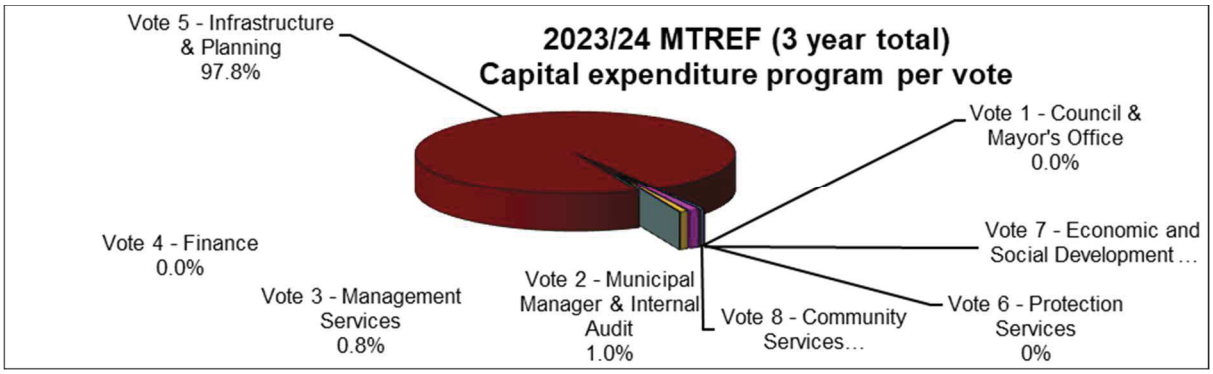


Figure 2 Capital Infrastructure Programme

1.6.1 Future operational cost of new infrastructure

An estimate has been included in Table 58 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 2023/24 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 2023/24 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

WC032 Overstrand - Table A1 Budget Summary									
Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Financial Performance									
Property rates	240 910	263 442	278 154	287 941	287 941	287 941	340 506	357 532	375 408
Service charges	698 179	733 701	825 796	849 642	835 994	835 994	931 059	1 050 040	1 130 814
Investment revenue	48 116	30 476	31 884	24 871	34 671	34 671	41 800	44 600	47 700
Transfer and subsidies - Operational	122 921	140 895	151 903	166 184	179 496	179 496	185 579	200 916	213 137
Other own revenue	178 486	125 979	185 975	169 515	172 915	172 915	192 961	176 231	186 448
Total Revenue (excluding capital transfers and contributions)	1 288 611	1 294 494	1 473 713	1 498 153	1 511 017	1 511 017	1 691 906	1 829 319	1 953 508
Employee costs	380 774	436 214	452 651	504 478	505 647	505 647	538 535	549 452	577 304
Remuneration of councillors	11 282	11 219	11 538	12 335	12 335	12 335	12 514	13 014	13 540
Depreciation and amortisation	134 574	140 116	147 004	146 596	146 596	146 596	149 154	151 672	154 226
Finance charges	46 570	48 805	47 584	48 056	48 056	48 056	49 658	51 817	49 865
Inventory consumed and bulk purchases	320 849	343 325	404 258	436 298	435 898	435 898	503 324	565 220	613 024
Transfers and subsidies	560	8 710	12 813	13 057	14 786	14 786	16 380	17 143	17 944
Other expenditure	296 473	333 421	419 951	434 152	447 130	447 130	479 406	507 474	505 597
Total Expenditure	1 191 084	1 321 810	1 495 800	1 594 971	1 610 448	1 610 448	1 748 972	1 855 792	1 931 500
Surplus/(Deficit)	97 527	(27 316)	(22 087)	(96 819)	(99 431)	(99 431)	(57 066)	(26 473)	22 008
Transfers and subsidies - capital (monetary allocations)	37 611	37 219	37 978	84 917	93 583	93 583	53 667	40 235	41 222
Transfers and subsidies - capital (in-kind)	3 730	23 919	4 499	–	2 626	2 626	–	–	–
Surplus/(Deficit) after capital transfers & contributions	138 868	33 821	20 390	(11 902)	(3 222)	(3 222)	(3 399)	13 762	63 230
Intercompany/Parent subsidiary transactions	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	138 868	33 821	20 390	(11 902)	(3 222)	(3 222)	(3 399)	13 762	63 230
Capital expenditure & funds sources									
Capital expenditure	211 056	254 800	192 377	236 020	206 216	206 216	203 615	130 325	164 442
Transfers recognised - capital	117 493	83 490	91 365	123 702	137 994	137 994	95 557	70 325	104 442
Borrowing	50 476	45 443	65 237	80 175	38 411	38 411	95 214	60 000	60 000
Internally generated funds	39 358	101 949	35 775	32 143	29 811	29 811	12 845	–	–
Total sources of capital funds	207 327	230 881	192 377	236 020	206 216	206 216	203 615	130 325	164 442
Financial position									
Total current assets	809 609	769 692	784 312	594 291	682 037	682 037	705 114	723 234	755 630
Total non current assets	3 795 371	3 921 776	3 946 528	4 162 847	4 116 242	4 116 242	4 184 043	4 176 179	4 200 030
Total current liabilities	294 861	311 695	305 751	346 808	321 025	321 025	344 979	468 033	390 473
Total non current liabilities	642 137	678 212	703 137	711 285	713 370	713 370	731 737	639 790	641 038
Community wealth/Equity	3 667 983	3 701 561	3 721 952	3 699 046	3 763 883	3 763 883	3 812 441	3 791 591	3 924 149
Cash flows									
Net cash from (used) operating	319 091	210 220	201 057	104 629	118 804	118 804	196 826	131 453	282 988
Net cash from (used) investing	(212 740)	(258 734)	(193 544)	(241 000)	(211 196)	(211 196)	(208 595)	(135 305)	(169 422)
Net cash from (used) financing	14 275	7 424	(3 957)	1 377	1 377	1 377	13 755	11 093	(92 740)
Cash/cash equivalents at the year end	653 813	612 723	616 280	431 308	525 264	525 264	527 249	534 490	555 317
Cash backing/surplus reconciliation									
Cash and investments available	4 222 385	4 295 837	4 350 199	4 345 294	4 410 748	4 410 748	4 485 303	4 477 680	4 515 643
Application of cash and investments	173 549	249 681	194 565	224 418	223 432	223 432	252 655	224 129	239 622
Balance - surplus (shortfall)	4 048 835	4 046 156	4 155 634	4 120 877	4 187 316	4 187 316	4 232 648	4 253 552	4 276 021
Asset management									
Asset register summary (WDV)	3 748 856	3 866 820	3 885 406	4 092 842	4 045 694	4 045 694	4 105 723	4 089 943	4 105 727
Depreciation	134 574	140 110	147 004	146 596	146 596	146 596	149 154	151 672	154 226
Renewal and Upgrading of Existing Assets	22 252	55 281	72 662	94 065	60 298	60 298	67 968	59 635	66 041
Repairs and Maintenance	189 815	211 518	245 386	267 944	271 885	271 885	288 616	315 056	326 790
Free services									
Cost of Free Basic Services provided	30 628	30 760	33 117	36 808	36 808	36 808	39 907	42 302	44 840
Revenue cost of free services provided	–	–	–	–	–	–	–	–	–
Households below minimum service level									
Water:	–	–	–	–	–	–	3	3	3
Sanitation/sewerage:	–	–	–	–	–	–	3	3	3
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.
    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 indicates an increase increase in cash over the MTREF.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

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

Functional Classification Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue - Functional									
Governance and administration	**346,166**	**366,679**	**390,897**	**384,994**	**398,420**	**398,420**	**460,614**	**487,005**	**515,935**
Executive and council	30,254	38,681	53,624	50,470	50,944	50,944	52,832	58,649	65,602
Finance and administration	315,876	327,998	337,273	334,524	347,476	347,476	407,781	428,357	450,333
Internal audit	36	–	–	–	–	–	–	–	–
Community and public safety	**164,043**	**125,463**	**164,894**	**152,578**	**161,611**	**161,611**	**179,758**	**166,843**	**181,807**
Community and social services	8,071	8,291	9,726	8,776	8,870	8,870	8,785	9,130	9,539
Sport and recreation	18,801	29,089	15,568	10,972	11,572	11,572	19,243	25,098	30,360
Public safety	32,801	16,193	48,216	35,995	41,335	41,335	38,275	40,713	43,398
Housing	104,370	71,891	91,383	96,834	99,834	99,834	113,454	91,902	98,509
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	**15,503**	**16,035**	**24,301**	**24,399**	**28,378**	**28,378**	**21,679**	**13,909**	**17,008**
Planning and development	8,315	11,638	17,461	13,483	13,783	13,783	15,986	13,164	13,229
Road transport	7,166	4,365	6,342	10,879	14,558	14,558	5,650	700	3,732
Environmental protection	21	32	498	37	37	37	42	45	47
Trading services	**804,239**	**847,454**	**936,098**	**1,021,099**	**1,018,817**	**1,018,817**	**1,083,523**	**1,201,796**	**1,279,979**
Energy sources	459,980	481,695	557,894	615,533	610,451	610,451	668,939	767,034	826,170
Water management	153,663	153,115	156,426	167,048	169,604	169,604	169,564	175,192	185,679
Waste water management	103,934	117,987	123,924	139,720	140,185	140,185	140,386	142,708	143,925
Waste management	86,662	94,657	97,854	98,797	98,577	98,577	104,634	116,862	124,204
Other	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Revenue - Functional	**1,329,951**	**1,355,632**	**1,516,190**	**1,583,069**	**1,607,226**	**1,607,226**	**1,745,573**	**1,869,554**	**1,994,730**
Expenditure - Functional									
Governance and administration	**218,047**	**259,532**	**295,156**	**315,410**	**316,730**	**316,730**	**334,374**	**338,409**	**353,934**
Executive and council	39,624	69,529	65,261	74,067	72,952	72,952	80,189	70,080	71,962
Finance and administration	176,101	187,242	226,997	237,178	240,173	240,173	249,820	263,743	277,153
Internal audit	2,322	2,761	2,898	4,165	3,604	3,604	4,366	4,586	4,819
Community and public safety	**171,527**	**192,423**	**247,198**	**267,374**	**276,412**	**276,412**	**297,756**	**303,385**	**289,206**
Community and social services	15,216	22,122	20,500	21,751	22,296	22,296	23,853	25,038	26,334
Sport and recreation	44,289	52,169	53,049	63,035	62,188	62,188	64,055	70,623	74,533
Public safety	82,675	87,169	126,920	118,758	128,844	128,844	132,228	139,628	146,420
Housing	29,347	30,963	46,729	63,829	63,084	63,084	77,620	68,096	41,919
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	**156,576**	**170,202**	**183,133**	**198,290**	**188,991**	**188,991**	**211,088**	**224,165**	**234,704**
Planning and development	39,397	43,396	47,152	53,256	51,965	51,965	57,133	56,025	58,748
Road transport	107,277	110,465	114,891	121,995	111,840	111,840	129,394	134,762	140,554
Environmental protection	9,902	16,340	21,090	23,039	25,186	25,186	24,561	33,377	35,402
Trading services	**641,935**	**696,761**	**767,390**	**810,381**	**823,887**	**823,887**	**901,649**	**985,586**	**1,049,252**
Energy sources	366,823	384,141	438,281	480,315	467,207	467,207	538,594	598,735	645,641
Water management	112,899	120,612	131,792	133,992	141,838	141,838	145,534	155,404	162,098
Waste water management	90,406	95,785	110,529	103,774	119,258	119,258	121,648	128,306	133,494
Waste management	71,808	96,223	86,788	92,299	95,584	95,584	95,874	103,141	108,019
Other	**2,998**	**2,893**	**2,923**	**3,517**	**4,429**	**4,429**	**4,104**	**4,247**	**4,403**
Total Expenditure - Functional	**1,191,084**	**1,321,810**	**1,495,800**	**1,594,971**	**1,610,448**	**1,610,448**	**1,748,972**	**1,855,792**	**1,931,500**
Surplus/(Deficit) for the year	**138,868**	**33,821**	**20,390**	**(11,902)**	**(3,222)**	**(3,222)**	**(3,399)**	**13,762**	**63,230**

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

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

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

Vote Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue by Vote									
Vote 1 - Council & Mayor's Office	30,091	38,321	53,270	50,312	50,786	50,786	52,697	58,511	65,462
Vote 2 - Municipal Manager & Internal Audit	36	–	–	–	–	–	–	–	–
Vote 3 - Management Services	1,189	2,570	3,603	869	1,069	1,069	956	974	993
Vote 4 - Finance	299,059	313,209	323,686	327,436	337,236	337,236	400,540	421,055	442,968
Vote 5 - Infrastructure & Planning	585,515	585,823	672,305	730,542	739,119	739,119	799,411	877,455	943,255
Vote 6 - Protection Services	32,797	16,277	48,857	35,995	41,335	41,335	38,275	40,713	43,398
Vote 7 - Economic and Social Development & Tourism	2,914	3,860	4,846	2,811	3,111	3,111	3,628	66	70
Vote 8 - Community Services	378,350	395,572	409,623	435,105	434,571	434,571	450,066	470,780	498,584
Vote 9 - Costing Services	–	–	–	–	–	–	–	–	–
Vote 10 - Main Ledger Services	–	–	–	–	–	–	–	–	–
Total Revenue by Vote	**1,329,951**	**1,355,632**	**1,516,190**	**1,583,069**	**1,607,226**	**1,607,226**	**1,745,573**	**1,869,554**	**1,994,730**
Expenditure by Vote ***to be appropriated***									
Vote 1 - Council & Mayor's Office	19,927	44,089	36,404	44,592	47,361	47,361	49,457	37,658	37,754
Vote 2 - Municipal Manager & Internal Audit	5,361	5,885	6,042	8,042	7,569	7,569	8,371	8,768	9,186
Vote 3 - Management Services	50,129	54,639	57,226	65,889	65,456	65,456	69,485	74,131	77,829
Vote 4 - Finance	71,308	78,365	79,557	106,313	102,296	102,296	107,441	113,042	119,256
Vote 5 - Infrastructure & Planning	527,810	577,727	690,779	734,810	742,136	742,136	826,814	901,456	936,755
Vote 6 - Protection Services	83,725	91,326	123,167	119,732	127,662	127,662	137,515	145,559	152,668
Vote 7 - Economic and Social Development & Tourism	12,042	13,558	15,122	17,570	16,794	16,794	19,382	16,369	17,064
Vote 8 - Community Services	420,782	456,221	487,502	498,023	501,174	501,174	530,506	558,809	580,988
Vote 9 - Costing Services	–	–	–	–	–	–	–	–	–
Vote 10 - Main Ledger Services	–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	**1,191,084**	**1,321,810**	**1,495,800**	**1,594,971**	**1,610,448**	**1,610,448**	**1,748,972**	**1,855,792**	**1,931,500**
Surplus/(Deficit) for the year	**138,868**	**33,821**	**20,390**	**(11,902)**	**(3,222)**	**(3,222)**	**(3,399)**	**13,762**	**63,230**

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

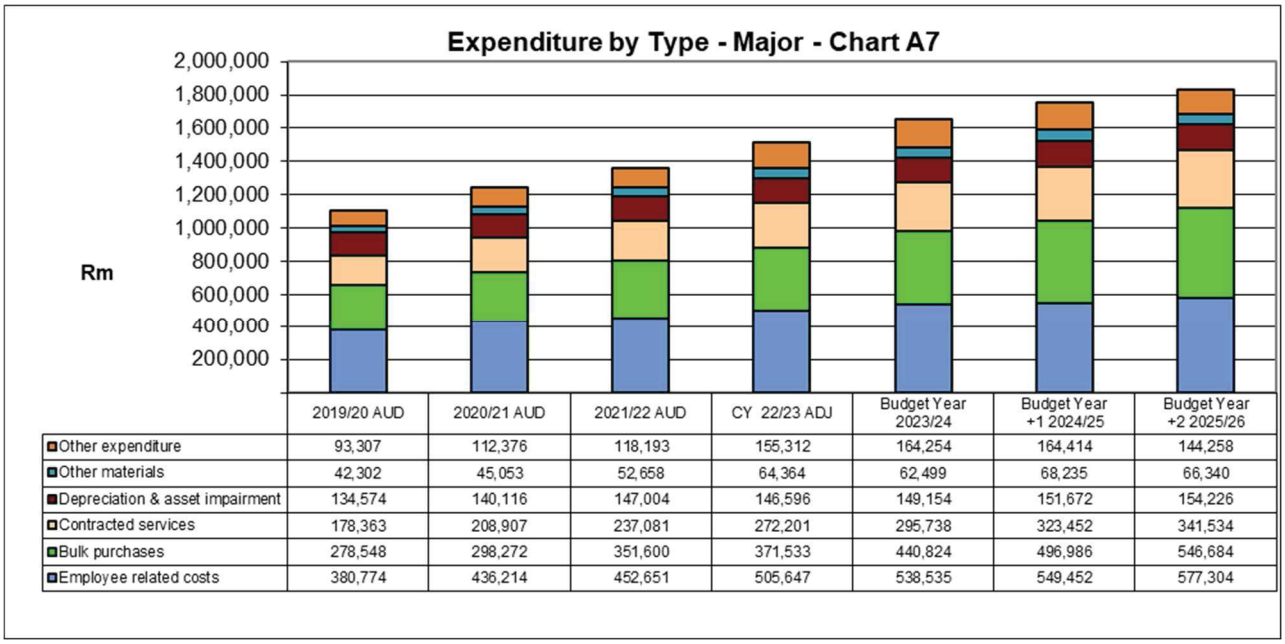
1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per own segment: municipal vote (directorate). This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is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

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

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue									
Exchange Revenue									
Service charges - Electricity	415,960	443,718	512,750	541,692	528,044	528,044	593,645	692,904	752,413
Service charges - Water	133,037	130,885	142,917	138,138	138,138	138,138	147,269	156,593	165,876
Service charges - Waste Water Management	80,925	86,983	93,177	90,962	90,962	90,962	104,715	104,595	110,861
Service charges - Waste Management	68,256	72,115	76,951	78,850	78,850	78,850	85,430	95,948	101,664
Sale of Goods and Rendering of Services	123,359	86,171	114,179	113,250	116,250	116,250	131,673	112,040	119,146
Agency services	4,376	6,164	6,858	7,858	7,858	7,858	8,319	8,818	9,346
Interest	31	28	24	0	0	0	0	0	0
Interest earned from Receivables	3,869	3,257	3,370	3,136	3,136	3,136	6,400	6,700	7,100
Interest earned from Current and Non Current Assets	48,116	30,476	31,884	24,871	34,671	34,671	41,800	44,600	47,700
Dividends	–	–	–	–	–	–	–	–	–
Rent on Land	2,314	2,088	1,650	1,229	1,229	1,229	1,127	1,149	1,173
Rental from Fixed Assets	3,425	4,068	5,042	4,573	4,573	4,573	5,646	5,975	6,290
Licence and permits	698	626	1,002	953	953	953	964	1,016	1,071
Operational Revenue	15,867	12,296	8,528	7,419	7,819	7,819	8,093	8,328	8,568
Non-Exchange Revenue									
Property rates	240,910	263,442	278,154	287,941	287,941	287,941	340,506	357,532	375,408
Surcharges and Taxes	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	18,211	1,095	35,124	20,344	20,344	20,344	19,597	20,768	22,009
Licences or permits	1,277	1,601	1,778	1,683	1,683	1,683	1,943	2,060	2,184
Transfer and subsidies - Operational	122,921	140,895	151,903	166,184	179,496	179,496	185,579	200,916	213,137
Interest	1,170	987	851	846	846	846	1,300	1,378	1,461
Fuel Levy	–	–	–	–	–	–	–	–	–
Operational Revenue	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets	–	53	–	–	–	–	–	–	–
Other Gains	3,890	7,545	7,570	8,225	8,225	8,225	7,900	8,000	8,100
Discontinued Operations	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	**1,288,611**	**1,294,494**	**1,473,713**	**1,498,153**	**1,511,017**	**1,511,017**	**1,691,906**	**1,829,319**	**1,953,508**
Expenditure									
Employee related costs	380,774	436,214	452,651	504,478	505,647	505,647	538,535	549,452	577,304
Remuneration of councillors	11,282	11,219	11,538	12,335	12,335	12,335	12,514	13,014	13,540
Bulk purchases - electricity	278,548	298,272	351,600	384,161	371,533	371,533	440,824	496,986	546,684
Inventory consumed	42,302	45,053	52,658	52,137	64,364	64,364	62,499	68,235	66,340
Debt impairment	23,434	7,579	28,248	13,564	19,617	19,617	19,414	19,608	19,804
Depreciation and amortisation	134,574	140,116	147,004	146,596	146,596	146,596	149,154	151,672	154,226
Interest	46,570	48,805	47,584	48,056	48,056	48,056	49,658	51,817	49,865
Contracted services	178,363	208,907	237,081	269,929	272,201	272,201	295,738	323,452	341,534
Transfers and subsidies	560	8,710	12,813	13,057	14,786	14,786	16,380	17,143	17,944
Irrecoverable debts written off	–	4,559	5,258	–	–	–	–	–	–
Operational costs	93,037	112,218	118,193	150,658	155,312	155,312	164,254	164,414	144,258
Losses on disposal of Assets	1,369	–	30,979	–	–	–	–	–	–
Other Losses	270	159	192	–	–	–	–	–	–
Total Expenditure	**1,191,084**	**1,321,810**	**1,495,800**	**1,594,971**	**1,610,448**	**1,610,448**	**1,748,972**	**1,855,792**	**1,931,500**
Surplus/(Deficit)	**97,527**	**(27,316)**	**(22,087)**	**(96,819)**	**(99,431)**	**(99,431)**	**(57,066)**	**(26,473)**	**22,008**
Transfers and subsidies - capital (monetary allocations)	37,611	37,219	37,978	84,917	93,583	93,583	53,667	40,235	41,222
Transfers and subsidies - capital (in-kind)	3,730	23,919	4,499	–	2,626	2,626	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**138,868**	33,821	20,390	**(11,902)**	**(3,222)**	**(3,222)**	**(3,399)**	**13,762**	**63,230**
Income Tax	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax	**138,868**	33,821	20,390	(11,902)	(3,222)	(3,222)	(3,399)	13,762	63,230
Share of Surplus/Deficit attributable to Joint Venture	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	**138,868**	33,821	20,390	(11,902)	(3,222)	(3,222)	(3,399)	13,762	63,230
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	**138,868**	**33,821**	**20,390**	**(11,902)**	**(3,222)**	**(3,222)**	**(3,399)**	**13,762**	**63,230**

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

1. Total operating revenue is R1,511 billion in 2022/23 and indicates an increase to R1,691 billion in 2023/24.
2. Revenue to be generated from property rates is R287,9 million in the 2022/23 financial year and increases to R340,5 million by 2023/24 which represents 20,1 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 R835,9 million for the 2022/23 financial year and indicates an increase to R931,1 million by 2023/24. For the 2023/24 financial year services charges amount to 55 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.



	2019/20 AUD	2020/21 AUD	2021/22 AUD	CY 22/23 ADJ	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Other expenditure	93,307	112,376	118,193	155,312	164,254	164,414	144,258
Other materials	42,302	45,053	52,658	64,364	62,499	68,235	66,340
Depreciation & asset impairment	134,574	140,116	147,004	146,596	149,154	151,672	154,226
Contracted services	178,363	208,907	237,081	272,201	295,738	323,452	341,534
Bulk purchases	278,548	298,272	351,600	371,533	440,824	496,986	546,684
Employee related costs	380,774	436,214	452,651	505,647	538,535	549,452	577,304

Figure 3 Expenditure by major type

6. Bulk purchases have significantly increased over the 2019/20 to 2025/26 period escalating from R278,5 million to R546,7 million. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom over the past years. The change in the trend for contracted services also relates to the reclassification of expenditure resulting from mSCOA implementation.
7. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

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

Vote Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital expenditure - Vote									
Multi-year expenditure *to be appropriated*									
Vote 1 - Council & Mayor's Office	–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager & Internal Audit	–	–	–	–	–	–	5,000	–	–
Vote 3 - Management Services	–	–	3,250	1,815	1,815	1,815	2,215	–	–
Vote 4 - Finance	–	–	42	60	60	60	60	–	–
Vote 5 - Infrastructure & Planning	15,575	73,712	146,819	198,128	168,863	168,863	192,586	130,325	164,442
Vote 6 - Protection Services	–	–	2,117	300	600	600	300	–	–
Vote 7 - Economic and Social Development & Tourism	–	–	100	45	45	45	45	–	–
Vote 8 - Community Services	58,300	36,053	6,417	735	1,385	1,385	735	–	–
Vote 9 - Costing Services	–	–	–	–	–	–	–	–	–
Vote 10 - Main Ledger Services	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	**73,875**	**109,765**	**158,744**	**201,083**	**172,768**	**172,768**	**200,941**	**130,325**	**164,442**
Single-year expenditure *to be appropriated*									
Vote 1 - Council & Mayor's Office	–	352	–	–	–	–	–	–	–
Vote 2 - Municipal Manager & Internal Audit	–	–	–	–	–	–	–	–	–
Vote 3 - Management Services	3,966	2,288	–	–	–	–	1,800	–	–
Vote 4 - Finance	22	57	–	–	–	–	–	–	–
Vote 5 - Infrastructure & Planning	93,905	80,221	19,604	17,475	14,740	14,740	–	–	–
Vote 6 - Protection Services	12,064	8,160	4,989	2,492	5,442	5,442	–	–	–
Vote 7 - Economic and Social Development & Tourism	375	498	–	–	–	–	–	–	–
Vote 8 - Community Services	26,849	53,459	9,039	14,970	13,267	13,267	875	–	–
Vote 9 - Costing Services	–	–	–	–	–	–	–	–	–
Vote 10 - Main Ledger Services	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total	**137,181**	**145,035**	**33,633**	**34,937**	**33,448**	**33,448**	**2,675**	**–**	**–**
Total Capital Expenditure - Vote	**211,056**	**254,800**	**192,377**	**236,020**	**206,216**	**206,216**	**203,615**	**130,325**	**164,442**
Capital Expenditure - Functional									
Governance and administration	**4,049**	**7,054**	**3,761**	**1,875**	**1,875**	**1,875**	**9,075**	**–**	**–**
Executive and council	2	355	3	5	5	5	5,005	–	–
Finance and administration	4,048	6,699	3,759	1,870	1,870	1,870	4,070	–	–
Internal audit				–	–	–	–	–	–
Community and public safety	**112,758**	**96,981**	**63,534**	**53,438**	**58,181**	**58,181**	**50,354**	**41,788**	**79,461**
Community and social services	1,330	16,072	1,458	7,261	4,781	4,781	735	–	–
Sport and recreation	9,981	22,886	5,047	2,500	3,047	3,047	7,429	11,698	16,241
Public safety	15,694	8,425	7,998	2,792	6,042	6,042	300	–	–
Housing	85,753	49,598	49,031	40,885	44,311	44,311	41,890	30,090	63,220
Health				–	–	–	–	–	–
Economic and environmental services	**6,865**	**29,200**	**11,405**	**14,068**	**18,668**	**18,668**	**5,390**	**–**	**2,981**
Planning and development	1,220	8,466	2,656	1,478	1,844	1,844	390	–	–
Road transport	5,645	20,734	8,748	12,590	16,824	16,824	5,000	–	2,981
Environmental protection	–	–	–	–	–	–	–	–	–
Trading services	**87,384**	**121,565**	**113,677**	**166,639**	**127,492**	**127,492**	**138,796**	**88,537**	**82,000**
Energy sources	21,428	10,436	28,253	65,389	52,907	52,907	56,528	33,500	34,000
Water management	31,752	35,574	36,721	39,970	35,789	35,789	25,603	33,500	25,700
Waste water management	26,893	57,190	45,732	57,736	32,921	32,921	56,265	21,537	17,800
Waste management	7,311	18,365	2,972	3,544	5,876	5,876	400	–	4,500
Other	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Capital Expenditure - Functional	**211,056**	**254,800**	**192,377**	**236,020**	**206,216**	**206,216**	**203,615**	**130,325**	**164,442**
Funded by:									
National Government	31,528	35,100	36,688	72,254	75,741	75,741	53,667	40,235	41,222
Provincial Government	85,965	48,390	1,290	–	5,400	5,400	–	–	–
District Municipality	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind)	–	–	53,387	51,447	56,853	56,853	41,890	30,090	63,220
Transfers recognised - capital	**117,493**	**83,490**	**91,365**	**123,702**	**137,994**	**137,994**	**95,557**	**70,325**	**104,442**
Public contributions & donations	3,730	23,919	–	–	–	–	–	–	–
Borrowing	50,476	45,443	65,237	80,175	38,411	38,411	95,214	60,000	60,000
Internally generated funds	39,358	101,949	35,775	32,143	29,811	29,811	12,845	–	–
Total Capital Funding	**211,056**	**254,800**	**192,377**	**236,020**	**206,216**	**206,216**	**203,615**	**130,325**	**164,442**

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 R203,6 million in 2023/24.
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 2023/24, capital transfers total R95,6 million. Borrowing has been provided at R95,2 million (inclusive of roll-over borrowing), finance leases (nil) and internally generated funding totaling R12,8 million. These funding sources are further discussed in detail in paragraph 2.6 (Overview of Budget Funding).
5. Rolled over borrowing amounts to R45,2m.

Table 22 MBRR Table A6 - Budgeted Financial Position

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
ASSETS									
Current assets									
Cash and cash equivalents	653,813	612,723	616,280	431,308	525,264	525,264	527,249	534,490	555,317
Trade and other receivables from exchange transactions	82,974	81,353	96,666	93,122	92,965	92,965	110,712	116,821	123,348
Receivables from non-exchange transactions	51,504	45,341	47,229	58,498	52,445	52,445	54,310	57,631	61,103
Current portion of non-current receivables	4	–	–	–	–	–	–	–	–
Inventory	10,222	12,736	10,932	10,908	10,908	10,908	11,054	11,025	11,008
VAT	10,384	16,822	12,472	(268)	(268)	(268)	1,066	2,544	4,131
Other current assets	708	717	733	723	723	723	723	723	723
Total current assets	**809,609**	**769,692**	**784,312**	**594,291**	**682,037**	**682,037**	**705,114**	**723,234**	**755,630**
Non current assets									
Investments	46,515	54,278	60,512	70,005	70,005	70,005	77,846	85,830	93,964
Investment property	122,921	127,538	127,088	132,846	132,846	132,846	138,346	143,846	149,346
Property, plant and equipment	3,485,598	3,601,762	3,637,253	3,820,865	3,792,520	3,792,520	3,847,342	3,826,369	3,836,978
Biological assets	–	–	–	–	–	–	–	–	–
Living and non-living resources	242	677	610	–	542	542	474	406	339
Heritage assets	130,928	128,528	112,126	130,928	112,126	112,126	112,126	112,126	112,126
Intangible assets	9,168	8,993	8,940	8,203	8,203	8,203	7,909	7,602	7,277
Trade and other receivables from exchange transactions	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions	–	–	–	–	–	–	–	–	–
Other non-current assets	–	–	–	–	–	–	–	–	–
Total non current assets	**3,795,371**	**3,921,776**	**3,946,528**	**4,162,847**	**4,116,242**	**4,116,242**	**4,184,043**	**4,176,179**	**4,200,030**
TOTAL ASSETS	**4,604,980**	**4,691,468**	**4,730,840**	**4,757,138**	**4,798,278**	**4,798,278**	**4,889,157**	**4,899,414**	**4,955,659**
LIABILITIES									
Current liabilities									
Bank overdraft	–	–	–	–	–	–	–	–	–
Financial liabilities	45,458	53,957	50,494	58,592	58,592	58,592	50,907	154,740	59,739
Consumer deposits	40,992	42,248	43,312	66,074	43,312	43,312	65,312	67,312	69,312
Trade and other payables from exchange transactions	134,818	141,475	138,780	173,931	170,120	170,120	177,246	189,628	202,841
Trade and other payables from non-exchange transactions	31,133	24,030	26,309	–	–	–	–	–	–
Provision	42,460	49,986	46,857	42,971	42,971	42,971	48,875	53,413	55,300
VAT	–	–	–	–	790	790	2,639	2,940	3,280
Other current liabilities	–	–	–	5,240	5,240	5,240	–	–	–
Total current liabilities	**294,861**	**311,695**	**305,751**	**346,808**	**321,025**	**321,025**	**344,979**	**468,033**	**390,473**
Non current liabilities									
Financial liabilities	431,475	430,400	429,906	421,184	421,184	421,184	420,625	325,885	326,146
Provision	210,662	247,812	273,231	290,101	292,186	292,186	311,112	313,905	314,892
Long term portion of trade payables	–	–	–	–	–	–	–	–	–
Other non-current liabilities	–	–	–	–	–	–	–	–	–
Total non current liabilities	**642,137**	**678,212**	**703,137**	**711,285**	**713,370**	**713,370**	**731,737**	**639,790**	**641,038**
TOTAL LIABILITIES	**936,998**	**989,907**	**1,008,888**	**1,058,092**	**1,034,395**	**1,034,395**	**1,076,716**	**1,107,823**	**1,031,511**
NET ASSETS	**3,667,983**	**3,701,561**	**3,721,952**	**3,699,046**	**3,763,883**	**3,763,883**	**3,812,441**	**3,791,591**	**3,924,149**
COMMUNITY WEALTH/EQUITY									
Accumulated surplus/(deficit)	3,664,755	3,698,334	3,718,724	3,695,823	3,760,661	3,760,661	3,809,213	3,788,362	3,920,920
Reserves and funds	3,227	3,227	3,228	3,223	3,223	3,223	3,229	3,229	3,229
Other	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	**3,667,983**	**3,701,561**	**3,721,952**	**3,699,046**	**3,763,883**	**3,763,883**	**3,812,441**	**3,791,591**	**3,924,149**

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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	238,449	262,672	278,096	285,907	285,907	285,907	336,765	355,850	373,663
Service charges	689,210	737,211	818,906	843,505	830,014	830,014	916,095	1,043,315	1,123,832
Other revenue	175,357	131,492	171,510	146,992	152,798	152,798	162,121	144,754	154,235
Transfers and Subsidies - Operational	120,949	133,792	194,456	166,184	179,496	179,496	185,579	200,916	213,137
Transfers and Subsidies - Capital	60,675	37,219	–	72,254	81,141	81,141	53,667	40,235	41,222
Interest	53,186	34,748	36,128	24,871	34,671	34,671	43,100	45,978	49,161
Dividends	–	–	–	–	–	–	–	–	–
Payments									
Suppliers and employees	(971,606)	(1,069,400)	(1,237,641)	(1,373,971)	(1,382,381)	(1,382,381)	(1,434,464)	(1,630,636)	(1,604,452)
Finance charges	(46,570)	(48,805)	(47,584)	(48,056)	(48,056)	(48,056)	(49,658)	(51,817)	(49,865)
Transfers and Subsidies	(560)	(8,710)	(12,813)	(13,057)	(14,786)	(14,786)	(16,380)	(17,143)	(17,944)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**319,091**	**210,220**	**201,057**	**104,629**	**118,804**	**118,804**	**196,826**	**131,453**	**282,988**
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	3,289	940	3,813	–	–	–	–	–	–
Decrease (increase) in non-current receivables	7	4	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	(4,980)	(4,878)	(4,980)	(4,980)	(4,980)	(4,980)	(4,980)	(4,980)	(4,980)
Payments									
Capital assets	(211,056)	(254,800)	(192,377)	(236,020)	(206,216)	(206,216)	(203,615)	(130,325)	(164,442)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(212,740)**	**(258,734)**	**(193,544)**	**(241,000)**	**(211,196)**	**(211,196)**	**(208,595)**	**(135,305)**	**(169,422)**
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	54,000	54,000	50,000	50,000	50,000	50,000	50,000	50,000	60,000
Increase (decrease) in consumer deposits	–	–	–	2,000	2,000	2,000	22,000	2,000	2,000
Payments									
Repayment of borrowing	(39,725)	(46,576)	(53,957)	(50,623)	(50,623)	(50,623)	(58,245)	(40,907)	(154,740)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**14,275**	**7,424**	**(3,957)**	**1,377**	**1,377**	**1,377**	**13,755**	**11,093**	**(92,740)**
NET INCREASE/ (DECREASE) IN CASH HELD	**120,626**	**(41,091)**	**3,557**	**(134,994)**	**(91,016)**	**(91,016)**	**1,985**	**7,242**	**20,826**
Cash/cash equivalents at the year begin:	**533,188**	**653,813**	**612,723**	566,302	616,280	616,280	**525,264**	**527,249**	**534,490**
Cash/cash equivalents at the year end:	**653,813**	**612,723**	**616,280**	**431,308**	**525,264**	**525,264**	**527,249**	**534,490**	**555,317**

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 2023/24 MTREF.
4. The 2023/24 MTREF has been informed by the planning principle of ensuring adequate cash over the medium-term.
5. Cash and cash equivalents totals R527,2 million as at the end of the 2023/24 financial year and is estimated to increase to R555,3 million by 2025/26.

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

WC032 Overstrand - Table A8 Cash backed reserves/accumulated surplus reconciliation										
Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Cash and investments available										
Cash/cash equivalents at the year end	1	653 813	612 723	616 280	431 308	525 264	525 264	527 249	534 490	555 317
Other current investments > 90 days		82 974	81 353	96 666	93 122	92 965	92 965	110 712	116 821	123 348
Investments - Property, plant and equipment	1	3 485 598	3 601 762	3 637 253	3 820 865	3 792 520	3 792 520	3 847 342	3 826 369	3 836 978
Cash and investments available:		**4 222 385**	**4 295 837**	**4 350 199**	**4 345 294**	**4 410 748**	**4 410 748**	**4 485 303**	**4 477 680**	**4 515 643**
Application of cash and investments										
Trade payables from Non-exchange transactions: Unspent co		31 133	24 030	26 309	–	–	–	–	–	–
Unspent borrowing		–	44 066	–	22 033	22 033	22 033	45 214	–	–
Statutory requirements	2	–	–	–	–	–	–	–	–	–
Other working capital requirements	3	90 063	95 532	91 202	116 642	115 656	115 656	120 321	126 294	133 681
Other provisions		2 612	28 547	13 315	12 515	12 515	12 515	6 045	8 776	8 748
Long term investments committed	4	46 515	54 278	60 512	70 005	70 005	70 005	77 846	85 830	93 964
Reserves to be backed by cash/investments	5	3 227	3 227	3 228	3 223	3 223	3 223	3 229	3 229	3 229
Total Application of cash and investments:		**173 549**	**249 681**	**194 565**	**224 418**	**223 432**	**223 432**	**252 655**	**224 129**	**239 622**
Surplus(shortfall)		**4 048 835**	**4 046 156**	**4 155 634**	**4 120 877**	**4 187 316**	**4 187 316**	**4 232 648**	**4 253 552**	**4 276 021**

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

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. As part of the budgeting and planning guidelines that informs the compilation of the 2023/24 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

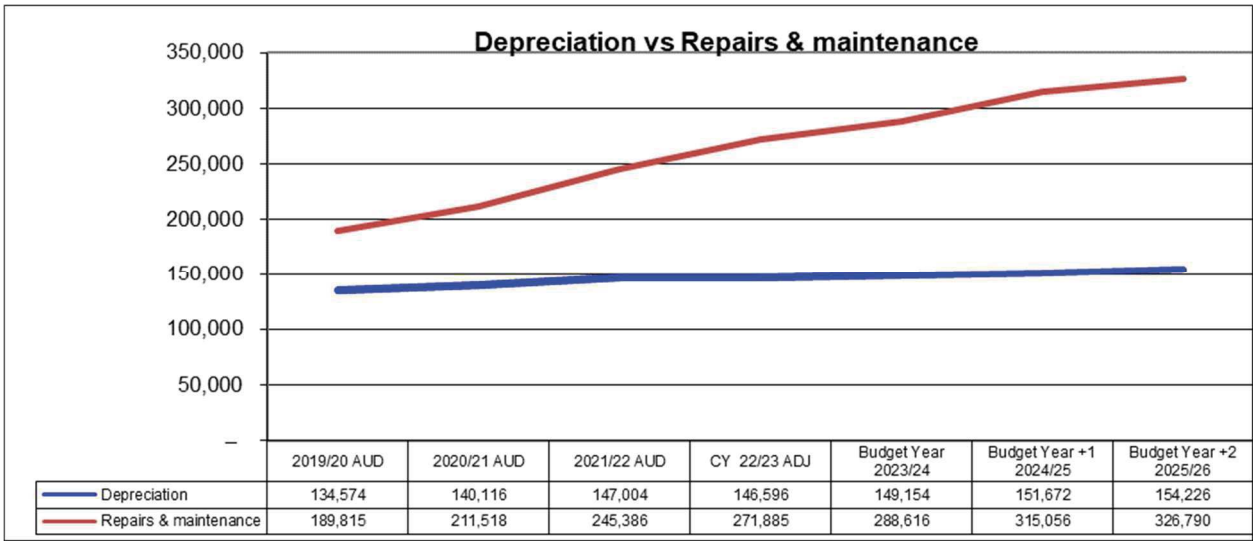
Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
CAPITAL EXPENDITURE									
Total New Assets	188,804	199,520	119,714	141,955	145,918	145,918	135,647	70,690	98,401
Roads Infrastructure	5,638	20,553	7,714	12,255	15,274	15,274	5,000	–	2,981
Storm water Infrastructure	7,918	14,169	4,724	1,636	1,636	1,636	12,732	7,000	–
Electrical Infrastructure	13,557	9,392	18,244	53,500	50,249	50,249	45,797	21,500	19,000
Water Supply Infrastructure	29,001	22,404	3,171	12,483	9,626	9,626	10,953	10,600	4,700
Sanitation Infrastructure	13,339	12,940	8,923	4,020	2,416	2,416	7,500	1,500	3,000
Solid Waste Infrastructure	7,311	12,254	2,972	1,470	1,250	1,250	400	–	500
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Infrastructure	***76,763***	***91,712***	***45,748***	***85,364***	***80,451***	***80,451***	***82,383***	***40,600***	***30,181***
Community Facilities	2,084	10,999	4,140	6,701	4,463	4,463	5,000	–	–
Sport and Recreation Facilities	2,447	15,000	5,047	4,250	4,797	4,797	875	–	5,000
Community Assets	***4,531***	***25,999***	***9,187***	***10,951***	***9,261***	***9,261***	***5,875***	**–**	***5,000***
Heritage Assets	–	–	–	–	–	–	–	–	–
Revenue Generating	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Operational Buildings	1,749	4,581	1,410	3,017	2,295	2,295	–	–	–
Housing	85,753	49,598	49,031	38,785	42,211	42,211	41,890	30,090	63,220
Other Assets	***87,502***	***54,179***	***50,440***	***41,802***	***44,506***	***44,506***	***41,890***	***30,090***	***63,220***
Biological or Cultivated Assets	–	–	21	–	–	–	–	–	–
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	–	–	–	–	–	–	–	–	–
Intangible Assets	–	–	–	–	–	–	–	–	–
Computer Equipment	3,345	5,152	3,240	1,888	1,962	1,962	4,000	–	–
Furniture and Office Equipment	246	802	2,910	765	1,065	1,065	765	–	–
Machinery and Equipment	533	486	1,363	1,185	1,385	1,385	735	–	–
Transport Assets	15,884	21,189	6,806	–	7,289	7,289	–	–	–
Land	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–
Mature	–	-	-	-	-	-	-	-	-
Immature	–	-	-	-	-	-	-	-	-
Living Resources	-	-	-	-	-	-	-	-	-

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Total Renewal of Existing Assets	**3,606**	**15,499**	**30,964**	**20,730**	**20,936**	**20,936**	**16,300**	**25,100**	**27,200**
Roads Infrastructure	8	–	–	–	–	–	–	–	–
Storm water Infrastructure	–	–	–	–	–	–	–	–	–
Electrical Infrastructure	–	915	1,000	1,058	1,058	1,058	1,500	2,000	2,000
Water Supply Infrastructure	887	11,297	29,964	19,172	19,228	19,228	14,100	22,400	20,500
Sanitation Infrastructure	2,711	3,287	–	500	650	650	700	700	700
Solid Waste Infrastructure	–	–	–	–	–	–	–	–	4,000
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Infrastructure	***3,606***	***15,499***	***30,964***	***20,730***	***20,936***	***20,936***	***16,300***	***25,100***	***27,200***
Community Facilities	–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities	–	–	–	–	–	–	–	–	–
Community Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Heritage Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Investment properties	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings	–	–	–	–	–	–	–	–	–
Housing	–	–	–	–	–	–	–	–	–
Other Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Biological or Cultivated Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	–	–	–	–	–	–	–	–	–
Intangible Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Furniture and Office Equipment	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Machinery and Equipment	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Transport Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Land	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Mature	–	-	-	-	-	-	-	-	-
Immature	–	-	-	-	-	-	-	-	-
Living Resources	-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	**18,646**	**39,781**	**41,698**	**73,335**	**39,362**	**39,362**	**51,668**	**34,535**	**38,841**
Roads Infrastructure	–	181	–	–	–	–	–	–	–
Storm water Infrastructure	1,285	12,258	–	–	–	–	–	–	–
Electrical Infrastructure	7,871	120	7,173	10,831	1,600	1,600	9,231	10,000	13,000
Water Supply Infrastructure	1,863	1,873	3,586	8,315	6,935	6,935	550	500	500
Sanitation Infrastructure	32	14,286	30,939	51,581	28,219	28,219	35,333	12,337	14,100
Solid Waste Infrastructure	–	3,262	–	2,074	2,074	2,074	–	–	–
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Infrastructure	***11,051***	***31,980***	***41,698***	***72,800***	***38,828***	***38,828***	***45,114***	***22,837***	***27,600***
Community Facilities	–	830	–	334	334	334	–	–	–
Sport and Recreation Facilities	7,534	6,971	–	200	200	200	6,554	11,698	11,241
Community Assets	***7,534***	***7,801***	**–**	***534***	***534***	***534***	***6,554***	***11,698***	***11,241***
Heritage Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Investment properties	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings	61	–	–	–	–	–	–	–	–
Housing	–	–	–	–	–	–	–	–	–
Other Assets	***61***	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Biological or Cultivated Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	–	–	–	–	–	–	–	–	–
Intangible Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Furniture and Office Equipment	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Machinery and Equipment	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Transport Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Land	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Mature	–	-	-	-	-	-	-	-	-
Immature	–	-	-	-	-	-	-	-	-
Living Resources	-	-	-	-	-	-	-	-	-

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Total Capital Expenditure	**211,056**	**254,800**	**192,377**	**236,020**	**206,216**	**206,216**	**203,615**	**130,325**	**164,442**
Roads Infrastructure	5,645	20,734	7,714	12,255	15,274	15,274	5,000	–	2,981
Storm water Infrastructure	9,202	26,427	4,724	1,636	1,636	1,636	12,732	7,000	–
Electrical Infrastructure	21,428	10,427	26,417	65,389	52,907	52,907	56,528	33,500	34,000
Water Supply Infrastructure	31,752	35,574	36,721	39,970	35,789	35,789	25,603	33,500	25,700
Sanitation Infrastructure	16,081	30,513	39,862	56,101	31,285	31,285	43,533	14,537	17,800
Solid Waste Infrastructure	7,311	15,517	2,972	3,544	3,324	3,324	400	–	4,500
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Infrastructure	***91,420***	***139,192***	***118,410***	***178,895***	***140,215***	***140,215***	***143,796***	***88,537***	***84,981***
Community Facilities	2,084	11,829	4,140	7,035	4,798	4,798	5,000	–	–
Sport and Recreation Facilities	9,981	21,971	5,047	4,450	4,997	4,997	7,429	11,698	16,241
Community Assets	***12,065***	***33,801***	***9,187***	***11,485***	***9,795***	***9,795***	***12,429***	***11,698***	***16,241***
Heritage Assets	–	–	–	–	–	–	–	–	–
Revenue Generating	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Operational Buildings	1,810	4,581	1,410	3,017	2,295	2,295	–	–	–
Housing	85,753	49,598	49,031	38,785	42,211	42,211	41,890	30,090	63,220
Other Assets	***87,563***	***54,179***	***50,440***	***41,802***	***44,506***	***44,506***	***41,890***	***30,090***	***63,220***
Biological or Cultivated Assets	–	–	21	–	–	–	–	–	–
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	–	–	–	–	–	–	–	–	–
Intangible Assets	–	–	–	–	–	–	–	–	–
Computer Equipment	**3,345**	**5,152**	**3,240**	**1,888**	**1,962**	**1,962**	**4,000**	**–**	**–**
Furniture and Office Equipment	**246**	**802**	**2,910**	**765**	**1,065**	**1,065**	**765**	**–**	**–**
Machinery and Equipment	**533**	**486**	**1,363**	**1,185**	**1,385**	**1,385**	**735**	**–**	**–**
Transport Assets	**15,884**	**21,189**	**6,806**	**–**	**7,289**	**7,289**	**–**	**–**	**–**
Land	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–
Mature	–	-	-	-	-	-	-	-	-
Immature	–	-	-	-	-	-	-	-	-
Living Resources	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	**211,056**	**254,800**	**192,377**	**236,020**	**206,216**	**206,216**	**203,615**	**130,325**	**164,442**
ASSET REGISTER SUMMARY - PPE (WDV)	3,748,856	3,866,820	3,885,406	4,092,842	4,045,694	4,045,694	4,105,723	4,089,943	4,105,727
Roads Infrastructure	1,056,127	1,092,468	1,051,629	951,365	954,384	954,384	920,204	880,560	843,428
Storm water Infrastructure	214,067	234,040	250,290	240,845	240,845	240,845	245,097	243,526	234,861
Electrical Infrastructure	520,173	503,933	503,511	555,433	542,951	542,951	572,071	577,559	582,934
Water Supply Infrastructure	474,519	481,783	502,705	534,118	529,937	529,937	531,085	539,688	540,041
Sanitation Infrastructure	398,307	410,765	449,724	482,900	458,085	458,085	480,998	474,486	470,799
Solid Waste Infrastructure	24,634	40,153	40,054	49,883	49,663	49,663	46,762	43,405	44,490
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Infrastructure	***2,687,827***	***2,763,142***	***2,797,912***	***2,814,545***	***2,775,865***	***2,775,865***	***2,796,219***	***2,759,224***	***2,716,553***
Community Assets	206,866	226,700	232,405	–	–	–	–	–	–
Heritage Assets	130,928	130,928	112,126	130,928	112,126	112,126	112,126	112,126	112,126
Investment properties	122,921	127,538	127,088	132,846	132,846	132,846	138,346	143,846	149,346
Other Assets	496,877	494,213	487,221	894,435	897,449	897,449	934,895	959,482	1,021,410
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Intangible Assets	9,168	8,993	8,940	8,203	8,203	8,203	7,909	7,602	7,277
Computer Equipment	–	–	–	–	–	–	–	–	–
Furniture and Office Equipment	10,174	11,016	12,301	15,403	15,777	15,777	17,932	15,295	12,634
Machinery and Equipment	6,022	8,693	9,473	5,659	5,317	5,317	4,864	3,664	2,451
Transport Assets	78,074	95,597	97,940	90,823	98,112	98,112	93,432	88,703	83,930
Land	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–
Living Resources	242	677	610	–	542	542	474	406	339
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	**3,748,856**	**3,866,820**	**3,885,406**	**4,092,842**	**4,045,694**	**4,045,694**	**4,105,723**	**4,089,943**	**4,105,727**
EXPENDITURE OTHER ITEMS									
Depreciation	134,574	140,110	147,004	146,596	146,596	146,596	149,154	151,672	154,226
Repairs and Maintenance by Asset Class	**189,815**	**211,518**	**245,386**	**267,944**	**271,885**	**271,885**	**288,616**	**315,056**	**326,790**
Roads Infrastructure	65,691	67,439	64,340	72,275	60,564	60,564	75,266	79,593	84,168
Storm water Infrastructure	4,749	5,584	6,870	7,335	6,545	6,545	6,469	6,836	7,224
Electrical Infrastructure	36,812	31,045	30,721	39,232	38,565	38,565	41,404	45,107	41,533
Water Supply Infrastructure	16,161	21,046	21,088	22,142	22,089	22,089	23,527	24,847	26,242
Sanitation Infrastructure	10,072	12,980	11,710	13,044	13,465	13,465	13,718	14,494	15,314
Solid Waste Infrastructure	1,168	2,535	6,351	7,320	7,593	7,593	7,697	8,224	8,691
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	113	110	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	1	–	–	–	–	–	–	–
Infrastructure	***134,766***	***140,742***	***141,079***	***161,349***	***148,822***	***148,822***	***168,080***	***179,101***	***183,172***
Community Facilities	29,422	37,364	37,455	43,516	44,407	44,407	47,164	49,790	52,562
Sport and Recreation Facilities	4,176	7,007	12,921	14,849	14,019	14,019	15,119	19,060	20,131
Community Assets	***33,597***	***44,371***	***50,376***	***58,365***	***58,426***	***58,426***	***62,282***	***68,850***	***72,693***
Heritage Assets	–	–	–	–	–	–	–	–	–
Revenue Generating	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Operational Buildings	1,582	2,136	15,056	15,246	19,382	19,382	18,438	25,359	26,838
Housing	–	1	–	–	–	–	–	–	–
Other Assets	***1,582***	***2,137***	***15,056***	***15,246***	***19,382***	***19,382***	***18,438***	***25,359***	***26,838***
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	6,009	5,672	5,915	6,994	7,212	7,212	8,331	8,737	9,174
Intangible Assets	***6,009***	***5,672***	***5,915***	***6,994***	***7,212***	***7,212***	***8,331***	***8,737***	***9,174***
Computer Equipment	**766**	**1,947**	**2,490**	**2,280**	**2,386**	**2,386**	**2,423**	**2,740**	**2,979**
Furniture and Office Equipment	**242**	**1,128**	**5,004**	**6,330**	**12,310**	**12,310**	**6,812**	**6,882**	**7,227**
Machinery and Equipment	–	–	**4,059**	**5,601**	**4,963**	**4,963**	**6,036**	**6,241**	**6,574**
Transport Assets	**12,853**	**15,521**	**21,406**	**11,779**	**18,385**	**18,385**	**16,214**	**17,145**	**18,132**
Libraries	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–
Mature	–	-	-	-	-	-	-	-	-
Immature	–	-	-	-	-	-	-	-	-
Living Resources	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS	**324,390**	**351,629**	**392,390**	**414,540**	**418,480**	**418,480**	**437,771**	**466,728**	**481,015**
Renewal and upgrading of Existing Assets as % of total capex	*10.5%*	*21.7%*	*37.8%*	*39.9%*	*29.2%*	*29.2%*	*33.4%*	*45.8%*	*40.2%*
Renewal and upgrading of Existing Assets as % of deprecn	*16.5%*	*39.5%*	*49.4%*	*64.2%*	*41.1%*	*41.1%*	*45.6%*	*39.3%*	*42.8%*
R&M as a % of PPE	*78460.1%*	*31228.8%*	*40254.5%*	*0.0%*	*50176.8%*	*50176.8%*	*60873.9%*	*77525.5%*	*96495.5%*
Renewal and upgrading and R&M as a % of PPE	*6.0%*	*7.0%*	*8.0%*	*9.0%*	*8.0%*	*8.0%*	*9.0%*	*9.0%*	*10.0%*

Explanatory notes to Table A9 - Asset Management

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



	2019/20 AUD	2020/21 AUD	2021/22 AUD	CY 22/23 ADJ	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Depreciation	134,574	140,116	147,004	146,596	149,154	151,672	154,226
Repairs & maintenance	189,815	211,518	245,386	271,885	288,616	315,056	326,790

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

Table 26 MBRR Table A10 - Basic Service Delivery Measurement

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Household service targets									
Water:									
Piped water inside dwelling	29,946	30,111	30,990	30,412	30,412	30,412	31,324	32,264	33,232
Piped water inside yard (but not in dwelling)	–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	3,675	3,779	3,536	3,536	3,536	3,536	4,900	4,900	4,900
Other water supply (at least min.service level)	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total	33,621	33,890	34,526	33,948	33,948	33,948	36,224	37,164	38,132
Using public tap (< min.service level)	–	–	–	–	–	–	2,700	2,600	2,500
Other water supply (< min.service level)	–	–	–	–	–	–	–	–	–
No water supply	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–	–	–	2,700	2,600	2,500
Total number of households	**33,621**	**33,890**	**34,526**	**33,948**	**33,948**	**33,948**	**38,924**	**39,764**	**40,632**
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	30,060	30,420	31,394	30,724	30,724	30,724	31,646	32,595	33,573
Flush toilet (with septic tank)	–	–	–	–	–	–	–	–	–
Chemical toilet	–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)	–	–	–	–	–	–	–	–	–
Other toilet provisions (> min.service level)	3,675	3,779	3,536	3,536	3,536	3,536	4,900	4,900	4,900
Minimum Service Level and Above sub-total	33,735	34,199	34,930	34,260	34,260	34,260	36,546	37,495	38,473
Bucket toilet	–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)	–	–	–	–	–	–	2,700	2,700	2,700
No toilet provisions	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–	–	–	2,700	2,700	2,700
Total number of households	**33,735**	**34,199**	**34,930**	**34,260**	**34,260**	**34,260**	**39,246**	**40,195**	**41,173**
Energy:									
Electricity (at least min.service level)	5,946	5,826	5,618	5,586	5,586	5,586	5,554	5,522	5,490
Electricity - prepaid (min.service level)	19,731	20,146	20,821	20,976	20,976	20,976	21,651	22,326	23,001
Minimum Service Level and Above sub-total	25,677	25,972	26,439	26,562	26,562	26,562	27,205	27,848	28,491
Electricity (< min.service level)	–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–
Other energy sources	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	**25,677**	**25,972**	**26,439**	**26,562**	**26,562**	**26,562**	**27,205**	**27,848**	**28,491**
Refuse:									
Removed at least once a week	33,366	33,895	34,819	34,234	34,234	34,234	35,261	36,319	37,408
Minimum Service Level and Above sub-total	33,366	33,895	34,819	34,234	34,234	34,234	35,261	36,319	37,408
Removed less frequently than once a week	–	–	–	–	–	–	–	–	–
Using communal refuse dump	–	–	–	–	–	–	–	–	–
Using own refuse dump	–	–	–	–	–	–	–	–	–
Other rubbish disposal	–	–	–	–	–	–	–	–	–
No rubbish disposal	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	**33,366**	**33,895**	**34,819**	**34,234**	**34,234**	**34,234**	**35,261**	**36,319**	**37,408**
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	7,595	7,278	7,400	7,400	7,400	7,400	7,000	7,000	7,000
Sanitation (free minimum level service)	7,595	7,278	7,400	7,400	7,400	7,400	7,000	7,000	7,000
Electricity/other energy (50kwh per household per month)	7,595	7,278	7,300	7,300	7,300	7,300	7,000	7,000	7,000
Refuse (removed at least once a week)	7,595	7,278	7,400	7,400	7,400	7,400	7,000	7,000	7,000
Informal Settlements	–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Formal Settlements (R'000)									
Water (6 kilolitres per **indigent** household per month)	3,062	3,065	3,239	3,214	3,214	3,214	3,432	3,638	3,856
Sanitation (free sanitation service to **indigent households**)	5,244	5,253	5,553	9,132	9,132	9,132	9,814	10,403	11,027
Electricity/other energy (50kwh per **indigent** household per month)	5,416	5,513	6,423	6,530	6,530	6,530	7,509	7,960	8,437
Refuse (removed once a week **for indigent households**)	16,906	16,929	17,901	17,933	17,933	17,933	19,152	20,301	21,519
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	–	–	–	–	–	–	–	–	–
Total cost of FBS provided	**30,628**	**30,760**	**33,117**	**36,808**	**36,808**	**36,808**	**39,907**	**42,302**	**44,840**
Highest level of free service provided per household									
Property rates (R value threshold)	220,000	220,000	220,000	220,000	220,000	220,000	–	–	–
Water (kilolitres per household per month)	6	6	6	6	6	6	10	10	10
Sanitation (kilolitres per household per month)	4	4	4	4	4	4	7	7	7
Sanitation (Rand per household per month)	78	82	86	89	89	89	264	280	297
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50	50
Refuse (average litres per week)	210	210	210	210	210	210	210	210	210
Revenue cost of subsidised services provided (R'000)									
Property rates **(tariff adjustment)** (**impermissable values per section 17 of MPRA**)	–	–	–	–	–	–	–	–	–
Property rates exemptions, reductions and rebates **and impermissable values in excess of section 17 of MPRA)**	–	–	–	–	–	–	–	–	–
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 7000 households to be registered as indigent in 2023/24, and therefore entitled to receiving Free Basic Services. The number is set to increase over the MTREF, especially by poor people seeking economic opportunities.
4. It is anticipated that the cost of these Free Basic Services will amount to R105.4m in 2023/24. 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 2022) 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 29 August 2022. Key dates applicable to the process are as follows:

- **August 2022** – Budget Office submits current 3-year Capital Budget to the Strategic Office.
- **20-28 September 2022** - Ward committees met to review and reprioritise their ward priorities for 2023/24
- **24-27 October 2022** - Public ward feedback meetings- ward committees obtained public input on their reviewed ward priorities for 2023/24.
- **November 2022** – Top management meeting to discuss budget proposals and affordability;
- **November/December 2022** – Various Budget Steering Committee and Management meetings relating to draft Capex and Opex budgets;
- **November 2022**– Submission of tariff proposals and tariff workshops;
- **November 2022**– Workshop on tariffs and tariff related policies;
- **November 2022/February 2023**– Review of all budget related policies;
- **December 2022 –** Mid-year review by the BSC of the 2022/23 progress and review of 2023/2026 draft operational expenditure including financial forecasting and scenario considerations;
- **January/February 2023** – Tariff finalisation, consider budget related policies changes and overview of draft 2023/24 Capex & Opex;
- **January 2023**- Council considered the 2022/23 Mid-year Review;
- **January 2023** – Finalisation of adjustments budget;
- **February/March 2023** – Final tariffs and adjustments budget review;
- **February/March 2023** – BSC review/finalises draft Capex/Opex;
- **27 March 2023** – Budget office finalises budget report;
- **29 March 2023** – OMAF Consultation & Budget Proposals;

- **29 March 2023** - Tabling in Council of the draft 2023/24 IDP, SDBIP and 2023/24 MTREF for public consultation;
- **6 April 2023 – 05 May 2023** – Draft Budget available to the public and any other stakeholders for perusal and the submission of comments and representations;
- **05 May 2023** - Closing date for written comments;
- **10 May 2023** – BSC considered all comments received and amendments to the Draft Budget;
- **10-20 May 2023** – Finalisation of the 2023/24 IDP and 2023/24 MTREF, taking into consideration comments received from the public, comments from NT & PT and updated information from the most recent DoRA and financial framework;
- **9-20 May 2023** – Budget Office compiles final report and schedules and final review of budget report and schedules ;
- **24 May 2023** – Final budget distribution; and
- **31 May 2023** - Tabling of the 2023/24 MTREF in Council for consideration and approval.

2.1.2 IDP and Service Delivery and Budget Implementation Plan

For the 2023/24 IDP review the strategic direction (Vision, Mission, Mayor's 3 C's and Strategic objectives) of the current 5-year amended Integrated Development Plan (IDP) remains unchanged.

The 2023/24 Draft IDP reflects the wording Overstrand for all in the Mission statement to read: *"Creation of sustainable communities by delivering optimal services to support economic, social and environmental goals in a politically stable environment as an OVERSTRAND FOR ALL."*

The Mayor's 3 C priorities of Communication, Crime Prevention & Law Enforcement and Cost and Ease of doing business with Overstrand support the implementation of the current 5 strategic objectives. The 3 C's priorities – Communication, Crime Prevention & Law Enforcement and Cost and Ease of doing business with Overstrand has an overarching linkage with the existing programmes.

Funding are allocated in this budget for specific projects in this regard, whilst in other instances, the focus on the Cost and Ease of doing business with Overstrand are reflected in the revision of various tariffs relating to before-mentioned, as well as the envisaged promotion of measures/tariff structures already in place, to create awareness in our communities.

The draft IDP (2023/24) will tabled on 29 March 2023 and the Final Budget to be considered by Council on 31 May 2023 for adoption. The IDP process followed after approval of the IDP/Budget Time Schedule for the 2023/24 MTREF in August 2022.

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 2023/24 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 2023/24 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 2022/23 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 122 and 123 was taken into consideration in the planning and prioritisation process.

The municipality has expanded on the implementation of Repairs and Maintenance allocated as projects in terms of the mSCOA version 6.7. These allocations are guided by the respective owner departments.

Emphasis is placed on the Municipal Cost Containment Regulations, 2019 as published in June 2019, and which took effect on 1 July 2019. Cost containment has already been implemented across the organisation over the past four years. The measures as per the Cost Containment Circular in place prior to 2021/22, was incorporated to a large extent in existing policies, prior to the existence of the Overstrand Cost Containment Policy.

2.1.4 Community Consultation on the Draft Budget

The draft 2023/24 MTREF will be tabled in Council on 29 March 2023 and will be made available to the community as follows:

Copies of the document could be viewed:

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

The tabling of the draft budget will be advertised in all local newspapers and a copy of the advertisement 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 and Area Managers, all Directors and officials from the Budget Office and Strategic Planning Office, will engage the community at the Draft IDP Review and Draft Budget 2023/24 Public Consultation process during April 2023, to present the draft budget for engagement with the public. These engagements will be arranged, and the dates, times and other information will be published through the media in the different administrative areas.

The public will have the opportunity to comment, in writing, on Overstrand Municipality's Draft Amended Integrated Development Plan (IDP) for 2023/24 and the Draft Budget for 2023/24 until 05 May 2023.

2.2 Overview of alignment of annual budget with IDP

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

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

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

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2023/24 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 27 IDP Strategic Objectives

2023/24 MTREF
The provision of democratic, accountable and ethical governance
The provision and maintenance of municipal services
The encouragement of structured community participation in the matters of the municipality
The creation and maintenance of a safe and healthy environment
The promotion of tourism, economic and social development

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

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

SO1 The provision of democratic, accountable and ethical governance

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

SO 2 The provision and maintenance of Municipal Services

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

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

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

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

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

SO 5 The promotion of tourism, economic and social development

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

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

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

- Developing dormant areas;
- Enforcing hard development lines – so as to direct private investment;
- Maintaining existing urban areas;
- Strengthening key economic clusters;
- Building social cohesion;
- Strong developmental initiatives in relation to the municipal institution as a whole; and
- Sound financial fundamentals.
- 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 2023/24 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

Strategic Objective	Goal	Goal Code	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
The provision of democratic, accountable and ethical governance	Good Governance	1	346,166	366,679	390,897	384,994	398,420	398,420	460,614	487,005	515,935
The provision and maintenance of municipal services	Basic Service Delivery	2	804,239	847,454	936,098	1,021,099	1,018,817	1,018,817	1,083,523	1,201,796	1,279,979
The encouragement of structured community participation in the matters of the municipality	Good Governance	3									
The creation and maintenance of a safe and healthy environment	Safe and Healthy Environment	4	59,673	53,573	73,510	55,744	61,777	61,777	66,303	74,941	83,298
The promotion of tourism, economic and social development	Economic Development and Social upliftment	5	119,873	87,926	115,685	121,233	128,213	128,213	135,133	105,812	115,518
Allocations to other priorities											
Total Revenue (excluding capital transfers and contributions)			1,329,951	1,355,632	1,516,190	1,583,069	1,607,226	1,607,226	1,745,573	1,869,554	1,994,730

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

Strategic Objective	Goal	Goal Code	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
The provision of democratic, accountable and ethical governance	Good Governance	1	217,322	258,150	294,031	314,285	315,605	315,605	334,374	338,409	353,934
The provision and maintenance of municipal services	Basic Service Delivery	2	644,933	699,654	770,312	813,898	828,316	828,316	905,753	989,833	1,053,655
The encouragement of structured community participation in the matters of the municipality	Good Governance	3	725	1,382	1,125	1,125	1,125	1,125			
The creation and maintenance of a safe and healthy environment	Safe and Healthy Environment	4	142,180	161,460	200,470	203,544	213,328	213,328	220,135	235,289	247,287
The promotion of tourism, economic and social development	Economic Development and Social upliftment	5	185,923	201,164	229,861	262,119	252,075	252,075	288,708	292,261	276,624
Allocations to other priorities											
Total Expenditure			1,191,084	1,321,810	1,495,800	1,594,971	1,610,448	1,610,448	1,748,972	1,855,792	1,931,500

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

Strategic Objective	Goal	Goal Code	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
The provision of democratic, accountable and ethical governance	Good Governance	1	4,049	7,054	3,761	1,875	1,875	1,875	4,075	–	–
The provision and maintenance of municipal services	Basic Service Delivery	2	87,384	121,565	113,677	166,639	127,492	127,492	138,796	88,537	82,000
The encouragement of structured community participation in the matters of the municipality	Good Governance	3							5,000		
The creation and maintenance of a safe and healthy environment	Safe and Healthy Environment	4	27,005	47,383	14,504	12,553	13,870	13,870	8,464	11,698	16,241
The promotion of tourism, economic and social development	Economic Development and Social upliftment	5	92,618	78,798	60,435	54,953	62,979	62,979	47,280	30,090	66,201
Allocations to other priorities											
Total Capital Expenditure			211,056	254,800	192,377	236,020	206,216	206,216	203,615	130,325	164,442

2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality does targets, monitor, assess and review organisational performance which in turn is directly linked to individual employee's performance.
At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly at each quarter, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting, and reporting cycle can be graphically illustrated as follows:

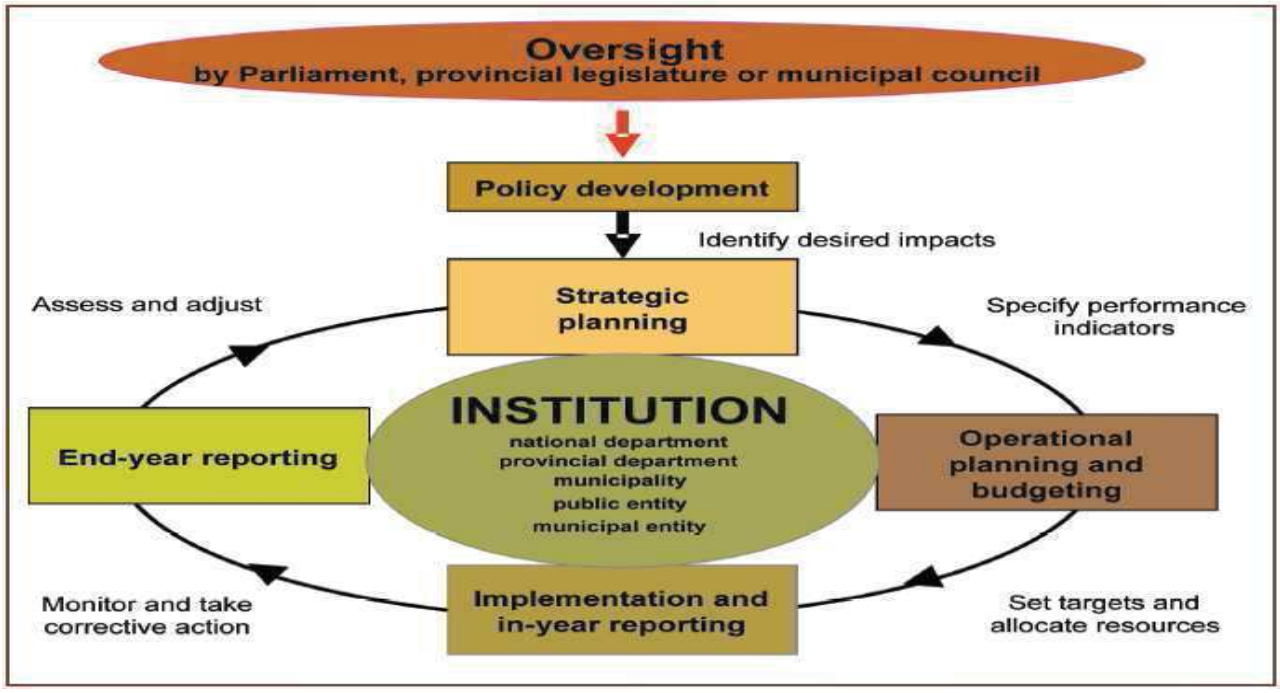


Figure 5 Planning, budgeting and reporting cycle

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

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

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

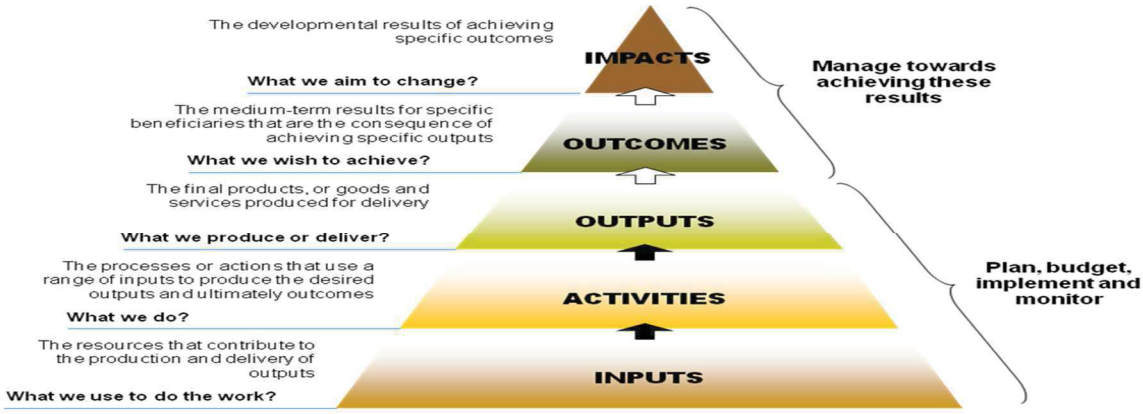


Figure 6 Definition of performance information concepts

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

Table 31 MBRR Table SA7 - Measurable performance objectives

Description	Unit of measurement	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Vote 1 - vote name										
Council and Municipal Manager										
Municipal Manager										
Submit three progress reports on the revision of the top 10 risks as a corrective action to the Top Management Team	Number of progress reports submitted	4	4	4	3	0	3	3	3	3
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	76.53%	90.9%	80.89%	95.0%	0	95.0%	95.0%	95.0%	95.0%
Sign section 56 performance agreements with all directors by the end of July 2023	Number of agreements signed	6	6	6	6	0	6	6	6	6
Monitor the implementation of the action plan developed to address all the issues raised in the management letter of the Auditor General and submit three progress reports to Executive Mayor	Number of progress reports monitored and submitted to Executive Mayor	5	7	4	3	0	3	3	3	3
Bi-annual formal performance appraisals of the section 56 appointees for the previous financial period April to June 2023 to be completed by Sept 2023 and the current period October to December 2023 to be completed by February 2024	Number of appraisals	12	12	12	12	0	12	12	12	12
Draft the annual report and submit to the Auditor-General by end August 2023	Draft Annual report submitted	1	1	1	1	0	1	1	1	1
Develop a Tourism Strategy to be approved by the Executive Mayor by 30 June 2023	Approved tourism strategy	new kpi	new kpi	new kpi	1	0	1	0	0	0
Implementation of the Business Service request portal on Collaborator by 30 March 2023	Functional Business service request porta	new kpi	new kpi	new kpi	1	0	1	0	0	0
Communication strategy approved by the Executive Mayor by 30 June 2023	Approved communication strategy	new kpi	new kpi	new kpi	1	0	1	0	0	0

Description	Unit of measurement	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Management Services										
Director: Management Services										
Human Resources										
92% of the approved and funded organogram filled {(actual number of posts filled dived by the funded posts budgeted) x100}	% filled	90.64%	92.08%	91.38%	92.0%	0	92.0%	92.0%	92.0%	92.0%
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	71	71	70	75	0	75	75	75	75
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	84.5%	100.0%	99.60%	100.0%	0	100.0%	100.0%	100.0%	100.0%
Review the Municipal Organisational Staff Structure by the end of June	Structure reviewed	1	1	1	1	0	1	1	1	1
Finance										
Director: Finance										
Director Finance										
Financial viability measured in terms of the available cash to cover fixed operating expenditure ((Available cash+ investments)/ Monthly fixed operating expenditure) (MPPMR Reg 10 (g))	Ratio achieved	7.63%	6.27%	5.73	4.6	0	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	25.06	23.56%	27.78%	16	0	16	16	16	16
Financial viability measured in terms of the outstanding service debtors (Total outstanding service debtors/ revenue received for services) (MPPR Reg 10 (g))	% achieved	12.33%	11.37%	11.39%	11.0%	0	11.0%	11.0%	11.0%	11.0%
Submit a reviewed long term financial plan to the CFO by the end of October 2023	Reviewed long term financial plan submitted	1	1	1	1	0	1	1	1	1
Financial statements submitted to the Auditor General by end August 2023	Financial statements submitted	1	1	1	1	0	1	1	1	1
Provision of free basic electricity, refuse removal, sanitation and water in terms of the equitable share requirements (MPPMR Reg 10 (b))	Number of indgent households	7595	7278	7367	7300	0	7300	7000	7000	7000
Achieve a debt recovery rate not less than 98% (Receipts/total billed for 12 months period x 100)	% Recovered	97.10%	100.15%	98.98%	98.0%	0	98.0%	98.0%	98.0%	98.0%
Community Services										
Director: Community Services										
Director: Community Services										
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)	98.49%	100.0%	100.0%	100.0%	0.0%	100.0%	100.0%	100.0%	100.0%
m² of roads patched and resealed according to approved Pavement Management System within available budget	m² of roads patched and resealed	104,952	105,067	94,665	110 000	0	110 000	110 000	110 000	110 000
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	23%	28.3%	24.04%	25.0%	0	25.0%	25.0%	25.0%	25.0%
Ward committee meetings held to facilitate consistent and regular communication with residents	No of ward committee meetings per ward per annum	77	79	83	70	0	70	70	70	70
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)	317	341	464	328	0	328	262	262	262
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	29,946	30,111	30,990	30,412	0	30,412	31,324	32,264	33,232
Provision of refuse removal, refuse dumps and solid waste disposal to all formal households at least once a week (A household is a residenntial unit being billed for the particular services rendered by way of the financial system (SAMRAS) (MPPMR Reg 10 (a))	Number of formal households for which refuse is removed at least once a week	33,366	33,895	34,819	34,234	0	34,234	35,261	36,319	37,408
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)	53	52	52	52	0	52	52	52	52
The provision of sanitation services to informal households (excluding invaded state owned land and private land) based on the standard of 1 toilette to 5 households (MPPMR Reg 10 (a))	The number of toilets provided in relation to the number of informal households (excluding invaded state owned land and private land)	885	934	983	1020	0	1020	785	785	785

Description	Unit of measurement	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
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	30,060	30,420	31,394	30,724	-	30,724	31,646	32,595	33,573
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	104	80	82	80	0	80	80	80	80
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	137	139	143	105	0	105	105	105	105
Infrastructure & Planning										
Director: Infrastructure and Planning										
Water Treatment										
Quality of effluent comply 75% with license and/or general limit in terms of the Water Act (Act 36 of 1998)	% compliance	86.34%	79.61%	80.08%	80.0%	0.0%	80.0%	75.0%	75.0%	75.0%
Quality of potable water comply 98% with SANS 241	% compliance with SANS 241	98.45%	98.83%	97.83%	98.0%	0.0%	98.0%	98.0%	98.0%	98.0%
Report on the implementation of the Water Service Development plan annually by the end of October	Report submitted	1	1	1	1	1	1	1	1	1
Electricity										
Limit electricity losses to 7% 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	6.02%	7.35%	7.20%	7.0%	0.0%	7.0%	7.5%	7.5%	7.5%
Provision of Electricity: Number of metered electrical connections in formal area (Eskom Areas excluded) (Definition: refers to residential households (RE) and pensioners (PR) as per the Finance department's billed households)	Number of formal household that meet agreed service standards	21,546	21,914	22,475	22,500	0	22,500	22,500	22,500	22,500
MIG										
100% of the Municipal Infrastructure Grant (MIG) spent by 30 June 2024 (Actual MIG expenditure/Allocation received)	% Expenditure of allocated funds	77.0%	100%	100%	100.0%	0.0%	100%	100%	100%	100%
Protection Services										
Director Protection Services										
Protection Services										
Annually arrange public awareness sessions on Protection Services by 30 June	Number of sessions held	103	103	123	110	0	110	110	110	110
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)	R17,347,607	R19,716,064	R15,882,633.99	R 20,000,000	0	R 20,000,000	R 20,000,000	R 20,000,000	R 20,000,000
Review Community Safety Plan in three year cycle by end of June 2025 in conjuction with the Department of Community Safety	Plan reviewed	0	0	1	0	0	0	0	1	0
Disaster and Fire Manangement						0				
Annually review and submit draft Disaster Management Plan to Council by the end of March	Reviewed plan submitted	1	1	1	1	0	1	1	1	1
Local Economic Development, Social										
Director: LED, Social Development and										
LED, Social Development and Tourism										
Submit three progress reports on LED, Social Development and Tourism initiatives to Portfolio Committee ** KPI reworded for 2022/23*	Number of progress reports on LED, Social Development and Tourism initiatives submitted	4	3	3	12	0	3	3	3	3
Support 180 SMME's in terms of the SMME Development Programme by 30 June	Number of SMME's supported	160	172	134	180	0	180	180	180	180
Support 70 Emerging Contractors in terms of the Emerging Contractor Development Programme by 30 June	Number of emerging contractors supported	61	65	72	70	0	70	70	70	70
Report on projects/ initiatives in collaboration with other stakeholders for local economic development and social development	Number of projects / initiatives collaborated on	28	13	38	28	0	28	28	28	28
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 1300 work opportunities)	Number of temporary jobs created	1060	1238	837	1300	0	1300	1300	1300	1300
Managers LED, Social Development and Tourism report on the hosting of at least two joint mobile Thusong outreach during the financial year to the Director Economic, Social Development and Tourism by 30 June	Report on the mobile Thusong outreach programme	no kpi set	no kpi set	1	2	0	2	2	2	2

The following table sets out the municipality's main performance objectives and benchmarks for the 2023/24 MTREF.

Table 32 MBRR Table SA8 - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Borrowing Management										
Credit Rating										
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	14.6%	14.1%	13.4%	12.4%	12.2%	12.2%	11.9%	10.4%	16.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	16.6%	18.1%	16.8%	16.3%	16.1%	16.1%	15.3%	13.1%	19.6%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	60.1%	36.6%	49.5%	44.5%	73.3%	73.3%	46.3%	83.3%	100.0%
Safety of Capital										
Gearing	Long Term Borrowing/ Funds & Reserves	13370.1%	13335.9%	13319.7%	13070.1%	13070.1%	13070.1%	13028.5%	10094.0%	10102.1%
Liquidity										
Current Ratio	Current assets/current liabilities	2.7	2.5	2.6	1.7	2.1	2.1	2.0	1.5	1.9
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2.7	2.5	2.6	1.7	2.1	2.1	2.0	1.5	1.9
Liquidity Ratio	Monetary Assets/Current Liabilities	2.5	2.2	2.3	1.5	1.9	1.9	1.8	1.4	1.7
Revenue Management										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		112.9%	122.0%	116.7%	117.3%	117.2%	117.2%	117.9%	120.4%	119.8%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	8.4%	8.7%	8.1%	9.3%	8.8%	8.8%	8.5%	8.4%	8.5%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
Creditors Management										
Creditors System Efficiency	% of Creditors Paid Within Terms (within`MFMA' s 65(e))	99.6%	99.6%	98.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		10.9%	12.3%	12.7%	40.3%	32.4%	32.4%	33.6%	35.5%	36.5%
Other Indicators										
Electricity Distribution Losses (2)	Total Volume Losses (kW)	14,613,426	18,855,038	13,778,144	15,205,299	15,205,299	15,205,299	13,227,018	12,697,938	12,190,020
	Total Volume Losses (kW) non technical									
	Total Cost of Losses (Rand '000)	13,111,083	17,145,565	12,852,425	13,642,108	13,642,108	13,642,108	13,623,571	14,440,985	15,307,444
	% Volume (units purchased and generated less units sold)/units purchased and generated	6.02%	7.35%	7.20%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Water Volumes :System input	Bulk Purchase Water treatment works Natural sources Total Volume Losses (kℓ)	1,836,101	2,077,312	1,768,177	1,910,467	1,910,467	1,910,467	1,662,086	1,562,361	1,468,620
Water Distribution Losses (2)	Total Cost of Losses (Rand '000)	2,428,709	2,616,008	3,062,156	2,527,077	2,527,077	2,527,077	3,245,885	3,440,638	3,647,077
	% Volume (units purchased and generated less units sold)/units purchased and generated	25.91%	28.25%	24.04%	24.50%	24.50%	24.50%	24.00%	24.00%	24.00%
Employee costs	Employee costs/(Total Revenue - capital revenue)	29.5%	33.7%	30.7%	33.7%	33.5%	33.5%	31.8%	30.0%	29.6%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	30.4%	34.6%	31.5%	34.5%	34.3%	34.3%	32.6%	30.7%	30.2%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	14.7%	16.3%	16.7%	17.9%	18.0%	18.0%	17.1%	17.2%	16.7%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	12.3%	11.4%	11.9%	10.7%	11.0%	11.0%	10.0%	9.4%	8.9%
IDP regulation financial viability indicators										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	12.9	11.4	15.8	14.2	14.2	14.2	15.6	7.2	7.7
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	7.5%	7.0%	6.1%	7.1%	6.6%	6.6%	6.1%	5.9%	5.7%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	7.0	5.8	5.4	3.4	4.1	4.1	3.8	3.6	3.8

2.3.1 Performance indicators and benchmarks

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

National Treasury previously requested information based on the ratios and norms in respect of the 2019/20 and 2020/21 and 2021/22 audit outcomes. This, and information relating to the current financial year (2022/23) and two years of the 2023/24 MTREF has been compiled and is included in Annexure H of this report.

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

2.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Overstrand's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the Municipality's debt portfolio is dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the 2023/24 MTREF:

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

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

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the Municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs. As part of the compilation of the 2011/2012 MTREF the potential of smoothing out the debt profile over the longer term was investigated and borrowing was capped at 60% in the borrowing policy. The gearing on borrowing had to be reduced by 10 per cent over a period of ten years as started in 2012. To date this has now been achieved, with the indication that the 2023/24 budget year is estimated to end below 35%.

2.3.1.2 Safety of Capital

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

2.3.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a bottom limit of 1.5, therefore at no point in time should this ratio be less than 1.5. Over the 2023/24 MTREF the current ratio is 1,87 decreasing to 1,53 by 2025/26. National Treasury has set a current ratio minimum of 1.5 in circular 71. Going forward it will be necessary to preserve this ratio, notwithstanding that it could tie up cash needed for capital investment.

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

2.3.1.4 Revenue Management

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

2.3.1.5 Creditors Management

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

2.3.1.6 Other Indicators

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

- The water distribution losses have been significantly reduced from 27,4 per cent in 2009/10 to 25 per cent over the 2023/24 MTREF. This has been achieved with investing in the upgrading of water reticulation infrastructure, which is set to continue over the MTREF. Active attention is also given to reported leaks by the public and a further measure is to install flow limiters.

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

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

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

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

For the 2023/24 financial year 7 000 registered indigents have been provided for in the budget. In terms of the municipality's indigent policy, registered households are entitled to 10kℓ free water, 50 kWh of electricity on qualifying in terms of the particular Indigent Policy requirements, weekly refuse removal and, where applicable, sewer services which includes sewage output based on 70% of the water consumption and the latest infrastructure levy for water and waste water. Further subsidies are capped at the full revenue cost of the basic services provided above. Households with a property valuation of R220 000 are phased out, and are offered the opportunity to apply for full indigent status from 2022/23.

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

2.3.3 Providing clean water and managing waste water

The Department of Water 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 waste water treatment works that meet certain criteria of excellence.

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

The following is briefly the challenges facing the municipality:

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

2.4 Overview of budget related-policies

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

2.4.1 Customer Care, Credit Control and Debt Collection Policy

The 2023/24 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 98 per cent on current billings year to date. In addition the collection of debt in excess of 90 days has been prioritised, as well as and incentive for debt older than two years paid, where interest could be waived, subject to a signed agreement for the remainder of the debt.

2.4.2 Asset Management Policy

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

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

2.4.3 Budget Policy

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

2.4.4 Supply Chain Management Policy & Preferential Procurement Policy

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

The municipality approved the Preferential Procurement Policy on 14 December 2022 as a seperate policy, effective from 16 January 2023. The policy will also be continually revised to incorporate amending legislation.

2.4.5 Virement Policy

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

2.4.6 Investment, Liquidity & Cash Management Policy

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

2.4.7 Tariff Policy

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

2.4.8 Long term Financial Planning & Implementation Policy

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

2.4.9 Contract Management Policy

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

2.4.10 Pay Day Policy

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

The following policies have also been subject to review:

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

2.5 Overview of budget assumptions

2.5.1 External factors

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

2.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2023/24 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 negative impact of loadshedding - loss of income from unserved energy due to loadshedding and impact of loadshedding on WWTW facilities and water purification plants, costs for the use of back-up power (gensets) and additional costs for distribution network maintenance;
- The increase in the cost of remuneration. Employee related costs comprise 30,8 per cent of total operating expenditure in the 2023/24 MTREF and therefore increases above inflation places a disproportionate upward pressure on the expenditure budget.

2.5.3 Interest rates for borrowing and investment of funds

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

2.5.4 Collection rate for revenue services

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

The revenue collection rate is currently expressed as a percentage (99.78%) of annual billings up to February 2023. Cash flow is expected to be less than this historic performance up to date, due to the ongoing slow economic recovery.

2.5.5 Growth or decline in tax base of the municipality

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

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

revenue is derived as the 'poor household' mainly limits consumption to the level of free basic services.

2.5.6 Salary increases

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

The proposed increase in the salary budget is 5,4%, and notch increases, which average 2% have also been budgeted for in view signing of the multi-year agreement.

2.5.7 Impact of national, provincial and local policies

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

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

The 2023/24 Provincial Budget served on 14 March 2023 in the Western Cape Provincial Parliament. Over the three-year Medium-Term Expenditure Framework (MTEF) R242.31 billion will be spend in the Western Cape.
In summary, in the Western Cape, over the next three years:

- *R1.1 billion has been set aside to ramp up our energy security and decrease our reliance on Eskom;*
- *R39.82 billion has been allocated to boost economic growth and to create opportunities for our citizens;*
- *R4.76 billion has been allocated to make sure citizens are safe in their communities; and*
- *R170.91 billion has been allocated for our citizens' wellbeing, including on key services such as Education and Healthcare.*

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

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

It is estimated that a spending rate of 99 per cent could be achieved on operating expenditure and 95 per cent on the capital programme for the 2023/24 MTREF.

2.6 Overview of budget funding

2.6.1 Medium-term outlook: operating revenue

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

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

Description R thousand	2023/24 Medium Term Revenue & Expenditure Framework		
	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue By Source			
Property rates	340,506	357,532	375,408
Service charges	931,059	1,050,040	1,130,814
Rental of facilities and equipment	6,773	7,124	7,463
Interest earned	48,200	51,300	54,800
Transfers recognised - operational	185,579	200,916	213,137
Other revenue	179,788	162,407	171,885
Total Revenue (excluding capital transfers and contributions)	**1,691,906**	**1,829,319**	**1,953,508**

The following graph is a breakdown of the operational revenue per main category for the 2023/24 financial year.

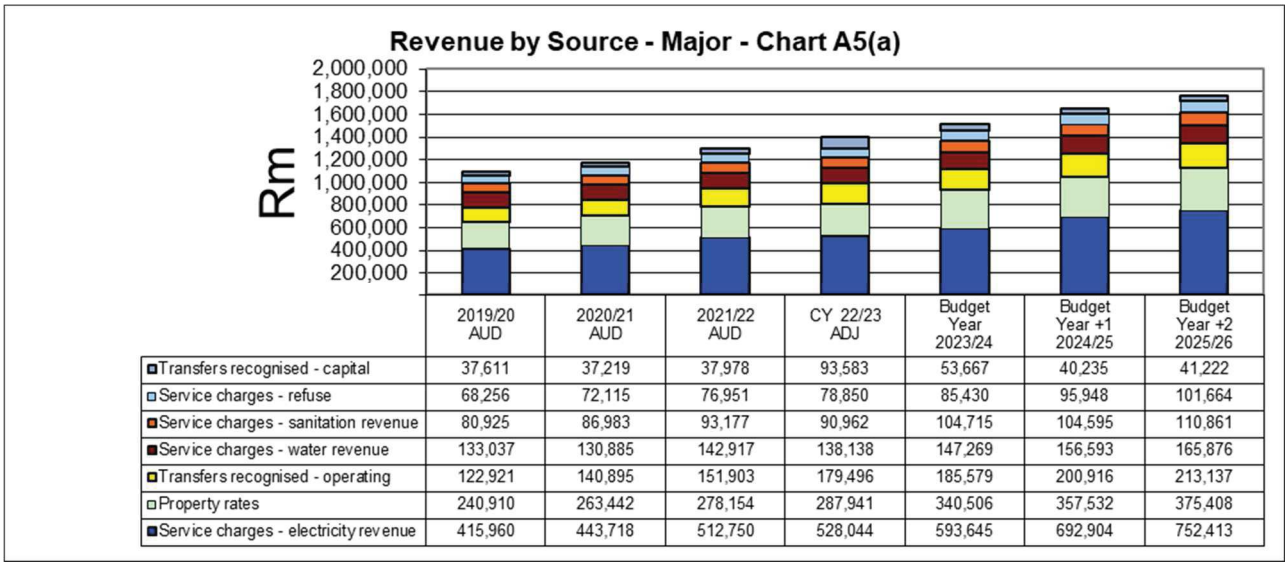


Figure 7 Breakdown of operating revenue over the 2023/24 MTREF

The following grants have been published in the DORA:

DORA & PROVINCIAL ALLOCATIONS			
	2023/2024 MTREF		
NATIONAL	**2023/2024**	**2024/2025**	**2025/2026**
EQUITABLE SHARE	157,935,000	174,790,000	191,658,000
FMG	1,550,000	1,550,000	1,688,000
EPWP	3,565,000		
MIG	25,565,000	26,563,000	27,602,000
INEP	24,380,000	15,000,000	15,000,000
ENERGY EFFICIENCY & DEMAND-SIDE MANAGEMENT	4,200,000	6,000,000	
WATER INFRASTRUCTURE GRANT	5,000,000		
	222,195,000	**223,903,000**	**235,948,000**
PROVINCIAL			
RESOURCE FUNDING FOR ESTABLISHMENT AND SUPPORT OF A K9 UNIT	3,345,000	3,772,000	4,400,000
RESOURCING FUNDING FOR ESTABLISHMENT OF LAW ENFORCEMENT RURAL SAFETY UNIT	4,065,000	4,223,000	4,317,000
FINANCIAL ASSISTANCE FOR MAINTENANCE AND CONSTRUCTION OF TRANSPORT INFRASTRUCTURE	400,000	450,000	500,000
TITLE DEEDS RESTORATION GRANT	766,000		
INFORMAL SETTLEMENTS UPGRADING PARTNERSHIP GRANT	32,440,000	25,470,000	52,420,000
HUMAN SETTLEMENTS DEVELOPMENT GRANT (BENEFICIARIES)	79,918,000	66,082,000	45,718,000
COMMUNITY LIBRARY SERVICES GRANT	8,399,000	8,727,000	9,118,000
COMMUNITY DEVELOPMENT WORKER OPERATIONAL SUPPORT GRANT	76,000	76,000	76,000
	129,409,000	**108,800,000**	**116,549,000**
	351,604,000	**332,703,000**	**352,497,000**

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

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

- Growth in the municipality and economic development;
- Revenue management and enhancement;
- Achievement of 99 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements; and
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004), as amended (MPRA).

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

Table 34 Proposed tariff increases for 2023/24

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
Rand/cent		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24 % incr.	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		171.10	178.80	186.00	197.10	197.10	197.10	(36.0%)	126.30	133.88	141.91
Electricity: Basic levy		335.34	356.20	408.17	438.66	438.66	438.66	15.0%	504.46	534.73	566.81
Electricity: Consumption		683.08	725.57	831.44	893.56	893.56	893.56	15.0%	1,027.59	1,089.25	1,154.61
Water: Basic levy		136.50	142.64	148.35	155.62	155.62	155.62	6.5%	165.74	175.68	186.22
Water: Consumption		303.75	317.47	330.17	343.78	343.78	343.78	6.8%	452.80	479.97	508.77
Sanitation		361.40	377.72	392.78	409.66	409.66	409.66	7.3%	439.48	465.85	493.80
Refuse removal		185.49	193.84	201.59	213.48	213.48	213.48	6.8%	228.00	241.68	256.18
Other		53.54	53.54	53.54	53.54	53.54	53.54	–	53.54	53.54	53.54
sub-total		2,230.20	2,345.78	2,552.04	2,705.40	2,705.40	2,705.40	10.8%	2,997.91	3,174.58	3,361.84
VAT on Services		308.87	325.05	354.91	376.25	376.25	376.25	8.6%	430.74	456.11	482.99
Total small household bill:		2,539.07	2,670.83	2,906.95	3,081.65	3,081.65	3,081.65	11.3%	3,428.65	3,630.69	3,844.83
% increase/-decrease			5.2%	8.8%	6.0%	–	–		11.3%	5.9%	5.9%

Refer to Annexure C for Tariffs increases

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

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

Operational grants and subsidies have shown increases over the MTREF. It needs to be noted that in real terms the grants receipts from national government are growing over the MTREF. This can be seen in the increase in equitable share over the MTREF.

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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Parent municipality									
Securities - National Government	–	–	–	–	–	–	–	–	–
Listed Corporate Bonds	–	–	–	–	–	–	–	–	–
Deposits - Bank	510,243	410,241	410,251	400,000	400,000	400,000	400,000	400,000	400,000
Deposits - Public Investment Commissioners									
Deposits - Corporation for Public Deposits									
Bankers Acceptance Certificates									
Negotiable Certificates of Deposit - Banks									
Guaranteed Endowment Policies (sinking)	46,515	54,278	60,512	70,005	70,005	70,005	77,846	85,830	93,964
Repurchase Agreements - Banks	–	–	–	–	–	–	–	–	–
Municipal Bonds	–	–	–	–	–	–	–	–	–
Municipality sub-total	**556,758**	**464,519**	**470,763**	**470,005**	**470,005**	**470,005**	**477,846**	**485,830**	**493,964**
Consolidated total:	**556,758**	**464,519**	**470,763**	**470,005**	**470,005**	**470,005**	**477,846**	**485,830**	**493,964**

Table 36 MBRR SA16 – Investment particulars by maturity

Investments by Maturity	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate [3]	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	Yrs/Months											
Parent municipality												
LIBERTY 15934476	15 Years	Policy	Yes	Variable	Fair Value Adjustment	#N/A	01/09/2025	21,873,267	1,300,260		1,500,000	**24,673,527**
LIBERTY 21196964	14 Years	Policy	Yes	Variable	Fair Value Adjustment	#N/A	01/09/2025	36,211,823	1,516,770		3,120,000	**40,848,592**
MOMENTUM 3853776	15 Years	Policy	Yes	Variable	Fair Value Adjustment	#N/A	01/07/2026	4,079,468	43,745		360,000	**4,483,213**
Deposits - Bank		Bank investments	Yes	Fixed		#N/A	30/06/2023	410,251,102	36,624,754	-1,046,875,856	1,000,000,000	**400,000,000**
Municipality sub-total								**472,415,660**		**-1,046,875,856**	**1,004,980,000**	**470,005,333**
TOTAL INVESTMENTS AND INTEREST								**472,415,660**		**-1,046,875,856**	**1,004,980,000**	**470,005,333**

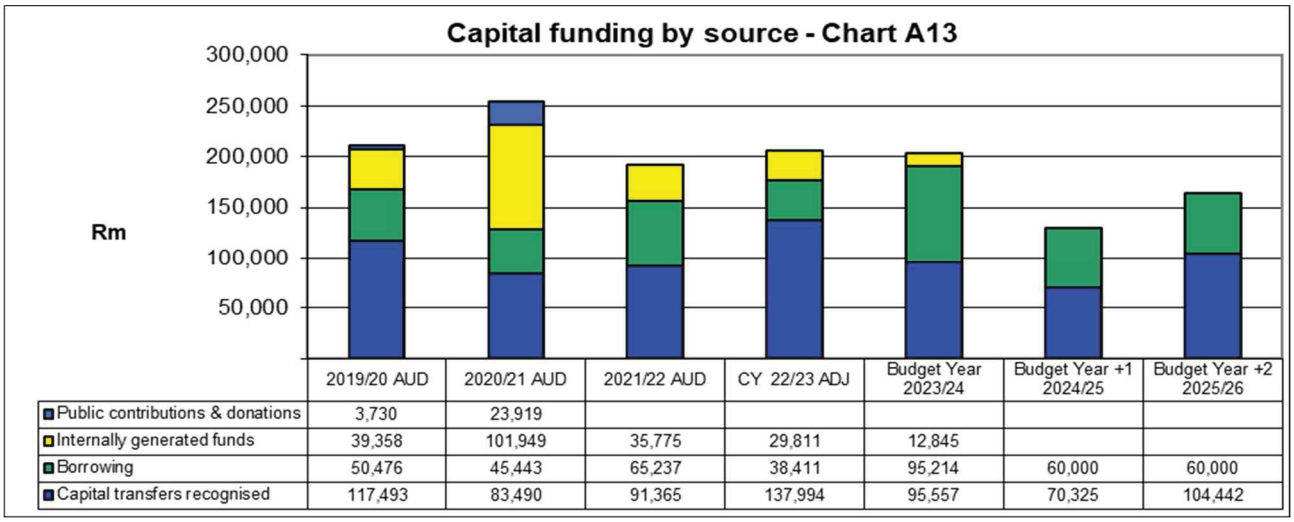
For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The surplus is intended to partly fund capital expenditure from own sources as well as ensure adequate cash backing of reserves and funds.

2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2023/24 medium-term capital programme:

Table 37 Sources of capital revenue over the MTREF

Vote Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Funded by:									
National Government	31,528	35,100	36,688	72,254	75,741	75,741	53,667	40,235	41,222
Provincial Government	85,965	48,390	1,290	–	5,400	5,400	–	–	–
District Municipality	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind)	–	–	53,387	51,447	56,853	56,853	41,890	30,090	63,220
Transfers recognised - capital	**117,493**	**83,490**	**91,365**	**123,702**	**137,994**	**137,994**	**95,557**	**70,325**	**104,442**
Public contributions & donations	3,730	23,919	–	–	–	–	–	–	–
Borrowing	50,476	45,443	65,237	80,175	38,411	38,411	95,214	60,000	60,000
Internally generated funds	39,358	101,949	35,775	32,143	29,811	29,811	12,845	–	–
Total Capital Funding	**211,056**	**254,800**	**192,377**	**236,020**	**206,216**	**206,216**	**203,615**	**130,325**	**164,442**



	2019/20 AUD	2020/21 AUD	2021/22 AUD	CY 22/23 ADJ	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Public contributions & donations	3,730	23,919					
Internally generated funds	39,358	101,949	35,775	29,811	12,845		
Borrowing	50,476	45,443	65,237	38,411	95,214	60,000	60,000
Capital transfers recognised	117,493	83,490	91,365	137,994	95,557	70,325	104,442

Figure 8 Sources of capital revenue for the 2023/24 financial year

Capital grants and receipts equates to 46,93 per cent of the total funding source which represents R95,6 million for the 2023/24 financial year.

Table 38 MBRR Table SA18 - Capital transfers and grant receipts

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
RECEIPTS:									
Capital Transfers and Grants									
National Government:	39,077	27,618	44,754	72,254	68,675	68,675	53,667	40,235	41,222
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	7,000	6,000	18,519	21,331	21,331	21,331	24,380	15,000	15,000
Municipal Infrastructure Grant [Schedule 5B]	32,010	21,618	21,053	23,484	23,484	23,484	24,287	25,235	26,222
Water Services Infrastructure Grant [Schedule 5B]	–	–	5,182	27,439	23,860	23,860	5,000	–	–
Municipal Disaster Relief Grant	67		–	–	–	–	–	–	–
Provincial Government:	1,500	732	48,419	38,785	43,285	43,285	41,890	30,090	63,220
Capacity Building		–	–	–	–	–	–	–	–
Capacity Building and Other		732	–				–	–	–
Disaster and Emergency Services			–				–	–	–
Health			–				–	–	–
Housing			47,819	38,785	41,785	41,785	41,890	30,090	63,220
Road Infrastructure	1,500		–	–	–	–	–	–	–
Sports and Recreation	–	–	600	–	–	–	–	–	–
Municipal Service Delivery & Capacity Building Grant	–	–	–	–	1,250	1,250	–	–	–
Municipal Intervention Grant	–	–	–	–	250	250	–	–	–
District Municipality:	–	–	–	–	–	–	–	–	–
All Grants	–	–	–	–	–	–	–	–	–
Other Grant Providers:	–	–	–	–	–	–	–	–	–
Departmental Agencies and Accounts	–	–	–	–	–	–	–	–	–
Foreign Government and International Organisations	–	–	–	–	–	–	–	–	–
Households	–	–	–	–	–	–	–	–	–
Non-Profit Institutions	–	–	–	–	–	–	–	–	–
Private Enterprises	–	–	–	–	–	–	–	–	–
Public Corporations	–	–	–	–	–	–	–	–	–
Higher Educational Institutions	–	–	–	–	–	–	–	–	–
Parent Municipality / Entity	–	–	–	–	–	–	–	–	–
Transfer from Operational Revenue	–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	40,577	28,350	93,173	111,039	111,960	111,960	95,557	70,325	104,442

Borrowing still remains a significant funding source (one-third) for the own capital programme over the medium-term with an estimated R170 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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Parent municipality									
Annuity and Bullet Loans	331,475	330,400	380,400	321,531	321,531	321,531	320,625	225,885	226,146
Long-Term Loans (non-annuity)	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Local registered stock									
Municipality sub-total	**431,475**	**430,400**	**480,400**	**421,531**	**421,531**	**421,531**	**420,625**	**325,885**	**326,146**
Total Borrowing	**431,475**	**430,400**	**480,400**	**421,531**	**421,531**	**421,531**	**420,625**	**325,885**	**326,146**
Unspent Borrowing - Categorised by type									
Parent municipality									
Long-Term Loans (annuity/reducing balance)	–	44,066	–	22,033	22,033	22,033	45,214	–	–
Long-Term Loans (non-annuity)	–	–	–	–	–	–	–	–	–
Municipality sub-total	**–**	**44,066**	**–**	**22,033**	**22,033**	**22,033**	**45,214**	**–**	**–**
Total Unspent Borrowing	**–**	**44,066**	**–**	**22,033**	**22,033**	**22,033**	**45,214**	**–**	**–**

Internally generated funds consist of a mixture between surpluses generated on the operating statement of financial performance, cash backed reserves and proceeds on land sales. In determining the credibility of this funding source it becomes necessary to review the cash flow budget as well as the cash backed reserves and accumulated funds reconciliation, as discussed below. Internally generated funds consist of R12,8 million in 2023/24.

It should be noted that the level of borrowings decreases over the MTREF, from R95.2m in 2023/24 to R60m in 2024/25.

The following graph illustrates the growth in outstanding borrowing for the 2019/20 to 2025/26 period.

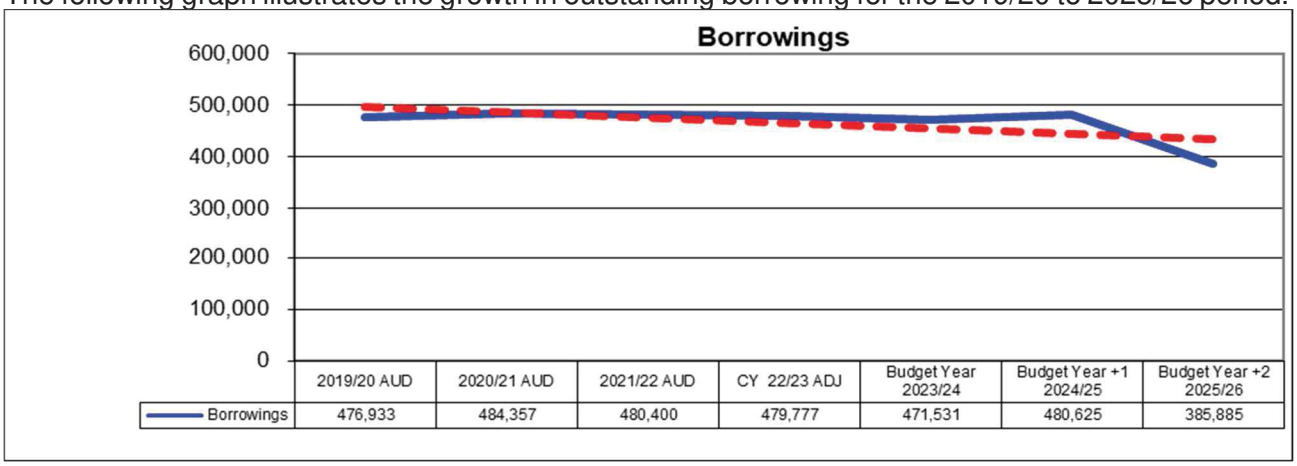


Figure 9 Growth in outstanding borrowing (long-term liabilities)

Cash Flow Management

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

Table 40 MBRR Table A7 - Budgeted cash flow statement

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	238,449	262,672	278,096	285,907	285,907	285,907	336,765	355,850	373,663
Service charges	689,210	737,211	818,906	843,505	830,014	830,014	916,095	1,043,315	1,123,832
Other revenue	175,357	131,492	171,510	146,992	152,798	152,798	162,121	144,754	154,235
Transfers and Subsidies - Operational	120,949	133,792	194,456	166,184	179,496	179,496	185,579	200,916	213,137
Transfers and Subsidies - Capital	60,675	37,219	–	72,254	81,141	81,141	53,667	40,235	41,222
Interest	53,186	34,748	36,128	24,871	34,671	34,671	43,100	45,978	49,161
Dividends	–	–	–	–	–	–	–	–	–
Payments									
Suppliers and employees	(971,606)	(1,069,400)	(1,237,641)	(1,373,971)	(1,382,381)	(1,382,381)	(1,434,464)	(1,630,636)	(1,604,452)
Finance charges	(46,570)	(48,805)	(47,584)	(48,056)	(48,056)	(48,056)	(49,658)	(51,817)	(49,865)
Transfers and Subsidies	(560)	(8,710)	(12,813)	(13,057)	(14,786)	(14,786)	(16,380)	(17,143)	(17,944)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**319,091**	**210,220**	**201,057**	**104,629**	**118,804**	**118,804**	**196,826**	**131,453**	**282,988**
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	3,289	940	3,813	–	–	–	–	–	–
Decrease (increase) in non-current receivables	7	4	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	(4,980)	(4,878)	(4,980)	(4,980)	(4,980)	(4,980)	(4,980)	(4,980)	(4,980)
Payments									
Capital assets	(211,056)	(254,800)	(192,377)	(236,020)	(206,216)	(206,216)	(203,615)	(130,325)	(164,442)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(212,740)**	**(258,734)**	**(193,544)**	**(241,000)**	**(211,196)**	**(211,196)**	**(208,595)**	**(135,305)**	**(169,422)**
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	54,000	54,000	50,000	50,000	50,000	50,000	50,000	50,000	60,000
Increase (decrease) in consumer deposits	–	–	–	2,000	2,000	2,000	22,000	2,000	2,000
Payments									
Repayment of borrowing	(39,725)	(46,576)	(53,957)	(50,623)	(50,623)	(50,623)	(58,245)	(40,907)	(154,740)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**14,275**	**7,424**	**(3,957)**	**1,377**	**1,377**	**1,377**	**13,755**	**11,093**	**(92,740)**
NET INCREASE/ (DECREASE) IN CASH HELD	**120,626**	**(41,091)**	**3,557**	**(134,994)**	**(91,016)**	**(91,016)**	**1,985**	**7,242**	**20,826**
Cash/cash equivalents at the year begin:	**533,188**	**653,813**	**612,723**	566,302	616,280	616,280	**525,264**	**527,249**	**534,490**
Cash/cash equivalents at the year end:	**653,813**	**612,723**	**616,280**	**431,308**	**525,264**	**525,264**	**527,249**	**534,490**	**555,317**

The above table shows the cash and cash equivalents of the Municipality from the 2019/20 to 2025/26 financial years. For the 2023/24 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

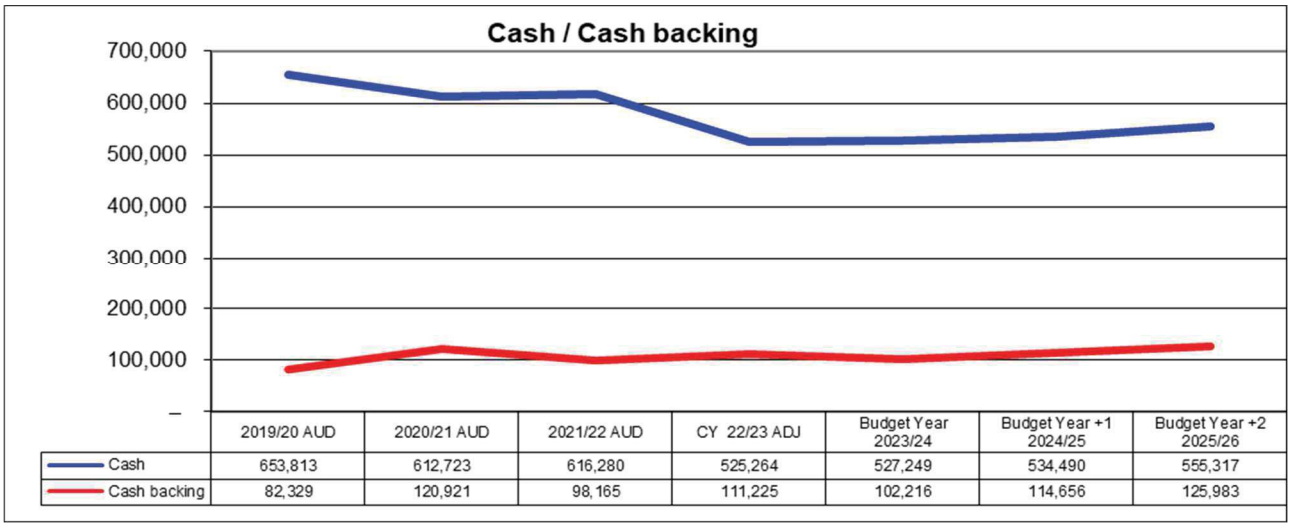
Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Cash and investments available									
Cash/cash equivalents at the year end	653,813	612,723	616,280	431,308	525,264	525,264	527,249	534,490	555,317
Other current investments > 90 days	82,974	81,353	96,666	93,122	92,965	92,965	110,712	116,821	123,348
Investments - Property, plant and equipment	3,485,598	3,601,762	3,637,253	3,820,865	3,792,520	3,792,520	3,847,342	3,826,369	3,836,978
Cash and investments available:	**4,222,385**	**4,295,837**	**4,350,199**	**4,345,294**	**4,410,748**	**4,410,748**	**4,485,303**	**4,477,680**	**4,515,643**
Application of cash and investments									
Trade payables from Non-exchange transactions: Unsper	31,133	24,030	26,309	–	–	–	–	–	–
Unspent borrowing	–	44,066	–	22,033	22,033	22,033	45,214	–	–
Statutory requirements	–	–	–	–	–	–	–	–	–
Other working capital requirements	90,063	95,532	91,202	116,642	115,656	115,656	120,321	126,294	133,681
Other provisions	2,612	28,547	13,315	12,515	12,515	12,515	6,045	8,776	8,748
Long term investments committed	46,515	54,278	60,512	70,005	70,005	70,005	77,846	85,830	93,964
Reserves to be backed by cash/investments	3,227	3,227	3,228	3,223	3,223	3,223	3,229	3,229	3,229
Total Application of cash and investments:	**173,549**	**249,681**	**194,565**	**224,418**	**223,432**	**223,432**	**252,655**	**224,129**	**239,622**
Surplus(shortfall)	**4,048,835**	**4,046,156**	**4,155,634**	**4,120,877**	**4,187,316**	**4,187,316**	**4,232,648**	**4,253,552**	**4,276,021**

From the above table it can be seen that the cash and investments total R618.2 million in the 2022/23 financial year and R637.9 million in 2023/24, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. Stringent measures have been implemented by NT regarding unspent grants.
- Unspent borrowing amounting to R30.2m from the previous financial year is anticipated. Borrowings are only drawn down once substantial expenditure has incurred against the particular projects.
- Provisions for statutory requirements could include VAT owing to SARS at year end.
- The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. For the purpose of the cash backed reserves and accumulated surplus reconciliation, at least two months operational expenditure is covered at all times. It needs to be noted that although this can be considered prudent, the desired cash levels should be 90 days to ensure continued liquidity of the municipality. Any underperformance in relation to collections could place upward pressure on the ability of the Municipality to meet its creditor obligations.
- Long term investments consist primarily of the sinking funds for the repayment of future borrowings. The sinking fund value is held within long term investments and must be 'held to maturity' and is not available for spending.

When considering the funding requirements of section 18 and 19 of the MFMA, it needs to be noted that for all practical purposes the 2023/24 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.



	2019/20 AUD	2020/21 AUD	2021/22 AUD	CY 22/23 ADJ	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Cash	653,813	612,723	616,280	525,264	527,249	534,490	555,317
Cash backing	82,329	120,921	98,165	111,225	102,216	114,656	125,983

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

2.6.4 Funding compliance measurement

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

Table 42 MBRR SA10 – Funding compliance measurement

WC032 Overstrand Supporting Table SA10 Funding measurement

Description	MFMA section	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Funding measures											
Cash/cash equivalents at the year end - R'000	18(1)b	653,813	612,723	616,280	431,308	525,264	525,264	–	527,249	534,490	555,317
Cash + investments at the yr end less applications - R'000	18(1)b	4,048,835	4,046,156	4,155,634	4,120,877	4,187,316	4,187,316	–	4,232,648	4,253,552	4,276,021
Cash year end/monthly employee/supplier payments	18(1)b	7.0	5.8	5.4	3.4	4.1	4.1	–	3.8	3.6	3.8
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	–	–	–	–	–	–	–	–	–	–
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	N.A.	0.2%	4.7%	(3.0%)	(7.2%)	(6.0%)	(36.8%)	7.1%	4.7%	1.0%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	45.7%	46.1%	44.2%	44.6%	44.5%	44.5%	0.0%	43.1%	44.1%	44.6%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	4.5%	4.5%	4.8%	4.6%	5.7%	5.7%	4.9%	4.9%	4.8%	4.4%
Capital payments % of capital expenditure	18(1)c;19	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	0.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	57.7%	31.5%	49.5%	44.5%	73.3%	73.3%	0.0%	46.3%	83.3%	100.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a								68.0%	72.5%	72.2%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	(5.9%)	0.1%	19.3%	(8.7%)	0.0%	(100.0%)	3.2%	5.0%	5.0%
Long term receivables % change - incr(decr)	18(1)a	N.A.	16.7%	11.5%	15.7%	0.0%	0.0%	(100.0%)	11.2%	10.3%	9.5%
R&M % of Property Plant & Equipment	20(1)(vi)	78460.1%	31228.8%	40254.5%	0.0%	50176.8%	50176.8%	0.0%	60873.9%	77525.5%	96495.5%
Asset renewal % of capital budget	20(1)(vi)	1.7%	6.1%	16.1%	8.8%	10.2%	10.2%	0.0%	8.0%	19.3%	16.5%
Supporting indicators											
% incr *total service charges (incl prop rates)*	18(1)a		6.2%	10.7%	3.0%	(1.2%)	0.0%	(30.8%)	13.1%	10.7%	7.0%
% incr Property Tax	18(1)a		9.4%	5.6%	3.5%	0.0%	0.0%	(31.5%)	18.3%	5.0%	5.0%
% incr Service charges - Water	18(1)a		6.7%	15.6%	5.6%	(2.5%)	0.0%	(33.4%)	12.4%	16.7%	8.6%
% incr Service charges - Waste Water Management	18(1)a		(1.6%)	9.2%	(3.3%)	(0.0%)	0.0%	(23.5%)	6.6%	6.3%	5.9%
% incr Service charges - Waste Management	18(1)a		7.5%	7.1%	(2.4%)	0.0%	0.0%	(26.5%)	15.1%	(0.1%)	6.0%
#REF!	18(1)a		5.7%	6.7%	2.5%	0.0%	0.0%	(28.9%)	8.3%	12.3%	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	939,088	997,143	1,103,950	1,137,583	1,123,935	1,123,935	777,639	1,271,565	1,407,572	1,506,222
Service charges		939,088	997,143	1,103,950	1,137,583	1,123,935	1,123,935	777,639	1,271,565	1,407,572	1,506,222
Property rates		240,910	263,442	278,154	287,941	287,941	287,941	197,327	340,506	357,532	375,408
Service charges - electricity revenue		415,960	443,718	512,750	541,692	528,044	528,044	351,709	593,645	692,904	752,413
Service charges - water revenue		133,037	130,885	142,917	138,138	138,138	138,138	105,629	147,269	156,593	165,876
Service charges - sanitation revenue		80,925	86,983	93,177	90,962	90,962	90,962	66,877	104,715	104,595	110,861
Service charges - refuse removal		68,256	72,115	76,951	78,850	78,850	78,850	56,097	85,430	95,948	101,664
Service charges - other											
Interest		4,376	6,164	6,858	7,858	7,858	7,858	5,517	8,319	8,818	9,346
Capital expenditure excluding capital grant funding		93,564	171,310	101,011	112,318	68,222	68,222	23,845	108,059	60,000	60,000
Cash receipts from ratepayers	18(1)a	1,103,016	1,131,375	1,268,512	1,276,404	1,268,719	1,268,719	–	1,414,982	1,543,920	1,651,729
Ratepayer & Other revenue	18(1)a	2,415,869	2,453,195	2,872,527	2,863,070	2,852,422	2,852,422	1,972,463	3,285,002	3,497,174	3,703,422
Change in consumer debtors (current and non-current)		N/A	(7,788)	17,200	7,725	(6,210)	–	(145,409)	165,022	9,429	10,000
Operating and Capital Grant Revenue	18(1)a	160,532	178,114	189,881	251,100	273,079	273,079	186,033	239,246	241,151	254,359
Capital expenditure - total	20(1)(vi)	211,056	254,800	192,377	236,020	206,216	206,216	77,921	203,615	130,325	164,442
Capital expenditure - renewal	20(1)(vi)	3,606	15,499	30,964	20,730	20,936	20,936		16,300	25,100	27,200
Supporting benchmarks											
Growth guideline maximum		6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
CPI guideline		4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%
DoRA operating grants total MFY									168,528	183,668	194,726
DoRA capital grants total MFY									53,667	40,235	41,222
Provincial operating grants									87,519	78,710	53,329
Provincial capital grants									41,890	30,090	63,220
District Municipality grants									–	–	–
Total gazetted/advised national, provincial and district grants									351,604	332,703	352,497
Average annual collection rate (arrears inclusive)											
DoRA operating											
Operational Revenue:General Revenue:Equitable Share									157,935	174,790	191,658
Energy Efficiency and Demand-side [Schedule 5B]									4,200	6,000	–
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]									3,565	–	–
Local Government Financial Management Grant [Schedule 5B]									1,550	1,550	1,688
Municipal Infrastructure Grant [Schedule 5B]									1,278	1,328	1,380
									168,528	**183,668**	**194,726**
DoRA Capital											
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]									24,380	15,000	15,000
Municipal Infrastructure Grant [Schedule 5B]									24,287	25,235	26,222
Water Services Infrastructure Grant [Schedule 5B]									5,000	–	–
									53,667	**40,235**	**41,222**
Trend											
Change in consumer debtors (current and non-current)		(2,044)	(7,788)	17,200	7,725	(6,210)	–	(145,409)	165,022	9,429	10,000
Total Operating Revenue		1,288,611	1,294,494	1,473,713	1,498,153	1,511,017	1,511,017	1,076,056	1,691,906	1,829,319	1,953,508
Total Operating Expenditure		1,191,084	1,321,810	1,495,800	1,594,971	1,610,448	1,610,448	1,012,425	1,748,972	1,855,792	1,931,500
Operating Performance Surplus/(Deficit)		97,527	(27,316)	(22,087)	(96,819)	(99,431)	(99,431)	63,631	(57,066)	(26,473)	22,008
Cash and Cash Equivalents (30 June 2012)									525,264		
Revenue											
% Increase in Total Operating Revenue			0.5%	13.8%	1.7%	0.9%	0.0%	0.0%	12.0%	8.1%	6.8%
% Increase in Property Rates Revenue			9.4%	5.6%	3.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% Increase in Electricity Revenue			6.7%	15.6%	5.6%	(2.5%)	0.0%	0.0%	12.4%	16.7%	8.6%
% Increase in Property Rates & Services Charges			6.2%	10.7%	3.0%	(1.2%)	0.0%	0.0%	13.1%	10.7%	7.0%
Expenditure											
% Increase in Total Operating Expenditure			11.0%	13.2%	6.6%	1.0%	0.0%	0.0%	8.6%	6.1%	4.1%
% Increase in Employee Costs			14.6%	3.8%	11.4%	0.2%	0.0%	0.0%	6.5%	2.0%	5.1%
% Increase in Electricity Bulk Purchases			7.1%	17.9%	9.3%	(3.3%)	0.0%	0.0%	18.7%	12.7%	10.0%
Average Cost Per Budgeted Employee Position (Remuneration)				0	0				0		
Average Cost Per Councillor (Remuneration)				0	0				0		
R&M % of PPE		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
Asset Renewal and R&M as a % of PPE		6.0%	7.0%	8.0%	9.0%	8.0%	8.0%		9.0%	9.0%	10.0%
Debt Impairment % of Total Billable Revenue		4.5%	4.5%	4.8%	4.6%	5.7%	5.7%	0.0%	4.9%	4.8%	4.4%
Capital Revenue											
Internally Funded & Other (R'000)		39,358	101,949	35,775	32,143	29,811	29,811	8,685	12,845	–	–
Borrowing (R'000)		50,476	45,443	65,237	80,175	38,411	38,411	–	95,214	60,000	60,000
Grant Funding and Other (R'000)		117,493	83,490	91,365	123,702	137,994	137,994	–	95,557	70,325	104,442
Internally Generated funds % of Non Grant Funding		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing % of Non Grant Funding		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grant Funding % of Total Funding		0.0%	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)		211,056	254,800	192,377	236,020	206,216	206,216	77,921	203,615	130,325	164,442
Asset Renewal		22,252	55,281	72,662	94,065	60,298	60,298	–	67,968	59,635	66,041
Asset Renewal % of Total Capital Expenditure		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash											
Cash Receipts % of Rate Payer & Other		45.7%	46.1%	44.2%	44.6%	44.5%	44.5%	0.0%	43.1%	44.1%	44.6%
Cash Coverage Ratio		7.0	5.8	5.4	3.4	4.1	4.1	0.0	3.8	3.6	3.8
Borrowing											
Credit Rating (2009/10)									0		
Capital Charges to Operating		14.6%	14.1%	13.4%	12.4%	12.2%	12.2%	0.0%	11.9%	10.4%	16.0%
Borrowing Receipts % of Capital Expenditure		57.7%	31.5%	49.5%	44.5%	73.3%	73.3%	0.0%	46.3%	83.3%	100.0%
Reserves											
Surplus/(Deficit)		–	–	–	–	–	–	–	–	–	–
Free Services											
Free Basic Services as a % of Equitable Share		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
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%
High Level Outcome of Funding Compliance											
Total Operating Revenue		1,288,611	1,294,494	1,473,713	1,498,153	1,511,017	1,511,017	1,076,056	1,691,906	1,829,319	1,953,508
Total Operating Expenditure		1,191,084	1,321,810	1,495,800	1,594,971	1,610,448	1,610,448	1,012,425	1,748,972	1,855,792	1,931,500
Surplus/(Deficit) Budgeted Operating Statement		97,527	(27,316)	(22,087)	(96,819)	(99,431)	(99,431)	63,631	(57,066)	(26,473)	22,008
Surplus/(Deficit) Considering Reserves and Cash Backing		4,048,835	4,046,156	4,155,634	4,120,877	4,187,316	4,187,316	–	4,232,648	4,253,552	4,276,021
MTREF Funded (1) / Unfunded (0)		1	1	1	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded ✗		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

2.6.4.1 Cash/cash equivalent position

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

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2023/24 MTREF indicates R527,2million, R534,5 million and R555,3 million for each respective financial year.

2.6.4.2 Cash plus investments less application of funds

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

2.6.4.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as services boycotts. The ratio is above 4 over the 2023/24 MTREF.

2.6.4.4 Surplus/deficit excluding depreciation offsets

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

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

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

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is projected at 5,3 per cent). Refer to Annexure B for Rates, Tariffs and Service Charges.

2.6.4.6 Cash receipts as a percentage of ratepayer and other revenue

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

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

2.6.4.7 Debt impairment expense as a percentage of billable revenue

Overstrand Municipality has provided for adequate Debt impairment.

2.6.4.8 Capital payments percentage of capital expenditure

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

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

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded. It can be seen that borrowing equates to 71, 100 and 100 per cent of own funded capital.

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

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

2.6.4.11 Consumer debtors change (Current and Non-current)

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

2.6.4.12 Repairs and maintenance expenditure level

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

2.6.4.13 Asset renewal/rehabilitation expenditure level

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

2.7 Expenditure on grants and reconciliations of unspent funds

Table 43 MBRR SA19 - Expenditure on transfers and grant programmes

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
EXPENDITURE:									
Operating expenditure of Transfers and Grants									
National Government:	4,297	14,184	135,524	10,287	13,866	13,866	10,593	8,878	3,068
Operational Revenue:General Revenue:Equitable Share	–	10,134	130,444						
Energy Efficiency and Demand-side [Schedule 5B]	–	–	–	5,000	5,000	5,000	4,200	6,000	–
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	2,635	2,500	2,530	2,593	2,593	2,593	3,565	–	–
Local Government Financial Management Grant [Schedule 5B]	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,688
Municipal Disaster Grant [Schedule 5B]	112		–	–	–	–	–	–	–
Municipal Infrastructure Grant [Schedule 5B]	–	–	1,000	1,144	1,144	1,144	1,278	1,328	1,380
Water Services Infrastructure Grant	–	–	–		3,579	3,579	–	–	–
Provincial Government:	12,147	33,402	16,288	71,715	79,365	79,365	87,519	78,710	53,329
Capacity Building	18		–	–	–	–	–	–	–
Capacity Building and Other	4,716	1,597							
Housing		24,009					766		
Infrastructure	126	145							
Libraries, Archives and Museums	7,287	7,651	6,580	8,258	8,258	8,258	8,399	8,727	9,118
Library Support Grant			2,222						
Thusong Services Centres Grant				150	150	150			
Resource funding for the establish & support of K9 Unit			3,059	2,420	2,420	2,420	3,345	3,772	4,400
Municipal Electricity Masterplan Grant			1,000						
Financial Management Capacity Building Grant			676						
Community Development Workers			76	75	75	75	76	76	76
Municipal Energy Resilience Grant			650						
LG Public Employment Grant			1,300						
Maintenance & Construction of Transport Infrastructure			145	140	140	140	400	450	500
Financial Management Capability Grant					450	450			
Municipal Service Delivery & Capacity Building Grant			181		300	300			
Municipal Intervention Grant					200	200			
Resource funding for the est of Law Enforcement Reaction Unit			400	2,958	2,958	2,958	4,065	4,223	4,317
Emergency Municipal Load-shedding relief grant					6,700	6,700			
Human Settlements (Housing - Construction Contracts)	–	–		57,714	57,714	57,714	70,468	61,462	34,918
District Municipality:	–	–	90	–	35	35	–	–	–
All Grants	–	–	90	–	35	35	–	–	–
Other Grant Providers:	–	–	–	–	420	420	–	–	–
Departmental Agencies and Accounts	–	–	–	–	420	420	–	–	–
Total operating expenditure of Transfers and Grants:	16,443	47,586	151,903	82,002	93,686	93,686	98,112	87,588	56,397
Capital expenditure of Transfers and Grants									
National Government:	31,595	35,100	36,688	72,254	68,675	68,675	53,667	40,235	41,222
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	7,000	6,000	11,453	21,331	21,331	21,331	24,380	15,000	15,000
Municipal Infrastructure Grant [Schedule 5B]	24,528	29,100	20,053	23,484	23,484	23,484	24,287	25,235	26,222
Water Services Infrastructure Grant [Schedule 5B]	–	–	5,182	27,439	23,860	23,860	5,000		
Municipal Disaster Relief Grant	67		–	–	–	–	–	–	–
Provincial Government:	5,797	48,390	1,290	38,785	43,285	43,285	41,890	30,090	63,220
Capacity Building			–	–	–	–	–	–	–
Housing		46,271	–	38,785	41,785	41,785	41,890	30,090	63,220
Infrastructure		2,119	–	–			–	–	–
Libraries, Archives and Museums			–	–	–	–	–	–	–
RESOURCE FUNDING FOR THE EST OF LAW ENFORCEMENT REACTION UNIT	3,204		603	–	–	–	–	–	–
Resource funding for the establish & support of K9 Unit			624	–	–	–	–	–	–
Road Infrastructure	750		–	–	–	–	–	–	–
Sports and Recreation	–	–	–	–	–	–	–	–	–
Municipal Service Delivery & Capacity Building Grant	–	–	63	–	1,250	1,250	–	–	–
Municipal Intervention Grant	–	–	–	–	250	250	–	–	–
District Municipality:	–	–	–	–	–	–	–	–	–
All Grants	–	–	–	–	–	–	–	–	–
Other Grant Providers:	–	–	–	12,662	15,068	15,068	–	–	–
Departmental Agencies and Accounts	–	–	–	–	2,626	2,626	–	–	–
Public Corporations	–	–	–	12,662	12,442	12,442	–	–	–
Total capital expenditure of Transfers and Grants	37,392	83,490	37,978	123,702	127,029	127,029	95,557	70,325	104,442
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	53,835	131,076	189,881	205,703	220,714	220,714	193,669	157,913	160,839

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

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Operating transfers and grants:									
National Government:									
Balance unspent at beginning of the year	–	–	(6,870)	–	–	–	–	–	–
Current year receipts	110,994	138,372	127,977	152,183	155,762	155,762	168,528	183,668	194,726
Conditions met - transferred to revenue	**110,994**	**138,372**	**121,107**	**152,183**	**155,762**	**155,762**	**168,528**	**183,668**	**194,726**
Conditions still to be met - transferred to liabilities	–	–	–	–	–	–	–	–	–
Provincial Government:									
Balance unspent at beginning of the year	(10,842)	(2,814)	(2,235)	–	–	–	–	–	–
Current year receipts	10,691	10,371	57,967	71,715	79,365	79,365	87,519	78,710	53,329
Conditions met - transferred to revenue	**(18,043)**	**(4,125)**	**37,843**	**71,715**	**79,365**	**79,365**	**87,519**	**78,710**	**53,329**
Conditions still to be met - transferred to liabilities	17,893	11,682	17,888	–	–	–	–	–	–
District Municipality:									
Balance unspent at beginning of the year	–	–	–	–	–	–	–	–	–
Current year receipts	–	–	–	–	35	35	–	–	–
Conditions met - transferred to revenue	**–**	**–**	**–**	**–**	**35**	**35**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities	–	–	–	–	–	–	–	–	–
Other grant providers:									
Balance unspent at beginning of the year	(187)	(187)	(187)	–	–	–	–	–	–
Current year receipts	–	–	–	–	400	400	–	–	–
Conditions met - transferred to revenue	**(187)**	**(187)**	**(187)**	**–**	**400**	**400**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities	–	–	–	–	–	–	–	–	–
Total operating transfers and grants revenue	**92,764**	**134,061**	**158,764**	**223,898**	**235,562**	**235,562**	**256,047**	**262,378**	**248,055**
Total operating transfers and grants - CTBM	**17,893**	**11,682**	**17,888**	**–**	**–**	**–**	**–**	**–**	**–**
Capital transfers and grants:									
National Government:									
Balance unspent at beginning of the year	–	(7,482)	–	–	–	–	–	–	–
Current year receipts	39,077	27,618	44,754	72,254	68,675	68,675	53,667	40,235	41,222
Conditions met - transferred to revenue	**39,077**	**20,136**	**44,754**	**72,254**	**68,675**	**68,675**	**53,667**	**40,235**	**41,222**
Conditions still to be met - transferred to liabilities	–	–	–	–	–	–	–	–	–
Provincial Government:									
Balance unspent at beginning of the year	(1,562)	(750)	–	–	–	–	–	–	–
Current year receipts	1,500	732	48,419	38,785	43,285	43,285	41,890	30,090	63,220
Conditions met - transferred to revenue	**(812)**	**(768)**	**48,419**	**38,785**	**43,285**	**43,285**	**41,890**	**30,090**	**63,220**
Conditions still to be met - transferred to liabilities	750	750	–	–	–	–	–	–	–
District Municipality:									
Balance unspent at beginning of the year	–	–	–	–	–	–	–	–	–
Current year receipts	–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities	–	–	–	–	–	–	–	–	–
Other grant providers:									
Balance unspent at beginning of the year	–	(19,900)	(14,738)				–	–	–
Current year receipts	(19,900)	–	–				–	–	–
Conditions met - transferred to revenue	**(19,900)**	**(19,900)**	**(14,738)**	**–**	**–**	**–**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities	–	–	–	–	–	–	–	–	–
Total capital transfers and grants revenue	**18,366**	**(532)**	**78,435**	**111,039**	**111,960**	**111,960**	**95,557**	**70,325**	**104,442**
Total capital transfers and grants - CTBM	**750**	**750**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL TRANSFERS AND GRANTS REVENUE	**111,130**	**133,528**	**237,199**	**334,937**	**347,522**	**347,522**	**351,604**	**332,703**	**352,497**
TOTAL TRANSFERS AND GRANTS - CTBM	**18,643**	**12,432**	**17,888**	**–**	**–**	**–**	**–**	**–**	**–**

2.8 Councillor and employee benefits

Table 45 MBRR SA22 - Summary of councillor and staff benefits

Summary of Employee and Councillor remuneration	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	10,174	10,116	10,454	11,137	11,137	11,137	11,360	11,859	12,386
Pension and UIF Contributions	–	–	–	–	–	–	–	–	–
Medical Aid Contributions	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	–	–	–	–	–	–	–	–	–
Cellphone Allowance	1,108	1,102	1,085	1,199	1,199	1,199	1,154	1,154	1,154
Housing Allowances	–	–	–	–	–	–	–	–	–
Other benefits and allowances	–	–	–	–	–	–	–	–	–
Sub Total - Councillors	**11,282**	**11,219**	**11,538**	**12,335**	**12,335**	**12,335**	**12,514**	**13,014**	**13,540**
Senior Managers of the Municipality									
Basic Salaries and Wages	11,569	12,036	12,317	12,871	12,859	12,859	13,498	14,189	14,918
Pension and UIF Contributions	–	–	–	–	–	–	–	–	–
Medical Aid Contributions	–	–	–	–	–	–	–	–	–
Overtime	–	–	–	–	–	–	–	–	–
Performance Bonus	136	139	96	149	149	149	101	106	112
Motor Vehicle Allowance	–	–	–	–	–	–	–	–	–
Cellphone Allowance	187	183	182	181	181	181	194	194	194
Housing Allowances	–	–	–	–	–	–	–	–	–
Other benefits and allowances	–	–	–	–	–	–	–	–	–
Payments in lieu of leave	–	–	–	–	–	–	–	–	–
Long service awards	–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality	**11,891**	**12,358**	**12,595**	**13,201**	**13,188**	**13,188**	**13,793**	**14,490**	**15,224**
Other Municipal Staff									
Basic Salaries and Wages	235,816	256,751	268,839	304,025	300,590	300,590	321,278	334,711	352,664
Pension and UIF Contributions	39,697	42,603	45,123	52,863	53,243	53,243	55,940	58,909	62,078
Medical Aid Contributions	13,141	13,951	14,510	17,116	17,168	17,168	18,074	19,041	20,060
Overtime	28,523	30,532	35,197	29,501	30,601	30,601	33,331	35,138	37,031
Performance Bonus	19,083	19,090	20,532	23,818	24,018	24,018	25,233	26,573	27,987
Motor Vehicle Allowance	7,923	8,115	8,136	8,321	8,321	8,321	8,869	9,346	9,847
Cellphone Allowance	1,942	1,967	2,003	2,184	2,215	2,215	2,300	2,424	2,554
Housing Allowances	2,507	2,741	1,707	1,829	1,884	1,884	1,985	2,091	2,204
Other benefits and allowances	19,975	22,610	27,708	29,730	30,443	30,443	31,926	33,648	35,452
Payments in lieu of leave	–	–	–	–	–	–	–	–	–
Long service awards	4,855	3,047	3,689	3,945	4,205	4,205	3,945	3,310	3,739
Post-retirement benefit obligations	(4,578)	22,448	12,613	17,946	19,771	19,771	21,862	9,771	8,464
Sub Total - Other Municipal Staff	**368,883**	**423,855**	**440,056**	**491,277**	**492,459**	**492,459**	**524,742**	**534,962**	**562,080**
Total Parent Municipality	**392,057**	**447,432**	**464,190**	**516,813**	**517,983**	**517,983**	**551,049**	**562,466**	**590,844**
TOTAL SALARY, ALLOWANCES & BENEFITS	**392,057**	**447,432**	**464,190**	**516,813**	**517,983**	**517,983**	**551,049**	**562,466**	**590,844**
TOTAL MANAGERS AND STAFF	**380,774**	**436,214**	**452,651**	**504,478**	**505,647**	**505,647**	**538,535**	**549,452**	**577,304**

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

Disclosure of Salaries, Allowances & Benefits 1.	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum			1.				2.
Councillors							
Speaker	1	783,545	–	44,400	–	–	827,945
Chief Whip	–	–	–	–	–	–	–
Executive Mayor	1	967,105	–	44,400	–	–	1,011,505
Deputy Executive Mayor	1	774,152	–	44,400	–	–	818,552
Executive Committee	4	2,901,321	–	177,600	–	–	3,078,921
Total for all other councillors	20	5,933,390	–	843,600	–	–	6,776,990
Total Councillors	**27**	**11,359,513**	**–**	**1,154,400**			**12,513,913**
Senior Managers of the Municipality							
Municipal Manager (MM)	1	1,752,395	–	40,800	101,110	–	1,894,305
Chief Finance Officer	1	2,040,669	–	24,480	–	–	2,065,149
Management Services	1	1,944,037	–	24,480	–	–	1,968,517
Infrastructure and Planning	1	2,045,784	–	27,540	–	–	2,073,324
Protection Service	1	1,864,037	–	27,540	–	–	1,891,577
LED	1	1,899,118	–	24,480	–	–	1,923,598
Community Services	1	1,952,264	–	24,480	–	–	1,976,744
Total Senior Managers of the Municipality	**7**	**13,498,304**	**–**	**193,800**	**101,110**		**13,793,214**
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	**34**	**24,857,817**	**–**	**1,348,200**	**101,110**		**26,307,127**

Table 47 MBRR SA24 – Summary of personnel numbers

Summary of Personnel Numbers	2021/22			Current Year 2022/23			Budget Year 2023/24		
Number	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities									
Councillors (Political Office Bearers plus Other Councillors)	25	7	–	27	7	–	27	7	–
Board Members of municipal entities			–			–			–
Municipal employees			–						
Municipal Manager and Senior Managers	7	7	–	7	7	–	7	6	–
Other Managers	51	51	–	52	49	–	52	47	–
Professionals	*29*	*23*	–	*30*	*22*	–	*30*	*24*	–
Finance	24	18	–	24	17	–	24	19	–
Spatial/town planning	2	2	–	2	2	–	2	2	–
Information Technology	1	1	–	1	1	–	1	1	–
Roads			–			–			
Electricity			–			–			
Water			–			–			
Sanitation			–			–			
Refuse			–			–			
Other	2	2	–	3	2	–	3	2	–
Technicians	*200*	*170*	*1*	*198*	*176*	*6*	*186*	*177*	–
Finance			–			–			
Spatial/town planning	11	10	–	11	11	5	11	10	–
Information Technology	5	4	1	6	5	1	6	5	–
Roads	10	7	–	10	10	–	10	10	–
Electricity	31	27	–	30	26	–	30	27	–
Water	21	19	–	21	18	–	21	18	–
Sanitation	2	2	–	2	2	–	2	2	–
Refuse	6	5	–	5	5	–	5	4	–
Other	114	96	–	113	99	–	101	101	–
Clerks (Clerical and administrative)	273	244	60	279	243	54	277	245	–
Service and sales workers	140	108	–	143	125	–	150	129	–
Skilled agricultural and fishery workers			–			8			
Craft and related trades			–			–			
Plant and Machine Operators	60	56	–	60	60	–	62	54	–
Elementary Occupations	426	416	122	428	406	32	424	403	–
TOTAL PERSONNEL NUMBERS	**1,211**	**1,082**	**183**	**1,224**	**1,095**	**100**	**1,215**	**1,092**	**–**
% increase				1.1%	1.2%	(45.4%)	(0.7%)	(0.3%)	(100.0%)
Total municipal employees headcount	**1,186**	**1,082**		**1,199**	**1,095**		**1,200**	**1,085**	
Finance personnel headcount	**114**	**104**		**114**	**101**		**114**	**101**	
Human Resources personnel headcount	**18**	**17**		**22**	**17**		**20**	**17**	

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

Table 48 MBRR SA25 - Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue																
Exchange Revenue																
Service charges - Electricity		49,470	49,470	49,470	49,470	49,470	49,470	49,470	49,470	49,470	49,470	49,470	49,470	593,645	692,904	752,413
Service charges - Water		12,272	12,272	12,272	12,272	12,272	12,272	12,272	12,272	12,272	12,272	12,272	12,272	147,269	156,593	165,876
Service charges - Waste Water Management		8,726	8,726	8,726	8,726	8,726	8,726	8,726	8,726	8,726	8,726	8,726	8,726	104,715	104,595	110,861
Service charges - Waste Management		7,119	7,119	7,119	7,119	7,119	7,119	7,119	7,119	7,119	7,119	7,119	7,119	85,430	95,948	101,664
Sale of Goods and Rendering of Services		10,973	10,973	10,973	10,973	10,973	10,973	10,973	10,973	10,973	10,973	10,973	10,973	131,673	112,040	119,146
Agency services		693	693	693	693	693	693	693	693	693	693	693	693	8,319	8,818	9,346
Interest		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest earned from Receivables		533	533	533	533	533	533	533	533	533	533	533	533	6,400	6,700	7,100
Interest earned from Current and Non Current Assets		3,483	3,483	3,483	3,483	3,483	3,483	3,483	3,483	3,483	3,483	3,483	3,483	41,800	44,600	47,700
Dividends		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rent on Land		94	94	94	94	94	94	94	94	94	94	94	94	1,127	1,149	1,173
Rental from Fixed Assets		470	470	470	470	470	470	470	470	470	470	470	471	5,646	5,975	6,290
Licence and permits		80	80	80	80	80	80	80	80	80	80	80	80	964	1,016	1,071
Operational Revenue		674	674	674	674	674	674	674	674	674	674	674	675	8,093	8,328	8,568
Non-Exchange Revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Property rates		28,376	28,376	28,376	28,376	28,376	28,376	28,376	28,376	28,376	28,376	28,376	28,376	340,506	357,532	375,408
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633	19,597	20,768	22,009
Licences or permits		162	162	162	162	162	162	162	162	162	162	162	162	1,943	2,060	2,184
Transfer and subsidies - Operational		15,465	15,465	15,465	15,465	15,465	15,465	15,465	15,465	15,465	15,465	15,465	15,465	185,579	200,916	213,137
Interest		108	108	108	108	108	108	108	108	108	108	108	108	1,300	1,378	1,461
Fuel Levy		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Gains		–	–	–	–	–	–	–	–	–	–	–	7,900	7,900	8,000	8,100
Discontinued Operations		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		**140,334**	**140,334**	**140,334**	**140,334**	**140,334**	**140,334**	**140,334**	**140,334**	**140,334**	**140,334**	**140,334**	**148,235**	**1,691,906**	**1,829,319**	**1,953,508**
Expenditure																
Employee related costs		44,878	44,878	44,878	44,878	44,878	44,878	44,878	44,878	44,878	44,878	44,878	44,878	538,535	549,452	577,304
Remuneration of councillors		1,043	1,043	1,043	1,043	1,043	1,043	1,043	1,043	1,043	1,043	1,043	1,043	12,514	13,014	13,540
Inventory consumed		5,208	5,208	5,208	5,208	5,208	5,208	5,208	5,208	5,208	5,208	5,208	5,208	62,499	68,235	66,340
Debt impairment		1,618	1,618	1,618	1,618	1,618	1,618	1,618	1,618	1,618	1,618	1,618	1,618	19,414	19,608	19,804
Depreciation and amortisation		12,430	12,430	12,430	12,430	12,430	12,430	12,430	12,430	12,430	12,430	12,430	12,430	149,154	151,672	154,226
Bulk purchases - electricity		36,735	36,735	36,735	36,735	36,735	36,735	36,735	36,735	36,735	36,735	36,735	36,735	440,824	496,986	546,684
Interest		4,138	4,138	4,138	4,138	4,138	4,138	4,138	4,138	4,138	4,138	4,138	4,138	49,658	51,817	49,865
Contracted services		24,645	24,645	24,645	24,645	24,645	24,645	24,645	24,645	24,645	24,645	24,645	24,645	295,738	323,452	341,534
Transfers and subsidies		1,365	1,365	1,365	1,365	1,365	1,365	1,365	1,365	1,365	1,365	1,365	1,365	16,380	17,143	17,944
Irrecoverable debts written off		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational costs		13,688	13,688	13,688	13,688	13,688	13,688	13,688	13,688	13,688	13,688	13,688	13,688	164,254	164,414	144,258
Losses on disposal of Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Losses													–	–	–	–
Total Expenditure		**145,748**	**145,748**	**145,748**	**145,748**	**145,748**	**145,748**	**145,748**	**145,748**	**145,748**	**145,748**	**145,748**	**145,747**	**1,748,972**	**1,855,792**	**1,931,500**
Surplus/(Deficit)		**(5,414)**	**(5,414)**	**(5,414)**	**(5,414)**	**(5,414)**	**(5,414)**	**(5,414)**	**(5,414)**	**(5,414)**	**(5,414)**	**(5,414)**	**2,487**	**(57,066)**	**(26,473)**	**22,008**
Transfers and subsidies - capital (monetary allocations)		4,472	4,472	4,472	4,472	4,472	4,472	4,472	4,472	4,472	4,472	4,472	4,472	53,667	40,235	41,222
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		–	–	–	–	–	–	–	–	–	–	–	(3,399)	(3,399)	13,762	63,230
Income Tax		**(942)**	**(942)**	**(942)**	**(942)**	**(942)**	**(942)**	**(942)**	**(942)**	**(942)**	**(942)**	**(942)**	**3,561**	**(6,798)**	**27,523**	**126,460**
Surplus/(Deficit) after income tax		–	–	–	–	–	–	–	–	–	–	–	(3,399)	(3,399)	13,762	63,230
Surplus/(Deficit) attributable to municipality		–	–	–	–	–	–	–	–	–	–	–	–			
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	**(942)**	**(942)**	**(942)**	**(942)**	**(942)**	**(942)**	**(942)**	**(942)**	**(942)**	**(942)**	**(942)**	**6,960**	**(3,399)**	**13,762**	**63,230**

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

Description	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue by Vote															
Vote 1 - Council & Mayor's Office	4,391	4,391	4,391	4,391	4,391	4,391	4,391	4,391	4,391	4,391	4,391	4,391	52,697	58,511	65,462
Vote 2 - Municipal Manager & Internal Audit	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 3 - Management Services	80	80	80	80	80	80	80	80	80	80	80	80	956	974	993
Vote 4 - Finance	33,378	33,378	33,378	33,378	33,378	33,378	33,378	33,378	33,378	33,378	33,378	33,378	400,540	421,055	442,968
Vote 5 - Infrastructure & Planning	66,618	66,618	66,618	66,618	66,618	66,618	66,618	66,618	66,618	66,618	66,618	66,618	799,411	877,455	943,255
Vote 6 - Protection Services	3,190	3,190	3,190	3,190	3,190	3,190	3,190	3,190	3,190	3,190	3,190	3,190	38,275	40,713	43,398
Vote 7 - Economic and Social Development & Tourism	302	302	302	302	302	302	302	302	302	302	302	302	3,628	66	70
Vote 8 - Community Services	37,505	37,505	37,505	37,505	37,505	37,505	37,505	37,505	37,505	37,505	37,505	37,506	450,066	470,780	498,584
Vote 9 - Costing Services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Main Ledger Services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue by Vote	**145,464**	**145,464**	**145,464**	**145,464**	**145,464**	**145,464**	**145,464**	**145,464**	**145,464**	**145,464**	**145,464**	**145,465**	**1,745,573**	**1,869,554**	**1,994,730**
Expenditure by Vote to be appropriated															
Vote 1 - Council & Mayor's Office	4,121	4,121	4,121	4,121	4,121	4,121	4,121	4,121	4,121	4,121	4,121	4,122	49,457	37,658	37,754
Vote 2 - Municipal Manager & Internal Audit	698	698	698	698	698	698	698	698	698	698	698	698	8,371	8,768	9,186
Vote 3 - Management Services	5,790	5,790	5,790	5,790	5,790	5,790	5,790	5,790	5,790	5,790	5,790	5,791	69,485	74,131	77,829
Vote 4 - Finance	8,953	8,953	8,953	8,953	8,953	8,953	8,953	8,953	8,953	8,953	8,953	8,954	107,441	113,042	119,256
Vote 5 - Infrastructure & Planning	68,901	68,901	68,901	68,901	68,901	68,901	68,901	68,901	68,901	68,901	68,901	68,902	826,814	901,456	936,755
Vote 6 - Protection Services	11,460	11,460	11,460	11,460	11,460	11,460	11,460	11,460	11,460	11,460	11,460	11,460	137,515	145,559	152,668
Vote 7 - Economic and Social Development & Tourism	1,615	1,615	1,615	1,615	1,615	1,615	1,615	1,615	1,615	1,615	1,615	1,615	19,382	16,369	17,064
Vote 8 - Community Services	44,209	44,209	44,209	44,209	44,209	44,209	44,209	44,209	44,209	44,209	44,209	44,212	530,506	558,809	580,988
Vote 9 - Costing Services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Main Ledger Services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	**145,747**	**145,747**	**145,747**	**145,747**	**145,747**	**145,747**	**145,747**	**145,747**	**145,747**	**145,747**	**145,747**	**145,754**	**1,748,972**	**1,855,792**	**1,931,500**
Surplus/(Deficit) before assoc.	**(283)**	**(283)**	**(283)**	**(283)**	**(283)**	**(283)**	**(283)**	**(283)**	**(283)**	**(283)**	**(283)**	**(288)**	**(3,399)**	**13,762**	**63,230**
Surplus/(Deficit) after income tax	–	–	–	–	–	–	–	–	–	–	–	(3,399)	(3,399)	13,762	63,230
Surplus/(Deficit) attributable to municipality	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	**(283)**	**(283)**	**(283)**	**(283)**	**(283)**	**(283)**	**(283)**	**(283)**	**(283)**	**(283)**	**(283)**	**(288)**	**(3,399)**	**13,762**	**63,230**

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

Description	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue - Functional															
Governance and administration	38,384	38,384	38,384	38,384	38,384	38,384	38,384	38,384	38,384	38,384	38,384	38,385	460,614	487,005	515,935
Executive and council	4,403	4,403	4,403	4,403	4,403	4,403	4,403	4,403	4,403	4,403	4,403	4,403	52,832	58,649	65,602
Finance and administration	33,982	33,982	33,982	33,982	33,982	33,982	33,982	33,982	33,982	33,982	33,982	33,982	407,781	428,357	450,333
Internal audit	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety	14,980	14,980	14,980	14,980	14,980	14,980	14,980	14,980	14,980	14,980	14,980	14,980	179,758	166,843	181,807
Community and social services	732	732	732	732	732	732	732	732	732	732	732	732	8,785	9,130	9,539
Sport and recreation	1,604	1,604	1,604	1,604	1,604	1,604	1,604	1,604	1,604	1,604	1,604	1,604	19,243	25,098	30,360
Public safety	3,190	3,190	3,190	3,190	3,190	3,190	3,190	3,190	3,190	3,190	3,190	3,190	38,275	40,713	43,398
Housing	9,455	9,455	9,455	9,455	9,455	9,455	9,455	9,455	9,455	9,455	9,455	9,455	113,454	91,902	98,509
Health	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services	1,807	1,807	1,807	1,807	1,807	1,807	1,807	1,807	1,807	1,807	1,807	1,807	21,679	13,909	17,008
Planning and development	1,332	1,332	1,332	1,332	1,332	1,332	1,332	1,332	1,332	1,332	1,332	1,332	15,986	13,164	13,229
Road transport	471	471	471	471	471	471	471	471	471	471	471	471	5,650	700	3,732
Environmental protection	4	4	4	4	4	4	4	4	4	4	4	4	42	45	47
Trading services	90,294	90,294	90,294	90,294	90,294	90,294	90,294	90,294	90,294	90,294	90,294	90,294	1,083,523	1,201,796	1,279,979
Energy sources	55,745	55,745	55,745	55,745	55,745	55,745	55,745	55,745	55,745	55,745	55,745	55,745	668,939	767,034	826,170
Water management	14,130	14,130	14,130	14,130	14,130	14,130	14,130	14,130	14,130	14,130	14,130	14,130	169,564	175,192	185,679
Waste water management	11,699	11,699	11,699	11,699	11,699	11,699	11,699	11,699	11,699	11,699	11,699	11,699	140,386	142,708	143,925
Waste management	8,720	8,720	8,720	8,720	8,720	8,720	8,720	8,720	8,720	8,720	8,720	8,720	104,634	116,862	124,204
Other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	145,464	145,464	145,464	145,464	145,464	145,464	145,464	145,464	145,464	145,464	145,464	145,465	1,745,573	1,869,554	1,994,730
Expenditure - Functional															
Governance and administration	27,864	27,864	27,864	27,864	27,864	27,864	27,864	27,864	27,864	27,864	27,864	27,867	334,374	338,409	353,934
Executive and council	6,682	6,682	6,682	6,682	6,682	6,682	6,682	6,682	6,682	6,682	6,682	6,683	80,189	70,080	71,962
Finance and administration	20,818	20,818	20,818	20,818	20,818	20,818	20,818	20,818	20,818	20,818	20,818	20,820	249,820	263,743	277,153
Internal audit	364	364	364	364	364	364	364	364	364	364	364	364	4,366	4,586	4,819
Community and public safety	24,813	24,813	24,813	24,813	24,813	24,813	24,813	24,813	24,813	24,813	24,813	24,815	297,756	303,385	289,206
Community and social services	1,988	1,988	1,988	1,988	1,988	1,988	1,988	1,988	1,988	1,988	1,988	1,988	23,853	25,038	26,334
Sport and recreation	5,338	5,338	5,338	5,338	5,338	5,338	5,338	5,338	5,338	5,338	5,338	5,339	64,055	70,623	74,533
Public safety	11,019	11,019	11,019	11,019	11,019	11,019	11,019	11,019	11,019	11,019	11,019	11,020	132,228	139,628	146,420
Housing	6,468	6,468	6,468	6,468	6,468	6,468	6,468	6,468	6,468	6,468	6,468	6,468	77,620	68,096	41,919
Health	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services	17,591	17,591	17,591	17,591	17,591	17,591	17,591	17,591	17,591	17,591	17,591	17,591	211,088	224,165	234,704
Planning and development	4,761	4,761	4,761	4,761	4,761	4,761	4,761	4,761	4,761	4,761	4,761	4,761	57,133	56,025	58,748
Road transport	10,783	10,783	10,783	10,783	10,783	10,783	10,783	10,783	10,783	10,783	10,783	10,783	129,394	134,762	140,554
Environmental protection	2,047	2,047	2,047	2,047	2,047	2,047	2,047	2,047	2,047	2,047	2,047	2,047	24,561	33,377	35,402
Trading services	75,137	75,137	75,137	75,137	75,137	75,137	75,137	75,137	75,137	75,137	75,137	75,139	901,649	985,586	1,049,252
Energy sources	44,883	44,883	44,883	44,883	44,883	44,883	44,883	44,883	44,883	44,883	44,883	44,883	538,594	598,735	645,641
Water management	12,128	12,128	12,128	12,128	12,128	12,128	12,128	12,128	12,128	12,128	12,128	12,128	145,534	155,404	162,098
Waste water management	10,137	10,137	10,137	10,137	10,137	10,137	10,137	10,137	10,137	10,137	10,137	10,138	121,648	128,306	133,494
Waste management	7,989	7,989	7,989	7,989	7,989	7,989	7,989	7,989	7,989	7,989	7,989	7,990	95,874	103,141	108,019
Other	342	342	342	342	342	342	342	342	342	342	342	342	4,104	4,247	4,403
Total Expenditure - Functional	145,747	145,747	145,747	145,747	145,747	145,747	145,747	145,747	145,747	145,747	145,747	145,754	1,748,972	1,855,792	1,931,500
Surplus/(Deficit) before assoc.	(283)	(283)	(283)	(283)	(283)	(283)	(283)	(283)	(283)	(283)	(283)	(288)	(3,399)	13,762	63,230
Intercompany/Parent subsidiary transactions	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	(283)	(283)	(283)	(283)	(283)	(283)	(283)	(283)	(283)	(283)	(283)	(288)	(3,399)	13,762	63,230

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

Description	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Multi-year expenditure *to be appropriated*															
Vote 1 - Council & Mayor's Office	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager & Internal Audit	–	–	–	500	1,500	800	–	700	500	500	500	–	5,000	–	–
Vote 3 - Management Services	100	–	–	305	500	250	300	–	5	100	200	455	2,215	–	–
Vote 4 - Finance	–	–	20	–	–	–	20	–	–	20	–	–	60	–	–
Vote 5 - Infrastructure & Planning	167	167	25,877	4,167	2,717	41,356	5,067	15,167	30,415	12,967	12,112	42,410	192,586	130,325	164,442
Vote 6 - Protection Services	–	–	150	–	–	–	–	–	150	–	–	–	300	–	–
Vote 7 - Economic and Social Development & Tourism	–	–	–	–	–	23	–	–	–	–	–	23	45	–	–
Vote 8 - Community Services	–	–	184	–	–	184	–	–	184	–	–	184	735	–	–
Vote 9 - Costing Services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Main Ledger Services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	**267**	**167**	**26,231**	**4,972**	**4,717**	**42,612**	**5,387**	**15,867**	**31,253**	**13,587**	**12,812**	**43,071**	**200,941**	**130,325**	**164,442**
Single-year expenditure *to be appropriated*															
Vote 1 - Council & Mayor's Office	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager & Internal Audit	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 3 - Management Services	–	–	–	–	–	300	300	300	300	300	300	–	1,800	–	–
Vote 4 - Finance	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 5 - Infrastructure & Planning	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 6 - Protection Services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 7 - Economic and Social Development & Tourism	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 8 - Community Services	–	–	–	–	–	437	–	–	–	–	–	437	875	–	–
Vote 9 - Costing Services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Main Ledger Services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total	**–**	**–**	**–**	**–**	**–**	**737**	**300**	**300**	**300**	**300**	**300**	**437**	**2,675**	**–**	**–**
Total Capital Expenditure	**267**	**167**	**26,231**	**4,972**	**4,717**	**43,350**	**5,687**	**16,167**	**31,553**	**13,887**	**13,112**	**43,508**	**203,615**	**130,325**	**164,442**

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

Description	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital Expenditure - Functional															
Governance and administration	100	–	20	805	2,000	1,350	620	1,000	805	920	1,000	455	9,075	–	–
Executive and council	–	–	–	500	1,500	800	–	700	500	500	500	5	5,005	–	–
Finance and administration	100	–	20	305	500	550	620	300	305	420	500	450	4,070	–	–
Internal audit	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety	–	–	12,445	–	–	12,732	–	–	12,445	–	–	12,732	50,354	41,788	79,461
Community and social services	–	–	184	–	–	184	–	–	184	–	–	184	735	–	–
Sport and recreation	–	–	1,639	–	–	2,076	–	–	1,639	–	–	2,076	7,429	11,698	16,241
Public safety	–	–	150	–	–	–	–	–	150	–	–	–	300	–	–
Housing	–	–	10,473	–	–	10,473	–	–	10,473	–	–	10,473	41,890	30,090	63,220
Health	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services	–	–	–	1,000	100	1,023	100	1,000	100	–	1,045	1,023	5,390	–	2,981
Planning and development	–	–	–	–	100	23	100	–	100	–	45	23	390	–	–
Road transport	–	–	–	1,000	–	1,000	–	1,000	–	–	1,000	1,000	5,000	–	2,981
Environmental protection	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services	167	167	13,766	3,167	2,617	28,245	4,967	14,167	18,204	12,967	11,067	29,298	138,796	88,537	82,000
Energy sources	–	–	3,384	–	2,200	9,270	2,500	9,000	5,404	9,500	6,500	8,770	56,528	33,500	34,000
Water management	167	167	2,517	167	167	9,042	267	167	2,417	267	167	10,095	25,603	33,500	25,700
Waste water management	–	–	7,866	3,000	250	9,733	2,200	5,000	10,383	3,200	4,400	10,233	56,265	21,537	17,800
Waste management	–	–	–	–	–	200	–	–	–	–	–	200	400	–	4,500
Other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	267	167	26,231	4,972	4,717	43,350	5,687	16,167	31,553	13,887	13,112	43,508	203,615	130,325	164,442
Funded by:															
National Government	–	–	4,001	1,000	2,000	7,889	2,000	5,000	9,889	6,000	8,000	7,889	53,667	40,235	41,222
Provincial Government	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
District Municipality	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other transfers and grants	–	–	10,473	–	–	10,473	–	–	10,473	–	–	10,473	41,890	30,090	63,220
Transfers recognised - capital	–	–	14,473	1,000	2,000	18,361	2,000	5,000	20,361	6,000	8,000	18,361	95,557	70,325	104,442
Public contributions & donations	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing	167	167	11,404	3,167	617	22,737	2,967	10,167	9,954	6,967	4,067	22,837	95,214	60,000	60,000
Internally generated funds	100	–	354	805	2,100	2,252	720	1,000	1,239	920	1,045	2,310	12,845	–	–
Total Capital Funding	267	167	26,231	4,972	4,717	43,350	5,687	16,167	31,553	13,887	13,112	43,508	203,615	130,325	164,442

Table 53 MBRR SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Cash Receipts By Source													1		
Property rates	28,064	28,064	28,064	28,064	28,064	28,064	28,064	28,064	28,064	28,064	28,064	28,064	336,765	355,850	373,663
Service charges - electricity revenue	49,159	49,159	49,159	49,159	49,159	49,159	49,159	49,159	49,159	49,159	49,159	49,159	589,904	691,223	750,668
Service charges - water revenue	11,961	11,961	11,961	11,961	11,961	11,961	11,961	11,961	11,961	11,961	11,961	11,961	143,528	154,912	164,130
Service charges - sanitation revenue	8,414	8,414	8,414	8,414	8,414	8,414	8,414	8,414	8,414	8,414	8,414	8,414	100,974	102,914	109,115
Service charges - refuse revenue	6,807	6,807	6,807	6,807	6,807	6,807	6,807	6,807	6,807	6,807	6,807	6,807	81,689	94,267	99,918
Rental of facilities and equipment	564	564	564	564	564	564	564	564	564	564	564	564	6,773	7,124	7,463
Interest earned - external investments	3,592	3,592	3,592	3,592	3,592	3,592	3,592	3,592	3,592	3,592	3,592	3,592	43,100	45,978	49,161
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	362	362	362	362	362	362	362	362	362	362	362	362	4,341	5,360	6,447
Licences and permits	242	242	242	242	242	242	242	242	242	242	242	242	2,907	3,076	3,255
Agency services	693	693	693	693	693	693	693	693	693	693	693	693	8,319	8,818	9,346
Transfers and Subsidies - Operational	15,465	15,465	15,465	15,465	15,465	15,465	15,465	15,465	15,465	15,465	15,465	15,465	185,579	200,916	213,137
Other revenue	11,648	11,648	11,648	11,648	11,648	11,648	11,648	11,648	11,648	11,648	11,648	11,648	139,782	120,378	127,724
Cash Receipts by Source	**136,972**	**136,972**	**136,972**	**136,972**	**136,972**	**136,972**	**136,972**	**136,972**	**136,972**	**136,972**	**136,972**	**136,972**	**1,643,661**	**1,790,814**	**1,914,027**
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations)	4,472	4,472	4,472	4,472	4,472	4,472	4,472	4,472	4,472	4,472	4,472	4,472	53,667	40,235	41,222
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on Disposal of Fixed and Intangible Assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Short term loans	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–	50,000	–	–	–	–	–	–	50,000	50,000	60,000
Increase (decrease) in consumer deposits	1,833	1,833	1,833	1,833	1,833	1,833	1,833	1,833	1,833	1,833	1,833	1,833	22,000	2,000	2,000
Decrease (increase) in non-current receivables	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	(415)	(415)	(415)	(415)	(415)	(415)	(415)	(415)	(415)	(415)	(415)	(415)	(4,980)	(4,980)	(4,980)
Total Cash Receipts by Source	**142,862**	**142,862**	**142,862**	**142,862**	**142,862**	**192,862**	**142,862**	**142,862**	**142,862**	**142,862**	**142,862**	**142,863**	**1,764,348**	**1,878,069**	**2,012,269**
Cash Payments by Type															
Employee related costs	(43,843)	(43,843)	(43,843)	(43,843)	(43,843)	(43,843)	(43,843)	(43,843)	(43,843)	(43,843)	(43,843)	(43,843)	(526,120)	(546,715)	(576,118)
Remuneration of councillors	(1,043)	(1,043)	(1,043)	(1,043)	(1,043)	(1,043)	(1,043)	(1,043)	(1,043)	(1,043)	(1,043)	(1,043)	(12,514)	(13,014)	(13,540)
Finance charges	(4,138)	(4,138)	(4,138)	(4,138)	(4,138)	(4,138)	(4,138)	(4,138)	(4,138)	(4,138)	(4,138)	(4,138)	(49,658)	(51,817)	(49,865)
Bulk purchases - Electricity	(36,735)	(36,735)	(36,735)	(36,735)	(36,735)	(36,735)	(36,735)	(36,735)	(36,735)	(36,735)	(36,735)	(36,735)	(440,824)	(496,986)	(546,684)
Bulk purchases - Water & Sewer												–	–		
Other materials	(5,208)	(5,208)	(5,208)	(5,208)	(5,208)	(5,208)	(5,208)	(5,208)	(5,208)	(5,208)	(5,208)	(5,208)	(62,499)	(68,235)	(66,340)
Contracted services	(24,645)	(24,645)	(24,645)	(24,645)	(24,645)	(24,645)	(24,645)	(24,645)	(24,645)	(24,645)	(24,645)	(24,645)	(295,738)	(323,452)	(341,534)
Transfers and grants - other municipalities												–	–		
Transfers and grants - other	(1,365)	(1,365)	(1,365)	(1,365)	(1,365)	(1,365)	(1,365)	(1,365)	(1,365)	(1,365)	(1,365)	(1,365)	(16,380)	(17,143)	(17,944)
Other expenditure	(8,064)	(8,064)	(8,064)	(8,064)	(8,064)	(8,064)	(8,064)	(8,064)	(8,064)	(8,064)	(8,064)	(8,064)	(96,768)	(182,234)	(60,235)
Cash Payments by Type	**(125,042)**	**(125,042)**	**(125,042)**	**(125,042)**	**(125,042)**	**(125,042)**	**(125,042)**	**(125,042)**	**(125,042)**	**(125,042)**	**(125,042)**	**(125,042)**	**(1,500,502)**	**(1,699,595)**	**(1,672,261)**
Other Cash Flows/Payments by Type															
Capital assets	(267)	(167)	(26,231)	(4,972)	(4,717)	(43,350)	(5,687)	(16,167)	(31,553)	(13,887)	(13,112)	(43,508)	(203,615)	(130,325)	(164,442)
Repayment of borrowing	(4,854)	(4,854)	(4,854)	(4,854)	(4,854)	(4,854)	(4,854)	(4,854)	(4,854)	(4,854)	(4,854)	(4,854)	(58,245)	(40,907)	(154,740)
Other Cash Flows/Payments												–	–		
Total Cash Payments by Type	**(130,162)**	**(130,062)**	**(156,126)**	**(134,867)**	**(134,612)**	**(173,245)**	**(135,582)**	**(146,062)**	**(161,449)**	**(143,782)**	**(143,007)**	**(173,403)**	**(1,762,363)**	**(1,870,827)**	**(1,991,443)**
NET INCREASE/(DECREASE) IN CASH HELD	**12,700**	**12,800**	**(13,264)**	**7,995**	**8,250**	**19,617**	**7,280**	**(3,200)**	**(18,587)**	**(920)**	**(145)**	**(30,541)**	**1,985**	**7,242**	**20,826**
Cash/cash equivalents at the month/year begin:	525,264	537,964	550,764	537,499	545,494	553,744	573,361	580,641	577,441	558,854	557,934	557,789	525,264	527,249	534,490
Cash/cash equivalents at the month/year end:	537,964	550,764	537,499	545,494	553,744	573,361	580,641	577,441	558,854	557,934	557,789	527,249	527,249	534,490	555,317

2.10 Annual budgets and SDBIP

The draft SDBIP for 2023/24 will be tabled as a separate item at the Council meeting on 29 March 2023.

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 time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

2.12 Capital expenditure details

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

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

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	**76,763**	**91,712**	**45,748**	**85,364**	**80,451**	**80,451**	**82,383**	**40,600**	**30,181**
Roads Infrastructure	5,638	20,553	7,714	12,255	15,274	15,274	5,000	–	2,981
Roads	5,638	20,553	7,714	12,255	15,274	15,274	5,000	–	2,981
Storm water Infrastructure	7,918	14,169	4,724	1,636	1,636	1,636	12,732	7,000	–
Drainage Collection		557	–	–	–	–	–	–	–
Storm water Conveyance	7,918	13,612	4,724	1,636	1,636	1,636	12,732	7,000	–
Electrical Infrastructure	13,557	9,392	18,244	53,500	50,249	50,249	45,797	21,500	19,000
MV Substations	4,869	693	16,453	37,500	32,749	32,749	18,417	–	–
MV Switching Stations	–	–	–	–	–	–	–	–	–
MV Networks	8,688	8,699	1,791	16,000	17,500	17,500	27,380	21,500	19,000
Water Supply Infrastructure	29,001	22,404	3,171	12,483	9,626	9,626	10,953	10,600	4,700
Boreholes	4,356	3,808	2,180	4,803	4,803	4,803	7,000	2,100	4,700
Reservoirs	14,717	15,728	–	–	–	–	–	–	–
Pump Stations	–	–	–	7,000	4,645	4,645	–	–	–
Water Treatment Works		–	–	–	–	–	3,000	8,500	–
Distribution	9,928	2,868	991	680	178	178	953	–	–
Sanitation Infrastructure	13,339	12,940	8,923	4,020	2,416	2,416	7,500	1,500	3,000
Pump Station	169	–	–	–	–	–	–	–	–
Reticulation	9,864	12,940	8,923	4,020	2,416	2,416	–	–	–
Waste Water Treatment Works	3,306	–	–	–	–	–	7,500	1,500	3,000
Solid Waste Infrastructure	7,311	12,254	2,972	1,470	1,250	1,250	400	–	500
Landfill Sites	7,311	–	–	–	–	–	–	–	–
Waste Transfer Stations		–	2,972	1,250	1,250	1,250	–	–	500
Waste Processing Facilities		12,254	–	220	–	–	–	–	–
Waste Drop-off Points		–	–	–	–	–	400	–	–
Community Assets	**4,531**	**25,999**	**9,187**	**10,951**	**9,261**	**9,261**	**5,875**	**–**	**5,000**
Community Facilities	2,084	10,999	4,140	6,701	4,463	4,463	5,000	–	–
Halls	–	4,759	1,564	–	–	–	–	–	–
Crèches	578	–	–	–	–	–	–	–	–
Testing Stations	44	–	1,046	–	–	–	–	–	–
Libraries	–	295	–	4,374	1,370	1,370	–	–	–
Cemeteries/Crematoria	207	1,232	–	–	–	–	–	–	–
Parks	139	49	–	87	87	87	–	–	–
Public Open Space	1,073	3,902	206	1,050	1,816	1,816	5,000	–	–
Public Ablution Facilities	44	140	918	1,190	1,190	1,190	–	–	–
Stalls		278	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals		345	406	–	–	–	–	–	–
Sport and Recreation Facilities	2,447	15,000	5,047	4,250	4,797	4,797	875	–	5,000
Indoor Facilities		–	–	–	–	–	–	–	–
Outdoor Facilities	2,447	15,000	5,047	4,250	4,797	4,797	875	–	5,000
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Other assets	**87,502**	**54,179**	**50,440**	**41,802**	**44,506**	**44,506**	**41,890**	**30,090**	**63,220**
Operational Buildings	1,749	4,581	1,410	3,017	2,295	2,295	–	–	–
Municipal Offices	1,749	4,581	1,410	3,017	2,295	2,295	–	–	–
Housing	85,753	49,598	49,031	38,785	42,211	42,211	41,890	30,090	63,220
Staff Housing	–	–	–	–	–	–	–	–	–
Social Housing	85,753	49,598	49,031	38,785	42,211	42,211	41,890	30,090	63,220
Biological or Cultivated Assets	–	–	21	–	–	–	–	–	–
Biological or Cultivated Assets	–	–	21	–	–	–	–	–	–
Intangible Assets	–	–	–	–	–	–	–	–	–
Computer Equipment	3,345	5,152	3,240	1,888	1,962	1,962	4,000	–	–
Computer Equipment	3,345	5,152	3,240	1,888	1,962	1,962	4,000	–	–
Furniture and Office Equipment	246	802	2,910	765	1,065	1,065	765	–	–
Furniture and Office Equipment	246	802	2,910	765	1,065	1,065	765	–	–
Machinery and Equipment	533	486	1,363	1,185	1,385	1,385	735	–	–
Machinery and Equipment	533	486	1,363	1,185	1,385	1,385	735	–	–
Transport Assets	15,884	21,189	6,806	–	7,289	7,289	–	–	–
Transport Assets	15,884	21,189	6,806	–	7,289	7,289	–	–	–
Land	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–
Living resources	-	-	-	-	-	-	-	-	-
Mature	-	-	-	-	-	-	-	-	-
Policing and Protection	–	–	–	–	–	–	–	–	–
Zoological plants and animals	–	–	–	–	–	–	–	–	–
Immature	-	-	-	-	-	-	-	-	-
Policing and Protection	–	–	–	–	–	–	–	–	–
Zoological plants and animals	–	–	–	–	–	–	–	–	–
Total Capital Expenditure on new assets	**188,804**	**199,520**	**119,714**	**141,955**	**145,918**	**145,918**	**135,647**	**70,690**	**98,401**

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

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	**3,606**	**15,499**	**30,964**	**20,730**	**20,936**	**20,936**	**16,300**	**25,100**	**27,200**
Roads Infrastructure	8	–	–	–	–	–	–	–	–
Roads	8	–	–	–	–	–	–	–	–
Storm water Infrastructure	–	–	–	–	–	–	–	–	–
Electrical Infrastructure	–	915	1,000	1,058	1,058	1,058	1,500	2,000	2,000
MV Switching Stations	–	915	1,000	1,058	1,058	1,058	1,500	2,000	2,000
Water Supply Infrastructure	887	11,297	29,964	19,172	19,228	19,228	14,100	22,400	20,500
Pump Stations		1,327	–	500	1,274	1,274	500	500	500
Water Treatment Works		–	9,309	–	–	–	–	–	–
Bulk Mains		–	–	–	–	–	–	–	–
Distribution	887	9,970	20,655	18,672	17,954	17,954	13,600	21,900	20,000
Distribution Points		–	–	–	–	–	–	–	–
PRV Stations	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Sanitation Infrastructure	2,711	3,287	–	500	650	650	700	700	700
Pump Station	2,711	–	–	500	650	650	700	700	700
Reticulation		–	–	–	–	–	–	–	–
Waste Water Treatment Works		–	–	–	–	–	–	–	–
Outfall Sewers		3,287	–	–	–	–	–	–	–
Toilet Facilities	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure	–	–	–	–	–	–	–	–	4,000
Landfill Sites	–	–	–	–	–	–	–	–	4,000
Community Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Community Facilities	–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities	–	–	–	–	–	–	–	–	–
Indoor Facilities	–	–	–	–	–	–	–	–	–
Outdoor Facilities	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating	–	–	–	–	–	–	–	–	–
Improved Property	–	–	–	–	–	–	–	–	–
Unimproved Property	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Improved Property	–	–	–	–	–	–	–	–	–
Unimproved Property	–	–	–	–	–	–	–	–	–
Other assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Housing	–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Intangible Assets	–	–	–	–	–	–	–	–	–
Computer Equipment	–	–	–	–	–	–	–	–	–
Furniture and Office Equipment	–	–	–	–	–	–	–	–	–
Machinery and Equipment	–	–	–	–	–	–	–	–	–
Transport Assets	–	–	–	–	–	–	–	–	–
Land	–	–	–	–	–	–	–	–	–
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	**3,606**	**15,499**	**30,964**	**20,730**	**20,936**	**20,936**	**16,300**	**25,100**	**27,200**
Renewal of Existing Assets as % of total capex	*19.3%*	*6.1%*	*16.1%*	*8.8%*	*10.2%*	*10.2%*	*8.0%*	*19.3%*	*16.5%*
Renewal of Existing Assets as % of deprecn"	*2.7%*	*11.1%*	*21.1%*	*14.1%*	*14.3%*	*14.3%*	*10.9%*	*16.5%*	*17.6%*

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

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	**134,766**	**140,742**	**141,079**	**161,349**	**148,822**	**148,822**	**168,080**	**179,101**	**183,172**
Roads Infrastructure	65,691	67,439	64,340	72,275	60,564	60,564	75,266	79,593	84,168
Roads	61,812	64,190	64,340	72,275	60,564	60,564	75,266	79,593	84,168
Road Structures	3,879	3,249	–	–	–	–	–	–	–
Storm water Infrastructure	4,749	5,584	6,870	7,335	6,545	6,545	6,469	6,836	7,224
Drainage Collection	2,558	2,515	–	–	–	–	–	–	–
Storm water Conveyance	2,192	3,069	6,870	7,335	6,545	6,545	6,469	6,836	7,224
Electrical Infrastructure	36,812	31,045	30,721	39,232	38,565	38,565	41,404	45,107	41,533
Power Plants	383	436	–	–	–	–	–	–	–
HV Transmission Conductors	–	25	–	–	–	–	–	–	–
MV Networks	33,018	28,149	–	–	–	–	–	–	–
LV Networks	3,411	2,435	30,721	39,232	38,565	38,565	41,404	45,107	41,533
Capital Spares	–	–	–	–	–	–	–	–	–
Water Supply Infrastructure	16,161	21,046	21,088	22,142	22,089	22,089	23,527	24,847	26,242
Water Treatment Works	–	–	272	297	297	297	312	329	347
Distribution	16,161	21,046	18,916	19,083	19,141	19,141	20,317	21,456	22,660
Distribution Points	–	–	1,900	2,761	2,650	2,650	2,898	3,062	3,236
Sanitation Infrastructure	10,072	12,980	11,710	13,044	13,465	13,465	13,718	14,494	15,314
Reticulation	800	–	6,507	7,386	7,691	7,691	7,815	8,237	8,682
Waste Water Treatment Works	9,134	12,980	5,203	5,658	5,774	5,774	5,903	6,257	6,633
Outfall Sewers	138	–	–	–	–	–	–	–	–
Solid Waste Infrastructure	1,168	2,535	6,351	7,320	7,593	7,593	7,697	8,224	8,691
Landfill Sites	36	61	–	–	–	–	–	–	–
Waste Transfer Stations	11	1,186	–	–	–	–	–	–	–
Waste Processing Facilities	152	272	1,574	2,397	2,397	2,397	2,517	2,759	2,925
Waste Drop-off Points	929	1,009	4,777	4,924	5,196	5,196	5,180	5,465	5,766
Waste Separation Facilities	39	7	–	–	–	–	–	–	–
Coastal Infrastructure	113	110	–	–	–	–	–	–	–
Promenades	113	110	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	1	–	–	–	–	–	–	–
Data Centres	–	1	–	–	–	–	–	–	–
Community Assets	**33,597**	**44,371**	**50,376**	**58,365**	**58,426**	**58,426**	**62,282**	**68,850**	**72,693**
Community Facilities	29,422	37,364	37,455	43,516	44,407	44,407	47,164	49,790	52,562
Halls	3,502	5,332	4,464	6,029	6,296	6,296	7,200	7,605	8,032
Centres	–	67	–	–	–	–	–	–	–
Fire/Ambulance Stations	344	440	–	–	–	–	–	–	–
Testing Stations	–	54	–	–	–	–	–	–	–
Libraries	93	121	–	–	1,559	1,559	1,785	1,892	2,006
Cemeteries/Crematoria	693	967	1,037	1,112	880	880	948	1,001	1,057
Police	209	358	–	–	–	–	–	–	–
Parks	20,368	25,542	27,586	31,703	30,780	30,780	32,063	33,831	35,698
Public Open Space	4,213	4,304	3,886	3,684	3,904	3,904	4,187	4,425	4,677
Public Ablution Facilities	–	178	482	988	988	988	982	1,036	1,093
Sport and Recreation Facilities	4,176	7,007	12,921	14,849	14,019	14,019	15,119	19,060	20,131
Indoor Facilities	–	–	–	–	–	–	–	–	–
Outdoor Facilities	4,176	7,007	12,921	14,849	14,019	14,019	15,119	19,060	20,131
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	**1,582**	**2,137**	**15,056**	**15,246**	**19,382**	**19,382**	**18,438**	**25,359**	**26,838**
Operational Buildings	1,582	2,136	15,056	15,246	19,382	19,382	18,438	25,359	26,838
Municipal Offices	1,539	2,086	15,048	15,208	18,754	18,754	18,400	25,321	26,800
Building Plan Offices	28	35	–	–	590	590	–	–	–
Stores	15	–	–	–	–	–	–	–	–
Depots	–	16	8	38	38	38	38	38	38
Housing	–	1	–	–	–	–	–	–	–
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Intangible Assets	6,009	5,672	5,915	6,994	7,212	7,212	8,331	8,737	9,174
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	6,009	5,672	5,915	6,994	7,212	7,212	8,331	8,737	9,174
Computer Software and Applications	6,009	5,672	5,915	6,994	7,212	7,212	8,331	8,737	9,174
Computer Equipment	766	1,947	2,490	2,280	2,386	2,386	2,423	2,740	2,979
Computer Equipment	766	1,947	2,490	2,280	2,386	2,386	2,423	2,740	2,979
Furniture and Office Equipment	242	1,128	5,004	6,330	12,310	12,310	6,812	6,882	7,227
Furniture and Office Equipment	242	1,128	5,004	6,330	12,310	12,310	6,812	6,882	7,227
Machinery and Equipment	–	–	4,059	5,601	4,963	4,963	6,036	6,241	6,574
Machinery and Equipment	–	–	4,059	5,601	4,963	4,963	6,036	6,241	6,574
Transport Assets	12,853	15,521	21,406	11,779	18,385	18,385	16,214	17,145	18,132
Transport Assets	12,853	15,521	21,406	11,779	18,385	18,385	16,214	17,145	18,132
Land	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–
Living resources	-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	**189,815**	**211,518**	**245,386**	**267,944**	**271,885**	**271,885**	**288,616**	**315,056**	**326,790**

Table 57 MBRR SA34d – Depreciation by asset class

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Depreciation by Asset Class/Sub-class									
Infrastructure	**106,974**	**102,449**	**123,129**	**119,152**	**119,152**	**119,152**	**123,442**	**125,532**	**127,652**
Roads Infrastructure	33,574	34,090	36,312	37,723	37,723	37,723	39,180	39,644	40,114
Roads	33,574	34,090	36,312	37,723	37,723	37,723	39,180	39,644	40,114
Storm water Infrastructure	6,342	6,781	7,231	7,993	7,993	7,993	8,480	8,572	8,665
Drainage Collection	6,342	6,781	7,231	7,993	7,993	7,993	8,480	8,572	8,665
Electrical Infrastructure	26,300	12,375	28,582	29,061	29,061	29,061	27,408	28,012	28,626
LV Networks	25,917	11,939	26,305	29,061	29,061	29,061	27,408	28,012	28,626
Capital Spares	383	436	2,277	–	–	–	–	–	–
Water Supply Infrastructure	27,731	28,367	28,222	23,565	23,565	23,565	24,455	24,898	25,346
Distribution	27,731	28,367	27,021	23,565	23,565	23,565	24,455	24,898	25,346
Capital Spares	–	–	1,201	–	–	–	–	–	–
Sanitation Infrastructure	9,843	17,989	19,712	17,550	17,550	17,550	20,619	21,049	21,486
Waste Water Treatment Works	9,784	17,989	19,448	17,550	17,550	17,550	20,619	21,049	21,486
Capital Spares	59	–	264	–	–	–	–	–	–
Solid Waste Infrastructure	3,184	2,846	3,070	3,260	3,260	3,260	3,301	3,357	3,415
Landfill Sites	3,184	2,846	2,898	3,260	3,260	3,260	3,301	3,357	3,415
Capital Spares	–	–	172	–	–	–	–	–	–
Community Assets	**–**	**10,055**	**10,888**	**–**	**–**	**–**	**–**	**–**	**–**
Community Facilities	–	10,055	10,888	–	–	–	–	–	–
Halls	–	–	10,888	–	–	–	–	–	–
Centres	–	10,055	–	–	–	–	–	–	–
Sport and Recreation Facilities	–	–	–	–	–	–	–	–	–
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Other assets	**13,452**	**3,628**	**3,567**	**14,913**	**14,913**	**14,913**	**16,874**	**17,201**	**17,533**
Operational Buildings	13,452	3,628	3,567	14,913	14,913	14,913	16,874	17,201	17,533
Municipal Offices	13,452	3,628	3,567	14,913	14,913	14,913	16,874	17,201	17,533
Housing	–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets	–	–	68	68	68	68	68	68	68
Biological or Cultivated Assets	–	–	68	68	68	68	68	68	68
Intangible Assets	447	431	290	400	400	400	294	307	325
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	447	431	290	400	400	400	294	307	325
Computer Software and Applications	447	431	290	400	400	400	294	307	325
Computer Equipment	–	–	22	–	–	–	–	–	–
Computer Equipment	–	–	22	–	–	–	–	–	–
Furniture and Office Equipment	8,921	2,060	2,067	3,535	3,535	3,535	2,610	2,636	2,662
Furniture and Office Equipment	8,921	2,060	2,067	3,535	3,535	3,535	2,610	2,636	2,662
Machinery and Equipment	843	15,524	925	1,617	1,617	1,617	1,188	1,200	1,213
Machinery and Equipment	843	15,524	925	1,617	1,617	1,617	1,188	1,200	1,213
Transport Assets	3,918	4,049	6,048	6,911	6,911	6,911	4,679	4,729	4,773
Transport Assets	3,918	4,049	6,048	6,911	6,911	6,911	4,679	4,729	4,773
Total Depreciation	**134,556**	**138,195**	**147,004**	**146,596**	**146,596**	**146,596**	**149,154**	**151,672**	**154,226**

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

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class									
Infrastructure	**11,051**	**31,980**	**41,698**	**72,800**	**38,828**	**38,828**	**45,114**	**22,837**	**27,600**
Roads Infrastructure	–	181	–	–	–	–	–	–	–
Roads	–	181	–	–	–	–	–	–	–
Storm water Infrastructure	1,285	12,258	–	–	–	–	–	–	–
Drainage Collection	–	–	–	–	–	–	–	–	–
Storm water Conveyance	1,285	12,258	–	–	–	–	–	–	–
Attenuation	–	–	–	–	–	–	–	–	–
Electrical Infrastructure	7,871	120	7,173	10,831	1,600	1,600	9,231	10,000	13,000
MV Networks	7,871	120	7,173	10,831	1,600	1,600	9,231	10,000	13,000
LV Networks	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Water Supply Infrastructure	1,863	1,873	3,586	8,315	6,935	6,935	550	500	500
Pump Stations	–	–	–	1,000	1,000	1,000	–	–	–
Water Treatment Works	–	–	–	–	–	–	–	–	–
Bulk Mains	–	–	–	–	–	–	–	–	–
Distribution	1,863	1,873	3,586	7,315	5,935	5,935	550	500	500
Distribution Points	–	–	–	–	–	–	–	–	–
PRV Stations	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Sanitation Infrastructure	32	14,286	30,939	51,581	28,219	28,219	35,333	12,337	14,100
Pump Station	–	5,074	23,626	27,539	17,291	17,291	4,800	2,000	–
Reticulation	32	8,802	4,790	500	350	350	800	600	600
Waste Water Treatment Works	–	410	2,524	23,542	10,578	10,578	29,733	9,737	13,500
Solid Waste Infrastructure	–	3,262	–	2,074	2,074	2,074	–	–	–
Landfill Sites	–	1,851	–	–	–	–	–	–	–
Waste Transfer Stations	–	1,412	–	–	–	–	–	–	–
Waste Processing Facilities	–	–	–	–	–	–	–	–	–
Waste Drop-off Points	–	–	–	2,074	2,074	2,074	–	–	–
Community Assets	**7,534**	**7,801**	**–**	**534**	**534**	**534**	**6,554**	**11,698**	**11,241**
Community Facilities	–	830	–	334	334	334	–	–	–
Parks	–	322	–	–	–	–	–	–	–
Public Open Space	–	482	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals	–	26	–	334	334	334	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities	7,534	6,971	–	200	200	200	6,554	11,698	11,241
Indoor Facilities	–	–	–	–	–	–	–	–	–
Outdoor Facilities	7,534	6,971	–	200	200	200	6,554	11,698	11,241
Capital Spares	–	–	–	–	–	–	–	–	–
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Other assets	**61**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings	61	–	–	–	–	–	–	–	–
Yards	61	–	–	–	–	–	–	–	–
Housing	–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Intangible Assets	–	–	–	–	–	–	–	–	–
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	–	–	–	–	–	–	–	–	–
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	**18,646**	**39,781**	**41,698**	**73,335**	**39,362**	**39,362**	**51,668**	**34,535**	**38,841**
Upgrading of Existing Assets as % of total capex	*0.0%*	*15.6%*	*21.7%*	*31.1%*	*19.1%*	*19.1%*	*25.4%*	*26.5%*	*23.6%*
Upgrading of Existing Assets as % of deprecn"	*13.9%*	*28.4%*	*28.4%*	*50.0%*	*26.9%*	*26.9%*	*34.6%*	*22.8%*	*25.2%*

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

Vote Description	2023/24 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Present value
Capital expenditure							
Vote 1 - Council & Mayor's Office	–	–	–				
Vote 2 - Municipal Manager & Internal Audit	5,000	–	–				
Vote 3 - Management Services	4,015	–	–				
Vote 4 - Finance	60	–	–				
Vote 5 - Infrastructure & Planning	192,586	130,325	164,442	172,006	179,919	188,195	
Vote 6 - Protection Services	300	–	–				
Vote 7 - Economic and Social Development & Tourism	45	–	–				
Vote 8 - Community Services	1,610	–	–				
Vote 9 - Costing Services	–	–	–				
Vote 10 - Main Ledger Services	–	–	–				
List entity summary if applicable							
Total Capital Expenditure	**203,615**	**130,325**	**164,442**	**172,006**	**179,919**	**188,195**	**–**
Future operational costs by vote							
Vote 1 - Council & Mayor's Office	49,457	37,658	37,754	25,196	26,355	27,568	
Vote 2 - Municipal Manager & Internal Audit	3,371	8,768	9,186	937	980	1,025	
Vote 3 - Management Services	65,470	74,131	77,829	40,173	42,021	43,953	
Vote 4 - Finance	107,381	113,042	119,256	55,568	58,124	60,798	
Vote 5 - Infrastructure & Planning	634,229	771,131	772,313	711,771	744,512	778,760	
Vote 6 - Protection Services	137,215	145,559	152,668	52,585	55,004	57,534	
Vote 7 - Economic and Social Development & Tourism	19,337	16,369	17,064	3,635	3,802	3,977	
Vote 8 - Community Services	528,896	558,809	580,988	345,683	361,584	378,217	
Vote 9 - Costing Services	–	–	–	–	–	–	
Vote 10 - Main Ledger Services	–	–	–	–	–	–	
List entity summary if applicable							
Total future operational costs	1,545,356	1,725,468	1,767,058	1,235,547	1,292,382	1,351,832	–
Future revenue by source							
Service charges - Electricity	593,645	692,904	752,413	787,024	823,227	861,096	
Service charges - Water	147,269	156,593	165,876	173,506	181,488	189,836	
Service charges - Waste Water Management	104,715	104,595	110,861	115,960	121,295	126,874	
Service charges - Waste Management	85,430	95,948	101,664	106,340	111,232	116,349	
Sale of Goods and Rendering of Services	131,673	112,040	119,146	124,627	130,360	136,356	
Interest	41,800	44,600	47,700	0	0	0	
Dividends	–	–	–	–	–	–	
Rent on Land	1,127	1,149	1,173	1,227	1,284	1,343	
Rental from Fixed Assets	5,646	5,975	6,290	6,579	6,882	7,199	
Licence and permits	964	1,016	1,071	1,120	1,171	1,225	
Operational Revenue	8,093	8,328	8,568	8,962	9,374	9,805	
Non-Exchange Revenue	–	–	–	–	–	–	
Property rates	340,506	357,532	375,408	392,677	410,740	429,634	
Surcharges and Taxes	–	–	–	–	–	–	
Other Gains	7,900	8,000	8,100	–	–	–	
Transfers and subsidies - capital (monetary allocations)	53,667	40,235	41,222	43,118	45,102	47,176	
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	
Surplus/(Deficit) after capital transfers & contributions	(3,399)	13,762	63,230				
Transfer and subsidies - Operational	185,579	200,916	213,137	–	–	–	
Total future revenue	1,704,614	1,843,592	2,015,858	1,761,141	1,842,154	1,926,893	–
Net Financial Implications	**44,358**	**12,201**	**(84,359)**	**(353,588)**	**(369,853)**	**(386,866)**	**–**

Table 60 MBRR SA36 - Detailed capital budget per municipal vote

R thousand													2023/24 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 2021/22	Current Year 2022/23 Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Parent municipality:															
EXECUTIVE & COUNCIL											3	5			
	MINOR ASSETS COUNCIL	New	*A capable, ethical and developmental state*	*Governance*	1	*Furniture and Office Equipme*	*Other*	Overstrand	Overstrand	*Overstrand*			5		
	COMMUNITY PROJECTS	New	*A capable, ethical and developmental state*	*Governance*	1	*Community Facilities*	*Other*	Overstrand	Overstrand				5,000		
FINANCE AND ADMINISTRATION											3,759	1,870			
	DELL POWEREDGE R750 SERVER (X3)	New	*A capable, ethical and developmental state*	*Governance*	1	*Computer Equipment*	*Other*	Overstrand	Overstrand	*Overstrand*			1,800		
	UPS REPLACEMENT	New	*A capable, ethical and developmental state*	*Governance*	1	*Computer Equipment*	*Other*	Overstrand	Overstrand	*Overstrand*			500		
	EMERGENCY AND OPERATIONAL DIGITAL RADIO SYSTEM	New	*A capable, ethical and developmental state*	*Governance*	1	*Computer Equipment*	*Other*	Overstrand	Overstrand	*Overstrand*			700		
	MINOR ASSETS FINANCE	New	*A capable, ethical and developmental state*	*Governance*	1	*Furniture and Office Equipme*	*Other*	Overstrand	Overstrand	*Overstrand*			60		
	MINOR ASSETS MANAGEMENT SERVICES	New	*A capable, ethical and developmental state*	*Governance*	1	*Furniture and Office Equipme*	*Other*	Overstrand	Overstrand	*Overstrand*			10		
	MINOR ASSETS ICT ORGANIZATION WIDE	New	*A capable, ethical and developmental state*	*Governance*	1	*Computer Equipment*	*Other*	Overstrand	Overstrand	*Overstrand*			1,000		
PUBLIC SAFETY											7,998	6,042			
	MINOR ASSETS PROTECTION SERVICES	New	*Social cohesion and safe communities*	*Governance*	4	*Furniture and Office Equipme*	*Other*	Overstrand	Overstrand	*Overstrand*			300		
PLANNING & DEVELOPMENT											2,656	1,844			
	MINOR ASSETS LED	New	*A capable, ethical and developmental state*	*Inclusion and access*	5	*Furniture and Office Equipme*	*Other*	Overstrand	Overstrand	*Overstrand*			45		
	MINOR ASSETS INFRASTRUCTURE &PLANNING	New	*A capable, ethical and developmental state*	*Inclusion and access*	5	*Furniture and Office Equipme*	*Other*	Overstrand	Overstrand	*Overstrand*			345		
COMMUNITY SERVICES											1,458	4,781			
	MINOR ASSETS COMMUNITY SERVICES	New	*A capable, ethical and developmental state*	*Inclusion and access*	3	*Furniture and Office Equipme*	*Other*	Overstrand	Overstrand	*Overstrand*			735		
SPORT & RECREATION											5,047	3,047			
	UPGRADE HAWSTON SPORT COMPLEX	Upgrading	*Consolidating the social wage through relia*	*Inclusion and access*	4	*Sport and Recreation Facilitie*	*Outdoor Facilities*	Ward 08	19.219 Degrees	*34.419 Degrees*			6,554	3,698	8,241
	UPGRADE MOUNT PLEASANT SPORT GROUNDS	New	*Consolidating the social wage through relia*	*Inclusion and access*	4	*Sport and Recreation Facilitie*	*Outdoor Facilities*	Ward 04	19.219 Degrees	*34.419 Degrees*				6,000	
	FLOODLIGHTS OVERHILLS SOCCERFIELD	Upgrading	*Consolidating the social wage through relia*	*Inclusion and access*	4	*Sport and Recreation Facilitie*	*Outdoor Facilities*	Ward 10	34°20'07.1"S Degrees	*18°59'47.1"E Degrees*					
	UPGRADE OF KLEINMOND SPORT FACILITIES	Upgrading	*Consolidating the social wage through relia*	*Inclusion and access*	4	*Sport and Recreation Facilitie*	*Outdoor Facilities*	Ward 09	34°20'37,0"S Degrees	*19°00'46,8"E Degrees*					3,000
	MOOIUITSIG SPORTS GROUNDS	Upgrading	*Consolidating the social wage through relia*	*Inclusion and access*	4	*Sport and Recreation Facilitie*	*Outdoor Facilities*	Ward 09							2,000
	REFURBISHMENT OF OVERHILLS SOCCER COMPLEX	Upgrading	*Consolidating the social wage through relia*	*Inclusion and access*	4	*Sport and Recreation Facilitie*	*Outdoor Facilities*	Ward 10					875		
	UPGRADE HAWSTON SWIMMING POOL	Upgrading	*Consolidating the social wage through relia*	*Inclusion and access*	4	*Sport and Recreation Facilitie*	*Outdoor Facilities*	Ward 08	34°23'09.91"S Degrees	*19°07'56.01"E Degrees*	49,031	44,311		2,000	3,000
HOUSING															
	LCH SERVICES CONSTRUCTION CONTRACTS	New	*Spatial integration, human settlements and*	*Spatial integration*	4	*Housing*	*Social Housing*	Overstrand	Overstrand	*Overstrand*			41,890	30,090	63,220
ROADS											8,748	16,824			
	REHABILITATE ROADS BLOMPARK	New	*Consolidating the social wage through relia*	*Inclusion and access*	5	*Roads Infrastructure*	*Roads*	Ward 14	34°35'54.86"S Degrees	*19°20'49.51"E Degrees*			2,000		
	REHABILITATE ROADS AND SIDEWALKS MASAKHANE	New	*Consolidating the social wage through relia*	*Inclusion and access*	5	*Roads Infrastructure*	*Roads*	Ward 02	19°21'39"E Degrees	*34°35'30"S Degrees*					2,981
	REHABILITATE ROADS STANFORD	Upgrading	*Consolidating the social wage through relia*	*Inclusion and access*	5	*Roads Infrastructure*	*Roads*	Ward 01	Degrees 19.448	*-34.451 Degrees*			3,000		
ELECTRICITY											28,253	52,907			
	FKRAAL KBAAI BHEAD NEW 66 11KV SUBSTATION (F1/4)	Upgrading	*Consolidating the social wage through relia*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Substations*	Multi-ward Gb Area	34°37'5.14"S Degrees	*19°20'3.08"E Degrees*			5,000		
	FKRAAL KBAAI BHEAD NEW 66 11KV SUBSTATION (F2/4)	Upgrading	*Consolidating the social wage through relia*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Substations*	Multi-ward Gb Area	34°37'5.14"S Degrees	*19°20'3.08"E Degrees*			5,800		
	FKRAAL KBAAI BHEAD NEW 66 11KV SUBSTATION (F3/4)	Upgrading	*Consolidating the social wage through relia*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Substations*	Multi-ward Gb Area	34°37'5.14"S Degrees	*19°20'3.08"E Degrees*			7,100		
	FKRAAL KBAAI BHEAD NEW 66 11KV SUBSTATION (F4/4)	Upgrading	*Consolidating the social wage through relia*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Substations*	Multi-ward Gb Area	34°37'5.14"S Degrees	*19°20'3.08"E Degrees*			517		
	GANSBAAI STANFORD MV LV UPGRADE REPLACEMENT	Upgrading	*Consolidating the social wage through relia*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Substations*	Multi-ward Gb Area	34°35'54.86"S Degrees	*19°20'49.51"E Degrees*				3,500	4,000
	ELECTRIFICATION OF LOW COST HOUSING AREAS (F1/2)	New	*Consolidating the social wage through relia*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	Overstrand	Overstrand	*Overstrand*			24,380	15,000	15,000
	ELECTRIFICATION OF LOW COST HOUSING AREAS (F1/2)	New	*Consolidating the social wage through relia*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	Overstrand	Overstrand	*Overstrand*			3,000	3,000	
	HERMANUS MV LV UPGRADE REPLACEMENT(F1/3)	Renewal	*Consolidating the social wage through relia*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	Ward 03	34°25'16.83"S Degrees	*19°13'00.62"E Degrees*				5,000	6,500
	HERMANUS MV LV UPGRADE REPLACEMENT(F2/3)	Renewal	*Consolidating the social wage through relia*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	Ward 03	34°25'16.83"S Degrees	*19°13'00.62"E Degrees*			2,600		
	HERMANUS MV LV UPGRADE REPLACEMENT(F3/3)	Renewal	*Consolidating the social wage through relia*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	Ward 03	34°25'16.83"S Degrees	*19°13'00.62"E Degrees*			2,600		
	KLEINMOND MV LV NETWORK UPGRADE(F1/2)	Renewal	*Consolidating the social wage through relia*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	Ward 09	34°20'18.35"S Degrees	*19°01'35.31"E Degrees*				2,500	4,000
	KLEINMOND MV LV NETWORK UPGRADE(F2/2)	Renewal	*Consolidating the social wage through relia*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	Ward 09	34°20'18.35"S Degrees	*19°01'35.31"E Degrees*			2,016		
	HAWSTON MV LV UPGRADE REPLACEMENT(F1/2)	Renewal	*Consolidating the social wage through relia*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	Ward 08	34°23'09.91"S Degrees	*19°07'56.01"E Degrees*				2,500	2,500
	HAWSTON MV LV UPGRADE REPLACEMENT(F1/2)	Renewal	*Consolidating the social wage through relia*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	Ward 08	34°23'09.91"S Degrees	*19°07'56.01"E Degrees*			2,015		
	ELECTRICITY TRANSFORMERS CAPITAL REPLACEMENT	Renewal	*Consolidating the social wage through relia*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	Overstrand	Overstrand	*Overstrand*			1,500	2,000	2,000

Detailed capital budget per municipal vote (continued)

R thousand													2023/24 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 2021/22	Current Year 2022/23 Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
WATER											36,721	35,789			
	REFURBISHMENT OF BULK WATER INFRASTRUCTURE	Renewal	Consolidating the social wage through relia	Inclusion and access	2	Water Supply Infrastructure	Reticulation	Overstrand	Overstrand	Overstrand			1,000	1,000	1,000
	WATER MASTER PLAN IMPLEMENTATION	Renewal	Consolidating the social wage through relia	Inclusion and access	2	Water Supply Infrastructure	Reticulation	Overstrand	Overstrand	Overstrand			953		
	FENCING AT WATER INSTALLATIONS	Renewal	Consolidating the social wage through relia	Inclusion and access	2	Water Supply Infrastructure	Reticulation	Overstrand	Overstrand	Overstrand			550	500	500
	REPLACEMENT OF OVERSTRAND WATER PIPES(F1/2)	Renewal	Consolidating the social wage through relia	Inclusion and access	2	Water Supply Infrastructure	Reticulation	Overstrand	Overstrand	Overstrand			8,000	7,000	6,000
	REPLACEMENT OF OVERSTRAND WATER PIPES(F2/2)	Renewal	Consolidating the social wage through relia	Inclusion and access	2	Water Supply Infrastructure	Pump Stations	Overstrand	Overstrand	Overstrand			3,450		
	WATER FACILITIES CONTINGENCY	Renewal	Consolidating the social wage through relia	Inclusion and access	2	Water Supply Infrastructure	Water Treatment Works	Overstrand	Overstrand	Overstrand			500	500	500
	REFURBISHMENT OF KLEINMOND BUFFELS RIVER WTW	Renewal	Consolidating the social wage through relia	Inclusion and access	2	Water Supply Infrastructure	Water Treatment Works	Multi-ward Kleinmon	19.019° E Degrees	34.329° S Degrees				13,100	13,000
	UPGRADE HERMANUS WELL FIELDS PHASE 2(F1/2)	Renewal	Consolidating the social wage through relia	Inclusion and access	2	Water Supply Infrastructure	Distribution	Multi-ward Hermanu	19.237° E Degrees	34.376° S Degrees			2,000	2,100	4,700
	UPGRADE HERMANUS WELL FIELDS PHASE 2(F1/2)	Renewal	Consolidating the social wage through relia	Inclusion and access	2	Water Supply Infrastructure	Distribution	Multi-ward Hermanu	19.237° E Degrees	34.376° S Degrees			5,000		
	DE KELDERS WTW MEMBRANE REPLACEMENT	Renewal	Consolidating the social wage through relia	Inclusion and access	2	Water Supply Infrastructure	Distribution	Ward 14	19.370° E / -34.556° S	19.370° E / -34.556° S				800	
	PEARLY BEACH WATER TOWER REFURBISH	Renewal	Consolidating the social wage through relia	Inclusion and access	2	Water Supply Infrastructure	Water Treatment Works	Ward 11	34°18'25,2"S Degrees	34°18'25,2"S Degrees			750		
	PREEKSTOEL BIO PLANT FILTERS REFURBISH	Renewal	Consolidating the social wage through relia	Inclusion and access	2	Water Supply Infrastructure	Water Treatment Works	Ward 03	19.207° E / -34.408° S	19.207° E / -34.408° S			400		
	PEARLY BEACH WTW PROCESS UPGRADE	Renewal	Consolidating the social wage through relia	Inclusion and access	2	Water Supply Infrastructure	Water Treatment Works	Ward 11	34°18'25,2"S Degrees	34°18'25,2"S Degrees			3,000		
	NEW DISINFECTION SYSTEM AT PREEKSTOEL WTW	New	Consolidating the social wage through relia	Inclusion and access	2	Water Supply Infrastructure	Reticulation	Multi-ward Hermanu	34°23'52.81"S Degrees	34°23'52.81"S Degrees				8,500	
SEWERAGE											41,007	31,285			
	SEWERAGE FACILITIES CONTINGENCY	Upgrading	Consolidating the social wage through relia	Inclusion and access	2	Sanitation Infrastructure	Waste Water Treatment	Overstrand	Overstrand	Overstrand			700	700	700
	KLEINMOND WWTW REFURBISH UPGRADE (F1/3)	Upgrading	Consolidating the social wage through relia	Inclusion and access	2	Sanitation Infrastructure	Waste Water Treatment	Multi-ward Kleinmon	18.986° E Degrees	34.342° S Degrees			8,900		
	KLEINMOND WWTW REFURBISH UPGRADE (F2/3)	Upgrading	Consolidating the social wage through relia	Inclusion and access	2	Sanitation Infrastructure	Waste Water Treatment	Multi-ward Kleinmon	18.986° E Degrees	34.342° S Degrees			16,401		
	KLEINMOND WWTW REFURBISH UPGRADE (F3/3)	Upgrading	Consolidating the social wage through relia	Inclusion and access	2	Sanitation Infrastructure	Waste Water Treatment	Multi-ward Kleinmon	18.986° E Degrees	34.342° S Degrees			3,232		
	FENCING AT SEWERAGE INSTALLATIONS	Replacemen	Consolidating the social wage through relia	Inclusion and access	2	Sanitation Infrastructure	Waste Water Treatment	Overstrand	19.210° E Degrees	34.425° S Degrees			800	600	600
	UPGRADING OF PUMPSTATIONS & RISING MAINS (F1/2)	Upgrading	Consolidating the social wage through relia	Inclusion and access	2	Sanitation Infrastructure	Waste Water Treatment	Overstrand	19.209° E Degrees	34.427° S Degrees			4,800	2,000	
	HERMANUS WWTW UPGRADE SCREENS RAS SLUDGE DE	Upgrading	Consolidating the social wage through relia	Inclusion and access	2	Sanitation Infrastructure	Waste Water Treatment	Multi-ward Hermanu	19.209° E Degrees	34.427° S Degrees			1,200	3,200	1,500
	HAWSTON WWTW REFURBISH AND UPGRADE(F1/2)	Upgrading	Consolidating the social wage through relia	Inclusion and access	2	Sanitation Infrastructure	Waste Water Treatment	Ward 08	34°23'09.91"S Degrees	19°07'56.01"E Degrees				6,537	7,000
	HAWSTON WWTW REFURBISH AND UPGRADE(F2/2)	Upgrading	Consolidating the social wage through relia	Inclusion and access	2	Sanitation Infrastructure	Waste Water Treatment	Ward 08	34°23'09.91"S Degrees	19°07'56.01"E Degrees					5,000
	GANSBAAI WWTW 2ND REACTOR COMMISSION	Upgrading	Consolidating the social wage through relia	Inclusion and access	2	Sanitation Infrastructure	Waste Water Treatment	Ward 02	19°21'39"E Degrees	34°35'30"S Degrees					2,000
	TELEMETRY SYSTEM UPGRADE	Upgrading	Consolidating the social wage through relia	Inclusion and access	2	Sanitation Infrastructure	Waste Water Treatment	Overstrand	Overstrand	Overstrand			500	500	
	NEW DISINFECTION SYSTEMS AT WASTEWATER TREATM	New	Consolidating the social wage through relia	Inclusion and access	2	Sanitation Infrastructure	Waste Water Treatment	Overstrand	Overstrand	Overstrand			7,000	1,000	1,000
STORMWATER											4,724	1,636			
	MASAKHANE HOUSING PROJECT BULK STORMWATER (P	New	Consolidating the social wage through relia	Inclusion and access	2	Storm water Infrastructure	Storm water Conveyance	Ward 09	34°20'31" S 19°01'17"E	34°20'31" S 19°01'17"E			4,500		
	UPGRADE STORMWATER INFRASTRUCTURE- PROTEADO	Upgrading	Consolidating the social wage through relia	Inclusion and access	2	Storm water Infrastructure	Storm water Conveyance	Ward 09	34°20'31" S 19°01'17"E	34°20'31" S 19°01'17"E			8,232	7,000	
WASTE MANAGEMENT											2,972	5,876			
	UPGRADING OF KLEINMOND TRANSFER STATION	Upgrading	Consolidating the social wage through relia	Inclusion and access	2	Solid Waste Infrastructure	Waste Transfer Stations	Ward 09	34°20'18.35"S Degrees	19°01'35.31"E Degrees					500
	TROMMEL SCREEN FOR GANSBAAI LANDFILL	New	Consolidating the social wage through relia	Inclusion and access	2	Solid Waste Infrastructure	Landfill Sites	Multi-ward Gb Area	19.395° E / -34.592° S	19.395° E / -34.592° S					4,000
	REPLACE STANFORD DROP-OFF FENCE	Upgrading	Consolidating the social wage through relia	Inclusion and access	2	Solid Waste Infrastructure	Waste Drop-off Points	Ward 01	Degrees 19.448	-34.451 Degrees			400		
Parent Capital expenditure											192,377	206,216	203,615	130,325	164,442

Table 61 MBRR SA37 - Projects delayed from previous financial year

R thousand											Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework		
Function	Project name	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Lattitude	Original Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Parent municipality:															
ELECTRICITY															
	FKRAAL KBAAI BHEAD NEW 66 11KV SUBSTATION (F2/4)	Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Substations*	*Multi-ward Gb Area*	*34°37'5.14"S Degrees*	*19°20'3.08"E Degrees*	9,169	2,069	**5,800**		
	FKRAAL KBAAI BHEAD NEW 66 11KV SUBSTATION (F3/4)	Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Substations*	*Multi-ward Gb Area*	*34°37'5.14"S Degrees*	*19°20'3.08"E Degrees*	1,731	1,731	**7,100**		
	FKRAAL KBAAI BHEAD NEW 66 11KV SUBSTATION (F4/4)	Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Substations*	*Multi-ward Gb Area*	*34°37'5.14"S Degrees*	*19°20'3.08"E Degrees*	6,500	5,983	**517**		
	HERMANUS MV LV UPGRADE REPLACEMENT(F2/3)	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	*Ward 03*	*34°25'16.83"S Degrees*	*19°13'00.62"E Degrees*	3,000	400	**2,600**		
	HERMANUS MV LV UPGRADE REPLACEMENT(F3/3)	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	*Ward 03*	*34°25'16.83"S Degrees*	*19°13'00.62"E Degrees*	3,000	400	**2,600**		
	KLEINMOND MV LV NETWORK UPGRADE(F2/2)	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	*Ward 09*	*34°20'18.35"S Degrees*	*19°01'35.31"E Degrees*	2,416	400	**2,016**		
	HAWSTON MV LV UPGRADE REPLACEMENT(F1/2)	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	*Ward 08*	*34°23'09.91"S Degrees*	*19°07'56.01"E Degrees*	2,415	400	**2,015**		
WATER															
	REPLACEMENT OF OVERSTRAND WATER PIPES(F2/2)	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Pump Stations*	*Overstrand*	*Overstrand*	*Overstrand*	13,642	13,142	**3,450**		
SEWERAGE															
	KLEINMOND WWTW REFURBISH UPGRADE (F2/3)	Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Sanitation Infrastructure*	*Waste Water Treatment Works*	*Multi-ward Kleinmond Area*	*18.986° E Degrees*	*34.342° S Degrees*	9,300		**16,401**		
	KLEINMOND WWTW REFURBISH UPGRADE (F3/3)	Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Sanitation Infrastructure*	*Waste Water Treatment Works*	*Multi-ward Kleinmond Area*	*18.986° E Degrees*	*34.342° S Degrees*	2,242		**3,232**		

2.13 Legislation compliance status

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

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

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

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

4. Audit Committee
   An Audit Committee has been established and is fully functional.

5. Service Delivery and Implementation Plan
   A SDBIP document will be tabled in council as part of the IDP.

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

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

8. Policies
   All budget related policies have been reviewed and are to be tabled in Council on 29 March 2023.

   All proposed changes are indicated as either **insertions** or **[deletions].**

2.14 Other supporting documents

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

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
REVENUE ITEMS:									
Property rates									
Total Property Rates	240,910	263,442	278,154	287,941	287,941	287,941	340,506	357,532	375,408
less Revenue Foregone (exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)	-	-	-	-	-	-	-	-	-
Net Property Rates	**240,910**	**263,442**	**278,154**	**287,941**	**287,941**	**287,941**	**340,506**	**357,532**	**375,408**
Service charges - Electricity									
Total Service charges - Electricity	421,376	449,230	519,173	548,222	534,574	534,574	601,154	700,864	760,851
less Revenue Foregone (in excess of 50 kwh per indigent household per month)	-	-	-	-	-	-	-	-	-
less Cost of Free Basic Services (50 kwh per indigent household per month)	5,416	5,513	6,423	6,530	6,530	6,530	7,509	7,960	8,437
Net Service charges - Electricity	**415,960**	**443,718**	**512,750**	**541,692**	**528,044**	**528,044**	**593,645**	**692,904**	**752,413**
Service charges - Water									
Total Service charges - Water	136,100	133,950	146,157	141,352	141,352	141,352	150,701	160,231	169,732
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)	-	-	-	-	-	-	-	-	-
less Cost of Free Basic Services (6 kilolitres per indigent household per month)	3,062	3,065	3,239	3,214	3,214	3,214	3,432	3,638	3,856
Net Service charges - Water	**133,037**	**130,885**	**142,917**	**138,138**	**138,138**	**138,138**	**147,269**	**156,593**	**165,876**
Service charges - Waste Water Management									
Total Service charges - Waste Water Management	86,170	92,236	98,730	100,094	100,094	100,094	114,528	114,997	121,887
less Revenue Foregone (in excess of free sanitation service to indigent households)	-	-	-	-	-	-	-	-	-
less Cost of Free Basic Services (free sanitation service to indigent households)	5,244	5,253	5,553	9,132	9,132	9,132	9,814	10,403	11,027
Net Service charges - Waste Water Management	**80,925**	**86,983**	**93,177**	**90,962**	**90,962**	**90,962**	**104,715**	**104,595**	**110,861**
Service charges - Waste Management									
Total refuse removal revenue	85,161	89,044	94,852	96,782	96,782	96,782	104,582	116,250	123,183
Total landfill revenue	-	-	-	-	-	-	-	-	-
less Revenue Foregone (in excess of one removal a week to indigent households)	-	-	-	-	-	-	-	-	-
less Cost of Free Basic Services (removed once a week to indigent households)	16,906	16,929	17,901	17,933	17,933	17,933	19,152	20,301	21,519
Net Service charges - Waste Management	**68,256**	**72,115**	**76,951**	**78,850**	**78,850**	**78,850**	**85,430**	**95,948**	**101,664**

Supporting detail to budgeted financial performance (Continued)

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
EXPENDITURE ITEMS:									
Employee related costs									
Basic Salaries and Wages	245,396	266,655	279,082	314,879	311,146	311,146	332,527	346,638	365,201
Pension and UIF Contributions	39,697	42,603	45,123	52,863	53,243	53,243	55,940	58,909	62,078
Medical Aid Contributions	13,141	13,951	14,510	17,116	17,168	17,168	18,074	19,041	20,060
Overtime	28,523	30,532	35,197	29,501	30,601	30,601	33,331	35,138	37,031
Performance Bonus	19,219	19,229	20,628	23,967	24,167	24,167	25,334	26,680	28,099
Motor Vehicle Allowance	7,923	8,115	8,136	8,321	8,321	8,321	8,869	9,346	9,847
Cellphone Allowance	2,128	2,150	2,185	2,364	2,396	2,396	2,493	2,617	2,748
Housing Allowances	2,507	2,741	1,707	1,829	1,884	1,884	1,985	2,091	2,204
Other benefits and allowances	17,056	19,489	24,133	25,864	26,576	26,576	27,865	29,367	30,940
Payments in lieu of leave	–	–	–	–	–	–	–	–	–
Long service awards	4,855	3,047	3,689	3,945	4,205	4,205	3,945	3,310	3,739
Post-retirement benefit obligations	(4,578)	22,448	12,613	17,946	19,771	19,771	21,862	9,771	8,464
Entertainment	–	–	–	–	–	–	–	–	–
Scarcity	2,919	3,121	3,575	3,867	3,867	3,867	4,061	4,281	4,512
Acting and post related allowance	1,989	2,131	2,074	2,017	2,302	2,302	2,249	2,262	2,381
In kind benefits	–	–	–	–	–	–	–	–	–
sub-total	**380,774**	**436,214**	**452,651**	**504,478**	**505,647**	**505,647**	**538,535**	**549,452**	**577,304**
Less: Employees costs capitalised to PPE	–	–	–	–	–	–	–	–	–
Total Employee related costs	**380,774**	**436,214**	**452,651**	**504,478**	**505,647**	**505,647**	**538,535**	**549,452**	**577,304**
Depreciation and amortisation									
Depreciation of Property, Plant & Equipment	132,293	136,136	140,727	146,196	146,196	146,196	148,860	151,366	153,901
Lease amortisation	447	431	290	400	400	400	294	307	325
Capital asset impairment	1,835	3,550	5,987	–	–	–	–	–	–
Total Depreciation and amortisation	**134,574**	**140,116**	**147,004**	**146,596**	**146,596**	**146,596**	**149,154**	**151,672**	**154,226**
Bulk purchases - electricity									
Electricity Bulk Purchases	278,548	298,272	351,600	384,161	371,533	371,533	440,824	496,986	546,684
Total bulk purchases	**278,548**	**298,272**	**351,600**	**384,161**	**371,533**	**371,533**	**440,824**	**496,986**	**546,684**
Transfers and grants									
Cash transfers and grants	560	8,710	12,813	13,057	14,786	14,786	16,380	17,143	17,944
Non-cash transfers and grants	–	–	–	–	–	–	–	–	–
Total transfers and grants	**560**	**8,710**	**12,813**	**13,057**	**14,786**	**14,786**	**16,380**	**17,143**	**17,944**
Contracted services									
Outsourced Services	78,540	87,046	104,229	119,205	119,847	119,847	138,344	147,026	156,031
Consultants and Professional Services	22,691	26,274	32,365	45,868	47,018	47,018	41,711	49,061	50,595
Contractors	77,132	95,587	100,488	104,857	105,336	105,336	115,683	127,365	134,909

Supporting detail to budgeted financial performance (Continued)

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Contracted services									
Outsourced Services	78,540	87,046	104,229	119,205	119,847	119,847	138,344	147,026	156,031
Consultants and Professional Services	22,691	26,274	32,365	45,868	47,018	47,018	41,711	49,061	50,595
Contractors	77,132	95,587	100,488	104,857	105,336	105,336	115,683	127,365	134,909
sub-total	**178,363**	**208,907**	**237,081**	**269,929**	**272,201**	**272,201**	**295,738**	**323,452**	**341,534**
Operational Costs									
Collection costs	4,449	4,569	5,363	7,041	7,041	7,041	7,367	7,809	8,521
Contributions to 'other' provisions	2,612	28,547	13,315	12,515	12,515	12,515	6,045	8,776	8,748
Audit fees	4,851	4,164	3,810	5,561	5,561	5,561	5,500	5,830	6,180
Other Operational Costs									
Operating Leases	105	113	96	281	299	299	283	286	289
Operational Cost	79,223	72,979	93,646	125,260	129,895	129,895	145,059	141,713	120,519
Statutory Payments other than Income Taxes	1,798	1,845	1,963	–	–	–	–	–	–
Discontinued Operations	–	–	–	–	–	–	–	–	–
Total Operational Costs	**93,037**	**112,218**	**118,193**	**150,658**	**155,312**	**155,312**	**164,254**	**164,414**	**144,258**

Repairs and Maintenance by Expenditure Item									
Employee related costs	96,517	101,119	113,771	125,413	122,867	122,867	132,606	139,767	147,314
Inventory Consumed (Project Maintenance)	18,430	19,462	22,089	25,392	26,170	26,170	25,845	29,069	25,008
Contracted Services	59,184	80,996	99,098	104,388	109,203	109,203	115,690	131,083	138,611
Other Expenditure	15,684	9,941	10,428	12,751	13,645	13,645	14,476	15,137	15,856
Total Repairs and Maintenance Expenditure	189,815	211,518	245,386	267,944	271,885	271,885	288,616	315,056	326,790

Inventory Consumed									
Inventory Consumed - Water	(142)	(206)	(248)	(204)	(204)	(204)	(253)	(302)	(351)
Inventory Consumed - Other	(5,886,306)	(6,135,597)	(6,296,292)	(6,673,818)	(6,646,128)	(6,646,128)	(6,851,593)	(6,982,218)	(7,147,000)
Total Inventory Consumed & Other Material	**(5,886,449)**	**(6,135,803)**	**(6,296,539)**	**(6,674,022)**	**(6,646,332)**	**(6,646,332)**	**(6,851,845)**	**(6,982,520)**	**(7,147,350)**

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

Description R thousand	Vote 1 - Council & Mayor's Office	Vote 2 - Municipal Manager & Internal Audit	Vote 3 - Management Services	Vote 4 - Finance	Vote 5 - Infrastructure & Planning	Vote 6 - Protection Services	Vote 7 - Economic and Social Development & Tourism	Vote 8 - Community Services	Total
Revenue									
Exchange Revenue									
Service charges - Electricity	–	–	–	800	592,845	–	–	–	**593,645**
Service charges - Water	–	–	–	17	–	–	–	147,252	**147,269**
Service charges - Waste Water Management	–	–	–	–	–	0	–	104,714	**104,715**
Service charges - Waste Management	–	–	–	–	–	–	–	85,430	**85,430**
Sale of Goods and Rendering of Services	–	–	401	1,012	123,088	485	0	6,686	**131,673**
Agency services	–	–	–	–	–	8,309	–	10	**8,319**
Interest	–	–	–	0	–	–	–	–	**0**
Interest earned from Receivables	–	–	–	6,400	–	–	–	0	**6,400**
Interest earned from Current and Non Current Assets	–	–	–	41,800	–	–	–	–	**41,800**
Dividends	–	–	–	–	–	–	–	–	**–**
Rent on Land	–	–	–	–	0	–	–	1,127	**1,127**
Rental from Fixed Assets	–	–	–	–	0	–	63	5,582	**5,646**
Licence and permits	–	–	–	–	–	357	–	607	**964**
Operational Revenue	151	–	555	4,750	811	800	–	1,027	**8,093**
Non-Exchange Revenue									
Property rates	–	–	–	340,506	–	–	–	–	**340,506**
Surcharges and Taxes	–	–	–	–	–	–	–	–	**–**
Fines, penalties and forfeits	0	–	–	4	469	18,971	–	153	**19,597**
Licences or permits	–	–	–	–	–	1,943	–	–	**1,943**
Transfer and subsidies - Operational	52,546	–	–	1,550	52,317	7,410	3,565	68,191	**185,579**
Interest	–	–	–	1,300	–	–	–	–	**1,300**
Fuel Levy	–	–	–	–	–	–	–	–	**–**
Service charges	–	–	–	–	–	–	–	–	**–**
Gains on disposal of Assets	–	–	–	–	–	–	–	–	**–**
Other Gains	–	–	–	2,400	5,500	–	–	–	**7,900**
Discontinued Operations	–	–	–	–	–	–	–	–	**–**
Total Revenue (excluding capital transfers and contr	**52,697**	**–**	**956**	**400,540**	**775,031**	**38,275**	**3,628**	**420,779**	**1,691,906**
Expenditure									
Employee related costs	26,328	7,419	35,223	56,351	82,082	91,561	15,661	223,910	**538,535**
Remuneration of councillors	12,514	–	–	–	–	–	–	–	**12,514**
Bulk purchases - electricity	–	–	–	–	440,824	–	–	–	**440,824**
Inventory consumed	25	59	2,487	588	13,396	9,218	385	36,342	**62,499**
Debt impairment	–	–	–	1,722	965	15,256	–	1,471	**19,414**
Depreciation and amortisation	1	18	2,091	190	28,087	1,411	141	117,213	**149,154**
Interest	–	–	–	30	15,240	–	–	34,388	**49,658**
Contracted services	187	500	8,081	7,796	154,819	13,895	1,698	108,763	**295,738**
Transfers and subsidies	1,400	–	–	14,443	–	538	–	–	**16,380**
Irrecoverable debts written off	–	–	–	–	–	–	–	–	**–**
Operational costs	9,003	375	21,603	26,321	91,401	5,636	1,496	8,420	**164,254**
Losses on disposal of Assets	–	–	–	–	–	–	–	–	**–**
Other Losses	–	–	–	–	–	–	–	–	**–**
Total Expenditure	**49,457**	**8,371**	**69,485**	**107,441**	**826,814**	**137,515**	**19,382**	**530,506**	**1,748,972**
Surplus/(Deficit)	**3,240**	**(8,371)**	**(68,530)**	**293,099**	**(51,784)**	**(99,240)**	**(15,753)**	**(109,727)**	**(57,066)**
Transfers and subsidies - capital (monetary allocations)	–	–	–	–	**24,380**	–	–	**29,287**	**53,667**
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	**–**
Surplus/(Deficit) after capital transfers & contributions	–	–	–	–	–	–	–	–	**–**
Income Tax	**3,240**	**(8,371)**	**(68,530)**	**293,099**	**(27,404)**	**(99,240)**	**(15,753)**	**(80,440)**	**(3,399)**

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

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
ASSETS									
Trade and other receivables from exchange transactions									
Electricity	29,294	28,843	32,616	43,569	43,412	43,412	54,173	57,656	61,458
Water	27,450	24,741	28,153	29,692	29,692	29,692	32,466	33,361	34,308
Waste	10,529	11,450	12,770	7,176	7,176	7,176	8,797	9,349	9,933
Waste Water	14,624	14,991	17,081	13,460	13,460	13,460	15,446	16,047	16,685
Other trade receivables from exchange transactions	27,798	29,807	35,579	29,876	29,876	29,876	32,916	35,956	38,996
Gross: Trade and other receivables from exchange tran	**109,695**	**109,832**	**126,198**	**123,772**	**123,615**	**123,615**	**143,799**	**152,368**	**161,380**
Less: Impairment for debt	**(26,721)**	**(28,479)**	**(29,532)**	**(30,650)**	**(30,650)**	**(30,650)**	**(33,086)**	**(35,548)**	**(38,032)**
Impairment for Electricity	(9,312)	(10,235)	(10,450)	(10,046)	(10,046)	(10,046)	(10,904)	(11,772)	(12,647)
Impairment for Water	(8,907)	(8,455)	(9,087)	(6,418)	(6,418)	(6,418)	(6,758)	(7,101)	(7,448)
Impairment for Waste	(3,644)	(4,005)	(4,089)	(6,403)	(6,403)	(6,403)	(6,732)	(7,064)	(7,399)
Impairment for Waste Water	(4,453)	(5,340)	(5,452)	(6,167)	(6,167)	(6,167)	(6,969)	(7,779)	(8,598)
Impairment for other trade receivalbes from exchange trans	(405)	(445)	(454)	(1,616)	(1,616)	(1,616)	(1,723)	(1,832)	(1,941)
Total net Trade and other receivables from Exchange Tr	**82,974**	**81,353**	**96,666**	**93,122**	**92,965**	**92,965**	**110,712**	**116,821**	**123,348**
Receivables from non-exchange transactions									
Property rates	32,702	34,475	35,166	31,449	31,449	31,449	41,425	47,841	54,578
Less: Impairment of Property rates	(10,122)	(11,125)	(11,359)	(9,138)	(9,138)	(9,138)	(10,175)	(11,222)	(12,279)
Net Property rates	**22,580**	**23,350**	**23,808**	**22,311**	**22,311**	**22,311**	**31,250**	**36,619**	**42,299**
Other receivables from non-exchange transactions	68,258	64,953	93,391	168,771	168,771	168,771	120,898	134,950	149,005
Impairment for other receivalbes from non-exchange transa	(39,334)	(42,962)	(69,970)	(132,584)	(138,637)	(138,637)	(97,838)	(113,939)	(130,201)
Net other receivables from non-exchange transactions	**28,924**	**21,991**	**23,421**	**36,187**	**30,134**	**30,134**	**23,060**	**21,011**	**18,804**
Total net Receivables from non-exchange transactions	**51,504**	**45,341**	**47,229**	**58,498**	**52,445**	**52,445**	**54,310**	**57,631**	**61,103**
Inventory									
Water									
Opening Balance	134	**142**	**206**	**205**	**205**	**205**	204	**253**	**302**
System Input Volume	**8**	**63**	**42**	**11,396**	**11,396**	**11,396**	**11,681**	**11,973**	**12,272**
Water Treatment Works	8	63	42	(1)	(1)	(1)	(1)	(1)	(1)
Natural Sources	–	–	–	11,397	11,397	11,397	11,682	11,974	12,273
Authorised Consumption	**–**	**–**	**–**	**(9,004)**	**(9,004)**	**(9,004)**	**(9,230)**	**(9,460)**	**(9,697)**
Billed Authorised Consumption	**–**	**–**	**–**	**(8,808)**	**(8,808)**	**(8,808)**	**(9,028)**	**(9,254)**	**(9,485)**
Billed Metered Consumption	**–**	**–**	**–**	**(8,808)**	**(8,808)**	**(8,808)**	**(9,028)**	**(9,254)**	**(9,485)**
Revenue Water	–	–	–	(8,808)	(8,808)	(8,808)	(9,028)	(9,254)	(9,485)
Billed Unmetered Consumption	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
UnBilled Authorised Consumption	**–**	**–**	**–**	**(197)**	**(197)**	**(197)**	**(202)**	**(207)**	**(212)**
Unbilled Unmetered Consumption	–	–	–	(197)	(197)	(197)	(202)	(207)	(212)
Water Losses	**–**	**–**	**–**	**(2,392)**	**(2,392)**	**(2,392)**	**(2,402)**	**(2,463)**	**(2,526)**
Apparent losses	**–**	**–**	**–**	**(2,392)**	**(2,392)**	**(2,392)**	**(2,452)**	**(2,513)**	**(2,576)**
Unauthorised Consumption	–	–	–	(2,392)	(2,392)	(2,392)	(2,452)	(2,513)	(2,576)
Real losses	**–**	**–**	**–**	**–**	**–**	**–**	**50**	**50**	**50**
Data Transfer and Management Errors	–	–	–	–	–	–	50	50	50
Non-revenue Water	**–**	**–**	**–**	**(2,589)**	**(2,589)**	**(2,589)**	**(2,604)**	**(2,670)**	**(2,738)**
Closing Balance Water	**142**	**206**	**248**	**204**	**204**	**204**	**253**	**302**	**351**
Agricultural									
Consumables									
Standard Rated									
Opening Balance	9,591	**8,785**	**9,374**	**7,938**	**7,938**	**7,938**	8,188	**8,284**	**8,207**
Acquisitions	15,897	14,087	13,854	15,900	17,576	17,576	16,000	16,000	16,200
Issues	(16,704)	(13,498)	(14,310)	(15,650)	(17,326)	(17,326)	(15,903)	(16,078)	(16,266)
Closing balance - Consumables Standard Rated	**8,785**	**9,374**	**8,918**	**8,188**	**8,188**	**8,188**	**8,284**	**8,207**	**8,141**
Zero Rated									
Finished Goods									
Materials and Supplies									
Work-in-progress									
Housing Stock									
Opening Balance	6,304	**1,295**	**3,157**	**2,517**	**2,517**	**2,517**	2,517	**2,517**	**2,517**
Acquisitions	–	–	273	–	–	–	–	–	–
Transfers	(4,812)	1,946	32,972	–	–	–	–	–	–
Sales	(197)	(84)	(34,635)	–	–	–	–	–	–
Closing Balance - Housing Stock	**1,295**	**3,157**	**1,766**	**2,517**	**2,517**	**2,517**	**2,517**	**2,517**	**2,517**
Land									
Closing Balance - Land	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Closing Balance - Inventory & Consumables	**10,222**	**12,736**	**10,932**	**10,908**	**10,908**	**10,908**	**11,054**	**11,025**	**11,008**
Property, plant and equipment (PPE)									
PPE at cost/valuation (excl. finance leases)	5,886,306	6,135,597	6,296,292	6,673,818	6,645,338	6,645,338	6,848,953	6,979,278	7,143,720
Leases recognised as PPE	–	–	–	–	–	–	–	–	–
Less: Accumulated depreciation	(2,400,708)	(2,533,835)	(2,659,039)	(2,852,954)	(2,852,818)	(2,852,818)	(3,001,611)	(3,152,909)	(3,306,742)
Total Property, plant and equipment (PPE)	**3,485,598**	**3,601,762**	**3,637,253**	**3,820,865**	**3,792,520**	**3,792,520**	**3,847,342**	**3,826,369**	**3,836,978**
LIABILITIES									
Current liabilities - Financial liabilities									
Current portion of long-term liabilities	45,458	53,957	50,494	58,592	58,592	58,592	50,907	154,740	59,739
Total Current liabilities - Financial liabilities	**45,458**	**53,957**	**50,494**	**58,592**	**58,592**	**58,592**	**50,907**	**154,740**	**59,739**
Trade and other payables									
Trade and other payables from exchange transactions	71,305	75,444	78,086	173,931	170,120	170,120	177,246	189,628	202,841
Other trade payables from exchange transactions	63,513	66,031	60,693	–	–	–	–	–	–
Trade payables from Non-exchange transactions: Unspen	31,133	24,030	26,309	–	–	–	–	–	–
VAT	–	–	–	–	790	790	2,639	2,940	3,280
Total Trade and other payables	**165,950**	**165,505**	**165,088**	**173,931**	**170,910**	**170,910**	**179,886**	**192,568**	**206,121**
Non current liabilities - Financial liabilities									
Borrowing	431,475	430,400	429,906	421,184	421,184	421,184	420,625	325,885	326,146
Other financial liabilities	–	–	–	–	–	–	–	–	–
Total Non current liabilities - Financial liabilities	**431,475**	**430,400**	**429,906**	**421,184**	**421,184**	**421,184**	**420,625**	**325,885**	**326,146**
Provisions									
Retirement benefits	92,981	108,533	116,205	130,437	132,262	132,262	144,013	146,513	147,392
Refuse landfill site rehabilitation	99,799	120,448	137,226	138,837	138,837	138,837	146,273	145,808	144,853
Other	17,882	18,831	19,799	20,827	21,087	21,087	20,827	21,584	22,647
Total Provisions	**210,662**	**247,812**	**273,231**	**290,101**	**292,186**	**292,186**	**311,112**	**313,905**	**314,892**
CHANGES IN NET ASSETS									
Accumulated surplus/(deficit)									
Accumulated surplus/(deficit) - opening balance	3,525,888	3,664,755	3,695,603	3,685,995	3,741,933	3,741,933	3,760,661	3,809,213	3,788,362
GRAP adjustments	–	(243)	2,731	(220)	(0)	(0)	–	–	–
Restated balance	3,525,888	3,664,512	3,698,334	3,685,775	3,741,932	3,741,932	3,760,661	3,809,213	3,788,362
Surplus/(Deficit)	138,868	33,821	20,390	(11,902)	(3,222)	(3,222)	(3,399)	13,762	63,230
Transfers to/from Reserves	(0)	(0)	(0)	10	10	10	10	10	10
Other adjustments	0	0	0	21,941	21,941	21,941	51,941	(34,622)	69,318
Accumulated Surplus/(Deficit)	**3,664,755**	**3,698,334**	**3,718,724**	**3,695,823**	**3,760,661**	**3,760,661**	**3,809,213**	**3,788,362**	**3,920,920**
Reserves									
Housing Development Fund	3,227	3,227	3,228	3,223	3,223	3,223	3,229	3,229	3,229
Total Reserves	**3,227**	**3,227**	**3,228**	**3,223**	**3,223**	**3,223**	**3,229**	**3,229**	**3,229**
TOTAL COMMUNITY WEALTH/EQUITY	**3,667,983**	**3,701,561**	**3,721,952**	**3,699,046**	**3,763,883**	**3,763,883**	**3,812,441**	**3,791,591**	**3,924,149**

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

Description of economic indicator	Basis of calculation	2001 Census	2007 Survey	2011 Census	2019/20	2020/21	2021/22	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
					Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Demographics											
Population	0	55,012	74,546	80,432	102	106	111	115	118	122	125
Females aged 5 - 14	0	2,770	5,837	5,228	8	8	7	7	8	8	8
Males aged 5 - 14	0	2,816	5,892	5,278	8	8	7	7	8	8	8
Females aged 15 - 34	0	5,561	11,567	13,139	17	17	18	19	19	20	20
Males aged 15 - 34	0	6,029	11,235	13,648	17	17	19	19	20	21	21
Unemployment	0	5,165	8,099	4,237	11	11	6	6	6	6	7
households)											
No income	0	2,226	770	4,585	6	6	6	7	7	7	7
R1 - R1 600	0	6,149	5,307	5,326	7	7	8	8	8	8	8
R1 601 - R3 200	0	3,742	3,177	4,878	6	6	7	7	7	8	8
R3 201 - R6 400	0	3,344	3,789	4,362	5	6	6	6	7	7	7
R6 401 - R12 800	0	2,303	2,750	3,830	5	5	5	6	6	6	6
R12 801 - R25 600	0	920	1,947	2,896	4	4	4	4	4	4	5
R25 601 - R51 200	0	227	1,066	1,456	2	2	2	2	2	2	2
R52 201 - R102 400	0	77	184	486	1	1	1	1	1	1	1
R102 401 - R204 800	0	44	176	109	0	0	0	0	0	0	0
R204 801 - R409 600	0			81	0	0	0	0	0	0	0
R409 601 - R819 200	0	–	–	–	–	–	–	–	–	–	–
> R819 200	0	–	–	–	–	–	–	–	–	–	–
Poverty profiles (no. of households)											
< R2 060 per household per month	0	7,053	9,542	11,311	14,218	14,630	15,942	16,475	16,987	17,520	17,932
	0	–	–	–	–	–	–	–	–	–	–
Household/demographics (000)											
Number of people in municipal area	0	55,012	74,546	80,432	102	106	111	115	118	122	125
Number of poor people in municipal area	0										
Number of households in municipal area	0	8,904	3,080	18,340	23	24	30	31	32	33	34
Number of poor households in municipal area	0	2,226	770	4,585	7	8	8				
Definition of poor household (R per month)	0	–	–	–	-	-	-	-	-	-	-
Housing statistics											
Formal	0	–	–	–	31,162	31,710	32,540	32,403	34,347	36,408	38,592
Informal	0	–	–	–	3,620	3,675	3,536	3,536	3,536	3,536	3,536
Total number of households		-	-	-	34,782	35,385	36,076	35,939	37,883	39,944	42,128
Dwellings provided by municipality	0	–	–	–	63	314	350	250	445	339	270
Dwellings provided by province/s	0	–	–	–	-	-	-	-	-	-	-
Dwellings provided by private sector	0	–	–	–	-	-	-	-	-	-	-
Total new housing dwellings		-	-	-	63	314	350	250	445	339	270
Economic											
Inflation/inflation outlook (CPIX)					4.1%	4.5%	4.5%	4.5%	5.3%	4.9%	4.7%
Interest rate - borrowing					9.8%	10.0%	9.8%	9.5%	11.3%	11.3%	11.3%
Interest rate - investment					6.8%	4.5%	4.6%	5.0%	6.8%	6.8%	6.8%
Remuneration increases					6.5%	6.4%	3.5%	4.9%	5.4%	5.4%	5.4%
Consumption growth (electricity)					2.0%	3.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Consumption growth (water)					3.0%	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Collection rates											
Property tax/service charges					97.1%	100.4%	99.4%	99.8%	100.0%	100.0%	100.0%
Rental of facilities & equipment					96.1%	97.1%	97.1%	97.1%	97.1%	97.1%	97.1%
Interest - external investments					100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Interest - debtors					98.5%	97.1%	97.1%	97.1%	97.1%	97.1%	97.1%
Revenue from agency services					100.0%	97.1%	97.1%	97.1%	97.1%	97.1%	97.1%

Table 66 MBRR SA11 – Property rates summary

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Valuation:									
Date of valuation:	02/07/2015	02/07/2015	02/07/2015						
Financial year valuation used	**2016/2017**	**2016/2017**	**2016/2017**	**2016/2017**			**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	No	No	No			No		
No. of assistant valuers (FTE)	**2**	**2**	**2**	2			2		
No. of data collectors (FTE)	6	6	6	6			6		
No. of internal valuers (FTE)	-	-	-	-			-		
No. of external valuers (FTE)	3	3	3	3			3		
No. of additional valuers (FTE)	-	-	-	-			-		
Valuation appeal board established? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Implementation time of new valuation roll (mths)	36	24	12	60			60		
No. of properties	42,895	43,170	43,655	43,655			44,259		
No. of sectional title values	2,210	2,577	2,752	2,752			2,918		
No. of unreasonably difficult properties s7(2)	-	-	-	-			-		
No. of supplementary valuations	2	2	1	1			1		
No. of valuation roll amendments	10	10	-	15			15		
No. of objections by rate payers	14	14	-	-			1,000		
No. of appeals by rate payers	12	12	–	-			15		
No. of successful objections	14	14	5	-			5		
No. of successful objections > 10%	1	1	-	-			-		
Supplementary valuation	3,099	1,987	2,552	2,552			2,000		
Public service infrastructure value (Rm)	92	77	289	306			490		
Municipality owned property value (Rm)	894	902	876	928			246		
Valuation reductions:									
Valuation reductions-public infrastructure (Rm)	92	770	289	306	462	462	490	519	550
Valuation reductions-nature reserves/park (Rm)	339	359	411	436	411	411	436	462	490
Valuation reductions-mineral rights (Rm)	-	-	-	-	-	-			
Valuation reductions-R15,000 threshold (Rm)	475	476	477	505	510	510	541	573	608
Valuation reductions-public worship (Rm)	183	192	183	194	368	368	390	413	438
Valuation reductions-other (Rm)	1,107	1,103	1,103	1,169	1,169	1,306	1,384	1,468	1,556
Total valuation reductions:	**2,196**	**2,900**	**2,462**	**2,610**	**2,921**	**3,057**	**3,241**	**3,435**	**3,642**
Total value used for rating (Rm)	48,668	50,432	50,077	53,082	50,880	50,880	56,267	59,643	63,221
Total land value (Rm)	23,042	23,241	23,037	24,419	23,050	23,050	25,884	27,437	29,083
Total value of improvements (Rm)	28,743	28,930	29,338	31,099	29,692	29,692	32,965	34,942	37,039
Total market value (Rm)	51,785	52,171	52,375	53,458	52,741	52,741	56,666	60,066	63,669
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	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)	243,999	261,559	263,562	275,384	275,384	275,384	291,907	309,421	327,986
Rate revenue expected to collect (R'000)	243,999	261,559	263,562	275,384	275,384	275,384	291,907	309,421	327,986
Expected cash collection rate (%)	97.1%	100.5%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Special rating areas (R'000)	–	8,309	12,074	12,590	12,590	12,590	13,345	14,146	14,995
Rebates, exemptions - indigent (R'000)	–	–	–	–	–	–	–	–	–
Rebates, exemptions - pensioners (R'000)	–	–	–	–	–	–	–	–	–
Rebates, exemptions - bona fide farm. (R'000)	–	–	–	–	–	–	–	–	–
Rebates, exemptions - other (R'000)	–	–	–	–	–	–	–	–	–
Phase-in reductions/discounts (R'000)	–	–	–	–	–	–	–	–	–
Total rebates,exemptns,reductns,discs (R'000)	–	–	–	–	–	–	–	–	–

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

Description	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	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.	Small Holdings	Special Rating Areas	Agricultural	Multiple Purposes	Other Categories	Sum
Current Year 2022/23																						
Valuation:																						
No. of properties	1,948			35,589	1,065		351		5,306	–	–	–	–	–	–	–	–	–	–	–	–	44
No. of sectional title property values	410			2,360						–	–	–	–	–	–	–	–	–	–	–	–	3
No. of unreasonably difficult properties s7(2)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of supplementary valuations	1			1	1		1		1	–	–	–	–	–	–	–	–	–	–	–	–	0
Supplementary valuation (Rm)	Total 613									–	–	–	–	–	–	–	–	–	–	–	–	–
No. of valuation roll amendments	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of objections by rate-payers	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers finalised	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections > 10%	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	–	–	–	–	–	–	–	–	–	–	–	–	–
Estimated no. of properties not valued	Total 100									–	–	–	–	–	–	–	–	–	–	–	–	–
Years since last valuation **(select)**	7	7	7	7	7	7	7	7	7													
Frequency of valuation **(select)**	5	5	5	5	5	5	5	5	5													
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)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes													
Flat rate used? (Y/N)	No	No	No	No	No	No	No	No	No													
Is balance rated by uniform rate/variable rate?	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable													
Valuation reductions:																						
Valuation reductions-public infrastructure (Rm)							490			–	–	–	–	–	–	–	–	–	–	–	–	489,935
Valuation reductions-nature reserves/park (Rm)	436									–	–	–	–	–	–	–	–	–	–	–	–	435,690
Valuation reductions-mineral rights (Rm)										–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)				541						–	–	–	–	–	–	–	–	–	–	–	–	540,998
Valuation reductions-public worship (Rm)				390						–	–	–	–	–	–	–	–	–	–	–	–	389,874
Valuation reductions-other (Rm)				1,384						–	–	–	–	–	–	–	–	–	–	–	–	1,384,444
Total valuation reductions:																						
Total value used for rating (Rm)	3,775			46,241	3,215		448		2,588	–	–	–	–	–	–	–	–	–	–	–	–	56,266,893
Total land value (Rm)	1,579			19,653	1,826		238		2,588	–	–	–	–	–	–	–	–	–	–	–	–	25,884,000
Total value of improvements (Rm)	2,603			28,669	1,453		239		–	–	–	–	–	–	–	–	–	–	–	–	–	32,964,538
Total market value (Rm)	4,183			46,138	3,279		478		2,588	–	–	–	–	–	–	–	–	–	–	–	–	56,665,608
Rating:																						
Average rate	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Rate revenue budget (R '000)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		–	–	–	–
Rate revenue expected to collect (R'000)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Expected cash collection rate (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	–
Special rating areas (R'000)																		–				–
Rebates, exemptions - indigent (R'000)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - pensioners (R'000)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - bona fide farm. (R'000)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - other (R'000)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Phase-in reductions/discounts (R'000)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total rebates,exemptns,reductns,discs (R'000)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

Table 68 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	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.	Small Holdings	Special Rating Areas	Agricultural	Multiple Purposes	Other Categories	Sum
Budget Year 2023/24																						
Valuation:																						
No. of properties	1,532	154	2	33,939	495	221	71	859	6,372	–	–	–	–	–	–	–	–	–	–	–	–	44
No. of sectional title property values	410	30		2,360		1				–	–	–	–	–	–	–	–	–	–	–	–	3
No. of unreasonably difficult properties s7(2)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of supplementary valuations	1	1	1	1	1	1	1	1	1	–	–	–	–	–	–	–	–	–	–	–	–	0
Supplementary valuation (Rm)	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of valuation roll amendments	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of objections by rate-payers	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers finalised	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections > 10%	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	–	–	–	–	–	–	–	–	–	–	–	–	–
Estimated no. of properties not valued	Total 100	Total 100	Total 100	Total 100	Total 100	Total 100	Total 100	Total 100	Total 100	–	–	–	–	–	–	–	–	–	–	–	–	–
Years since last valuation **(select)**	Imp New Roll	Imp New Roll	Imp New Roll	Imp New Roll	Imp New Roll	Imp New Roll	Imp New Roll	Imp New Roll	Imp New Roll													
Frequency of valuation **(select)**	5	5	5	5	5	5	5	5	5													
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)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	–	–	–	–	–	–	–	–	–	–	–	–	–
Combination of rating types used? (Y/N)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes													
Flat rate used? (Y/N)	No	No	No	No	No	No	No	No	No													
Is balance rated by uniform rate/variable rate?	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable													
Valuation reductions:																						
Valuation reductions-public infrastructure (Rm)								519		–	–	–	–	–	–	–	–	–	–	–	–	519,331
Valuation reductions-nature reserves/park (Rm)	462									–	–	–	–	–	–	–	–	–	–	–	–	461,832
Valuation reductions-mineral rights (Rm)										–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)				474						–	–	–	–	–	–	–	–	–	–	–	–	473,685
Valuation reductions-public worship (Rm)				413						–	–	–	–	–	–	–	–	–	–	–	–	413,266
Valuation reductions-other (Rm)				1,105						–	–	–	–	–	–	–	–	–	–	–	–	1,105,265
Total valuation reductions:																						
Total value used for rating (Rm)	5,766	363	2	69,013	2,234	282	424		4,925	–	–	–	–	–	–	–	–	–	–	–	–	83,010,401
Total land value (Rm)	1,932	125	2	25,132	1,806	186	113	12	4,925	–	–	–	–	–	–	–	–	–	–	–	–	34,233,303
Total value of improvements (Rm)	4,122	279	–	48,292	823	102	312	8		–	–	–	–	–	–	–	–	–	–	–	–	53,937,397
Total market value (Rm)	6,054	404	2	73,424	2,628	288	424	20	4,925	–	–	–	–	–	–	–	–	–	–	–	–	88,170,700
Rating:																						
Average rate	0.007368	0.007368	0.007368	0.004210	0.001053	0.007368	0.007368	–	0.006315	–	–	–	–	–	–	–	–	–	–	–	–	
Rate revenue budget (R '000)	38,237	2,957	13	224,963	904	2,300	3,457	–	25,511	–	–	–	–	–	–	–	–	–	–	–	–	298,343
Rate revenue expected to collect (R'000)	38,237	2,957	13	224,963	904	2,300	3,457	–	25,511	–	–	–	–	–	–	–	–	–	–	–	–	298,343
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%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0
Special rating areas (R'000)																		–				–
Rebates, exemptions - indigent (R'000)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - pensioners (R'000)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - bona fide farm. (R'000)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - other (R'000)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Phase-in reductions/discounts (R'000)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total rebates,exemptns,reductns,discs (R'000)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

Table 69 MBRR SA13a – Service tariffs by category

Description	Provide description of tariff structure where appropriate	2019/20	2020/21	2021/22	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
						Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Property rates *(rate in the Rand)*								
Residential properties		0.0057	0.0060	-	-	-	-	-
Residential properties - vacant land		0.0078	0.0082	-	-	-	-	-
Formal/informal settlements				-	-	-	-	-
Small holdings				-	-	-	-	-
Farm properties - used		0.0014	0.0015	-	-	-	-	-
Farm properties - not used				-	-	-	-	-
Industrial properties				-	-	-	-	-
Business and commercial properties		0.0086	0.0090	-	-	-	-	-
Communal land - residential				-	-	-	-	-
Communal land - small holdings				-	-	-	-	-
Communal land - farm property				-	-	-	-	-
Communal land - business and commercial				-	-	-	-	-
Communal land - other				-	-	-	-	-
State-owned properties		0.0086	0.0090	-	-	-	-	-
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						0.0074	0.0078	0.0083
Industrial properties						0.0074	0.0078	0.0083
Mining properties						0.0074	0.0078	0.0083
Residential properties						0.0042	0.0045	0.0047
Agricultural properties						0.0011	0.0011	0.0012
Public benefit organisations						0.0074	0.0078	0.0083
Public service purpose properties						0.0074	0.0078	0.0083
Public service infrastructure properties						-	-	-
Vacant land						0.0063	0.0067	0.0071
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		220,000	220,000	220,000	220,000	40 - 100%	40 - 100%	40 - 100%
Pensioners/social grants rebate or exemption		220,000	220,000	220,000	220,000	-	-	
Temporary relief rebate or exemption		40-100%	40-100%	40-100%	40-100%	40 - 100%	40 - 100%	40 - 100%
Bona fide farmers rebate or exemption		75%	75%	75%	75%	75%	75%	75%
Other rebates or exemptions								
Water tariffs								
Domestic								
Basic charge/fixed fee *(Rands/month)*		137	143	148	156	166	176	186
Service point - vacant land *(Rands/month)*		137	143	148	156	166	176	186
Water usage - flat rate tariff *(c/kl)*								
Water usage - life line tariff								
Water usage - Block 1 (c/kl)	0 - 6 kl	560	585	608	638	681	721	764
Water usage - Block 2 (c/kl)	7 - 18 kl	1,147	1,199	1,247	1,308	1,397	1,480	1,569
Water usage - Block 3 (c/kl)	19 - 30 kl	1,861	1,945	2,023	2,122	-	-	-
Water usage - Block 4 (c/kl)	19 - 45 kl	2,866	2,995	3,115	3,268	3,490	3,699	3,921
Water usage - Block 5 (c/kl)	46 - 60 kl	3,722	3,889	4,045	4,243	4,532	4,804	5,092
Water usage - Block 6 (c/kl)	> 60 kl	4,964	5,187	5,394	5,658	6,043	6,406	6,790
Other								
Waste water tariffs								
Domestic								
Basic charge/fixed fee *(Rands/month)*		122	127	132	138	147	156	166
Service point - vacant land *(Rands/month)*		122	127	132	138	147	156	166
Waste water - flat rate tariff *(c/kl)*		1,370	1,432	1,489	1,556	1,669	1,769	1,875
Volumetric charge - Block 1 (c/kl)	Basic charge pumps	82	86	89	93			
Volumetric charge - Block 2 (c/kl)	Service per pump	560	585	608	636	677	718	761
Volumetric charge - Block 3 (c/kl)								
Volumetric charge - Block 4 (c/kl)								
Other		-	-	-	-	-	-	-
Electricity tariffs								
Domestic								
Basic charge/fixed fee *(Rands/month)*		335	356	408	439	504	535	567
Service point - vacant land *(Rands/month)*		335	356	408	439	504	535	567
FBE	(how is this							
Life-line tariff - meter	(describe structure)							
Life-line tariff - prepaid	one-part	120	128	146	157	181	192	203
Flat rate tariff - meter *(c/kwh)*								
Flat rate tariff - prepaid *(c/kwh)*								
Meter - IBT Block 1 (c/kwh)	Credit Meter							
Meter - IBT Block 2 (c/kwh)	0 - 350 kWh	129	137	157	168	193	205	217
Meter - IBT Block 3 (c/kwh)	351 - 600 kWh	189	201	230	247	284	301	319
Meter - IBT Block 4 (c/kwh)	> 600 kWh	232	247	283	304	349	370	392
Meter - IBT Block 5 (c/kwh)	Prepaid Meter							
Prepaid - IBT Block 1 (c/kwh)	0 - 350 kWh	119	126	145	155	178	189	200
Prepaid - IBT Block 2 (c/kwh)	351 - 600 kWh	178	189	217	233	268	284	301
Prepaid - IBT Block 3 (c/kwh)	> 600 kWh	223	237	272	292	349	370	392
Prepaid - IBT Block 4 (c/kwh)		-	-	-	-	-	-	-
Prepaid - IBT Block 5 (c/kwh)		-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-
Waste management tariffs								
Domestic								
Street cleaning charge								
Basic charge/fixed fee		185	194	202	213	228	242	256
80l bin - once a week								
250l bin - once a week		185	194	202	213	228	242	256

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

Description	Provide description of tariff structure where appropriate	2019/20	2020/21	2021/22	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
						Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
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		220,000	220,000	220,000	220,000	40 - 100%	40 - 100%	40 - 100%
Pensioners/social grants rebate or exemption		220,000	220,000	220,000	220,000	-	-	
Temporary relief rebate or exemption		40-100%	40-100%	40-100%	40-100%	40 - 100%	40 - 100%	40 - 100%
Bona fide farmers rebate or exemption		75%	75%	75%	75%	75%	75%	75%
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Water tariffs								
		137	143	148	156	166	176	186
		137	143	148	156	166	176	186
	0 - 6 kl	560	585	608	638	681	721	764
	7 - 18 kl	1,147	1,199	1,247	1,308	1,397	1,480	1,569
	19 - 30 kl	1,861	1,945	2,023	2,122	-	-	-
	19 - 45 kl	2,866	2,995	3,115	3,268	3,490	3,699	3,921
	46 - 60 kl	3,722	3,889	4,045	4,243	4,532	4,804	5,092
	> 60 kl	4,964	5,187	5,394	5,658	6,043	6,406	6,790
	(fill in thresholds)							
	(fill in thresholds)							
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Waste water tariffs								
		122	127	132	138	147	156	166
		122	127	132	138	147	156	166
		1,370	1,432	1,489	1,556	1,669	1,769	1,875
	Basic charge pumps	82	86	89	93			
	Service per pump	560	585	608	636	677	718	761
	(fill in structure)							
	(fill in structure)							
	(fill in structure)							
	(fill in structure)							
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Electricity tariffs								
Basic charge/fixed fee (Rands/month)		335	356	408	439	504	535	567
Service point - vacant land (Rands/month)		335	356	408	439	504	535	567
FBE	(how is this							
Life-line tariff - meter	(describe structure)							
Life-line tariff - prepaid	one-part	120	128	146	157	181	192	203
Flat rate tariff - meter (c/kwh)								
Flat rate tariff - prepaid(c/kwh)								
Meter - IBT Block 1 (c/kwh)	Credit Meter							
Meter - IBT Block 2 (c/kwh)	0 - 350 kWh	129	137	157	168	193	205	217
Meter - IBT Block 3 (c/kwh)	351 - 600 kWh	189	201	230	247	284	301	319
Meter - IBT Block 4 (c/kwh)	> 600 kWh	232	247	283	304	349	370	392
Meter - IBT Block 5 (c/kwh)	Prepaid Meter							
Prepaid - IBT Block 1 (c/kwh)	0 - 350 kWh	119	126	145	155	178	189	200
Prepaid - IBT Block 2 (c/kwh)	351 - 600 kWh	178	189	217	233	268	284	301
Prepaid - IBT Block 3 (c/kwh)	> 600 kWh	223	237	272	292	349	370	392

Table 71 MBRR SA32 – List of external mechanisms

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1. Number	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2. R thousand
Outsourcing of sub function water and waste water treatmer	Yrs	15	Outsourcing of sub function water and waste water treatmer	07 December 2033	1,468,477
Outsourcing of sub function operation of landfil site	Yrs	13	Outsourcing of sub function operation of landfil site	30 November 2032	103,240
Note: Overstrand make use of contractual agreements to support the implementation of core function, but the definition of outsourcing do not apply to the other contracts entered into, due to ownership that is kept within the organisation					

Table 72 MBRR SA38 – Consolidated detailed operational projects

Municipal Vote/Operational project R thousand	Program/Project description	2023/24 Medium Term Revenue & Expenditure Framework Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Parent municipality:				
List all operational projects grouped by Municipal Vote				
Vote 1 - Council General				
	Municipal Running Cost	49,457	37,658	37,754
Vote 2 - Municipal Manager				
	Municipal Running Cost	8,371	8,768	9,186
Vote 3 - Management Services				
	Municipal Running Cost	56,198	59,966	62,981
	Repairs & Maintenance	10,921	11,644	12,320
	Typical Workstreams	2,367	2,522	2,528
Vote 4 - Finance				
	Municipal Running Cost	89,858	94,732	100,044
	Repairs & Maintenance	1,590	1,595	1,601
	Typical Workstreams	15,993	16,715	17,611
Vote 5 - Infrastructure & Planning				
	Municipal Running Cost	708,504	788,462	853,548
	Repairs & Maintenance	45,115	48,676	45,299
	Typical Workstreams	73,196	64,318	37,908
Vote 6 - Protection Services				
	Municipal Running Cost	120,389	126,612	132,635
	Repairs & Maintenance	417	469	471
	Typical Workstreams	16,709	18,479	19,651
Vote 7 - Local Economic and Social Develoment & Tourism				
	Municipal Running Cost	12,986	13,580	14,212
	Repairs & Maintenance	135	135	135
	Typical Workstreams	6,260	2,654	2,717
Vote 8 - Community Services				
	Municipal Running Cost	300,206	312,474	320,755
	Repairs & Maintenance	212,001	227,178	240,036
	Typical Workstreams	18,299	19,157	20,107
Parent operational expenditure		**1,748,972**	**1,855,792**	**1,931,500**
Total Operational expenditure		**1,748,972**	**1,855,792**	**1,931,500**

Table 73 MBRR SA33 – Contracts having future budgetary implications

Description	Preceding Years	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework			Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Forecast 2032/33	Total Contract Value
R thousand	Total	Original Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	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.	198,699	78,609	84,111	89,999	96,298	102,076	108,200	114,692	121,574	128,868	136,601	144,797	1,404,525
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	14,663	6,400	7,040	7,392	7,762	8,150	8,557	8,985	9,434	9,906	10,401	4,551	103,240
Contract 3 SC1933/2018: PROVISION FOR BANKING SERVICES	4,274	1,582	1,675	–	–	–	–	–	–	–	–	–	7,531
Total Operating Expenditure Implication	217,636	86,591	92,826	97,391	104,060	110,226	116,758	123,677	131,008	138,774	147,002	149,347	1,515,296
Capital Expenditure Obligation By Contract													
Total Capital Expenditure Implication	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Parent Expenditure Implication	**217,636**	**86,591**	**92,826**	**97,391**	**104,060**	**110,226**	**116,758**	**123,677**	**131,008**	**138,774**	**147,002**	**149,347**	1,515,296

2.15 Municipal manager's quality certificate

I, DGI O'Neill, municipal manager of Overstrand Municipality, hereby certify that the **Draft Budget** for the **2023/2024 MTREF** and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the draft annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name: DGI O'Neill

Municipal manager of Overstrand Municipality (WC032)

Signature: _____

Date: 27 March 2023

ANNEXURE A

DRAFT BUDGET SCHEDULES 1-10

SCHEDULE 1

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

Vote Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue by Vote									
Vote 1 - Council & Mayor's Office	30 091	38 321	53 270	50 312	50 786	50 786	52 697	58 511	65 462
Vote 2 - Municipal Manager & Internal Audit	36	–	–	–	–	–	–	–	–
Vote 3 - Management Services	1 189	2 570	3 603	869	1 069	1 069	956	974	993
Vote 4 - Finance	299 059	313 209	323 686	327 436	337 236	337 236	400 540	421 055	442 968
Vote 5 - Infrastructure & Planning	585 515	585 823	672 305	730 542	739 119	739 119	799 411	877 455	943 255
Vote 6 - Protection Services	32 797	16 277	48 857	35 995	41 335	41 335	38 275	40 713	43 398
Vote 7 - Economic and Social Development & Tourism	2 914	3 860	4 846	2 811	3 111	3 111	3 628	66	70
Vote 8 - Community Services	378 350	395 572	409 623	435 105	434 571	434 571	450 066	470 780	498 584
Total Revenue by Vote	**1 329 951**	**1 355 632**	**1 516 190**	**1 583 069**	**1 607 226**	**1 607 226**	**1 745 573**	**1 869 554**	**1 994 730**
Expenditure by Vote ***to be appropriated***									
Vote 1 - Council & Mayor's Office	19 927	44 089	36 404	44 592	47 361	47 361	49 457	37 658	37 754
Vote 2 - Municipal Manager & Internal Audit	5 361	5 885	6 042	8 042	7 569	7 569	8 371	8 768	9 186
Vote 3 - Management Services	50 129	54 639	57 226	65 889	65 456	65 456	69 485	74 131	77 829
Vote 4 - Finance	71 308	78 365	79 557	106 313	102 296	102 296	107 441	113 042	119 256
Vote 5 - Infrastructure & Planning	527 810	577 727	690 779	734 810	742 136	742 136	826 814	901 456	936 755
Vote 6 - Protection Services	83 725	91 326	123 167	119 732	127 662	127 662	137 515	145 559	152 668
Vote 7 - Economic and Social Development & Tourism	12 042	13 558	15 122	17 570	16 794	16 794	19 382	16 369	17 064
Vote 8 - Community Services	420 782	456 221	487 502	498 023	501 174	501 174	530 506	558 809	580 988
Total Expenditure by Vote	**1 191 084**	**1 321 810**	**1 495 800**	**1 594 971**	**1 610 448**	**1 610 448**	**1 748 972**	**1 855 792**	**1 931 500**
Surplus/(Deficit) for the year	**138 868**	**33 821**	**20 390**	**(11 902)**	**(3 222)**	**(3 222)**	**(3 399)**	**13 762**	**63 230**

SCHEDULE 2

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

R thousand	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue									
Exchange Revenue									
Service charges - Electricity	415 960	443 718	512 750	541 692	528 044	528 044	593 645	692 904	752 413
Service charges - Water	133 037	130 885	142 917	138 138	138 138	138 138	147 269	156 593	165 876
Service charges - Waste Water Management	80 925	86 983	93 177	90 962	90 962	90 962	104 715	104 595	110 861
Service charges - Waste Management	68 256	72 115	76 951	78 850	78 850	78 850	85 430	95 948	101 664
Sale of Goods and Rendering of Services	123 359	86 171	114 179	113 250	116 250	116 250	131 673	112 040	119 146
Agency services	4 376	6 164	6 858	7 858	7 858	7 858	8 319	8 818	9 346
Interest	31	28	24	0	0	0	0	0	0
Interest earned from Receivables	3 869	3 257	3 370	3 136	3 136	3 136	6 400	6 700	7 100
Interest earned from Current and Non Current Assets	48 116	30 476	31 884	24 871	34 671	34 671	41 800	44 600	47 700
Dividends	–	–	–	–	–	–	–	–	–
Rent on Land	2 314	2 088	1 650	1 229	1 229	1 229	1 127	1 149	1 173
Rental from Fixed Assets	3 425	4 068	5 042	4 573	4 573	4 573	5 646	5 975	6 290
Licence and permits	698	626	1 002	953	953	953	964	1 016	1 071
Operational Revenue	15 867	12 296	8 528	7 419	7 819	7 819	8 093	8 328	8 568
Non-Exchange Revenue									
Property rates	240 910	263 442	278 154	287 941	287 941	287 941	340 506	357 532	375 408
Surcharges and Taxes	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	18 211	1 095	35 124	20 344	20 344	20 344	19 597	20 768	22 009
Licences or permits	1 277	1 601	1 778	1 683	1 683	1 683	1 943	2 060	2 184
Transfer and subsidies - Operational	122 921	140 895	151 903	166 184	179 496	179 496	185 579	200 916	213 137
Interest	1 170	987	851	846	846	846	1 300	1 378	1 461
Fuel Levy	–	–	–	–	–	–	–	–	–
Operational Revenue	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets	–	53	–	–	–	–	–	–	–
Other Gains	3 890	7 545	7 570	8 225	8 225	8 225	7 900	8 000	8 100
Discontinued Operations	–	–	–	–	–	–	–	–	–
Gains									
Total Revenue (excluding capital transfers and contributions)	**1 288 611**	**1 294 494**	**1 473 713**	**1 498 153**	**1 511 017**	**1 511 017**	**1 691 906**	**1 829 319**	**1 953 508**
Expenditure									
Employee related costs	380 774	436 214	452 651	504 478	505 647	505 647	538 535	549 452	577 304
Remuneration of councillors	11 282	11 219	11 538	12 335	12 335	12 335	12 514	13 014	13 540
Bulk purchases - electricity	278 548	298 272	351 600	384 161	371 533	371 533	440 824	496 986	546 684
Inventory consumed	42 302	45 053	52 658	52 137	64 364	64 364	62 499	68 235	66 340
Debt impairment	23 434	7 579	28 248	13 564	19 617	19 617	19 414	19 608	19 804
Depreciation and amortisation	134 574	140 116	147 004	146 596	146 596	146 596	149 154	151 672	154 226
Interest	46 570	48 805	47 584	48 056	48 056	48 056	49 658	51 817	49 865
Contracted services	178 363	208 907	237 081	269 929	272 201	272 201	295 738	323 452	341 534
Transfers and subsidies	560	8 710	12 813	13 057	14 786	14 786	16 380	17 143	17 944
Irrecoverable debts written off	–	4 559	5 258	–	–	–	–	–	–
Operational costs	93 037	112 218	118 193	150 658	155 312	155 312	164 254	164 414	144 258
Losses on disposal of Assets	1 369	–	30 979	–	–	–	–	–	–
Other Losses	270	159	192	–	–	–	–	–	–
Total Expenditure	**1 191 084**	**1 321 810**	**1 495 800**	**1 594 971**	**1 610 448**	**1 610 448**	**1 748 972**	**1 855 792**	**1 931 500**
Surplus/(Deficit)									
Transfers and subsidies - capital (monetary	37 611	37 219	37 978	84 917	93 583	93 583	53 667	40 235	41 222
Transfers and subsidies - capital (in-kind)	3 730	23 919	4 499	–	2 626	2 626	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**138 868**	33 821	20 390	**(11 902)**	**(3 222)**	**(3 222)**	**(3 399)**	**13 762**	**63 230**
Income Tax	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax	**138 868**	33 821	20 390	(11 902)	(3 222)	(3 222)	(3 399)	13 762	63 230
Share of Surplus/Deficit attributable to Joint Venture	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	**138 868**	33 821	20 390	(11 902)	(3 222)	(3 222)	(3 399)	13 762	63 230
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	**138 868**	**33 821**	**20 390**	**(11 902)**	**(3 222)**	**(3 222)**	**(3 399)**	**13 762**	**63 230**

SCHEDULE 3

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

Vote Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital Expenditure - Functional									
Governance and administration	**4 049**	**7 054**	**3 761**	**1 875**	**1 875**	**1 875**	**9 075**	**–**	**–**
Executive and council	2	355	3	5	5	5	5 005	–	–
Finance and administration	4 048	6 699	3 759	1 870	1 870	1 870	4 070	–	–
Internal audit				–	–	–	–	–	–
Community and public safety	**112 758**	**96 981**	**63 534**	**53 438**	**58 181**	**58 181**	**50 354**	**41 788**	**79 461**
Community and social services	1 330	16 072	1 458	7 261	4 781	4 781	735	–	–
Sport and recreation	9 981	22 886	5 047	2 500	3 047	3 047	7 429	11 698	16 241
Public safety	15 694	8 425	7 998	2 792	6 042	6 042	300	–	–
Housing	85 753	49 598	49 031	40 885	44 311	44 311	41 890	30 090	63 220
Health				–	–	–	–	–	–
Economic and environmental services	**6 865**	**29 200**	**11 405**	**14 068**	**18 668**	**18 668**	**5 390**	**–**	**2 981**
Planning and development	1 220	8 466	2 656	1 478	1 844	1 844	390	–	–
Road transport	5 645	20 734	8 748	12 590	16 824	16 824	5 000	–	2 981
Environmental protection	–	–	–	–	–	–	–	–	–
Trading services	**87 384**	**121 565**	**113 677**	**166 639**	**127 492**	**127 492**	**138 796**	**88 537**	**82 000**
Energy sources	21 428	10 436	28 253	65 389	52 907	52 907	56 528	33 500	34 000
Water management	31 752	35 574	36 721	39 970	35 789	35 789	25 603	33 500	25 700
Waste water management	26 893	57 190	45 732	57 736	32 921	32 921	56 265	21 537	17 800
Waste management	7 311	18 365	2 972	3 544	5 876	5 876	400	–	4 500
Other	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Capital Expenditure - Functional	**211 056**	**254 800**	**192 377**	**236 020**	**206 216**	**206 216**	**203 615**	**130 325**	**164 442**
Funded by:									
National Government	31 528	35 100	36 688	72 254	75 741	28 532	53 667	40 235	41 222
Provincial Government	85 965	48 390	1 290	–	5 400	890	–	–	–
District Municipality	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental	–	–	53 387	51 447	56 853	24 654	41 890	30 090	63 220
Transfers recognised - capital	**117 493**	**83 490**	**91 365**	**123 702**	**137 994**	**137 994**	**95 557**	**70 325**	**104 442**
Public contributions & donations	3 730	23 919	–	–	–	–	–	–	–
Borrowing	50 476	45 443	65 237	80 175	38 411	38 411	95 214	60 000	60 000
Internally generated funds	39 358	101 949	35 775	32 143	29 811	29 811	12 845	–	–
Total Capital Funding	**211 056**	**254 800**	**192 377**	**236 020**	**206 216**	**206 216**	**203 615**	**130 325**	**164 442**

WC032 Overstrand - Schedule 4 - Budgeted Financial Position

R thousand	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
ASSETS									
Current assets									
Cash and cash equivalents	653 813	612 723	616 280	431 308	525 264	525 264	527 249	534 490	555 317
Trade and other receivables from exchange transactions	82 974	81 353	96 666	93 122	92 965	92 965	110 712	116 821	123 348
Receivables from non-exchange transactions	51 504	45 341	47 229	58 498	52 445	52 445	54 310	57 631	61 103
Current portion of non-current receivables	4	–	–	–	–	–	–	–	–
Inventory	10 222	12 736	10 932	10 908	10 908	10 908	11 054	11 025	11 008
VAT	10 384	16 822	12 472	(268)	(268)	(268)	1 066	2 544	4 131
Other current assets	708	717	733	723	723	723	723	723	723
Total current assets	**809 609**	**769 692**	**784 312**	**594 291**	**682 037**	**682 037**	**705 114**	**723 234**	**755 630**
Non current assets									
Investments	46 515	54 278	60 512	70 005	70 005	70 005	77 846	85 830	93 964
Investment property	122 921	127 538	127 088	132 846	132 846	132 846	138 346	143 846	149 346
Property, plant and equipment	3 485 598	3 601 762	3 637 253	3 820 865	3 792 520	3 792 520	3 847 342	3 826 369	3 836 978
Biological assets	–	–	–	–	–	–	–	–	–
Living and non-living resources	242	677	610	–	542	542	474	406	339
Heritage assets	130 928	128 528	112 126	130 928	112 126	112 126	112 126	112 126	112 126
Intangible assets	9 168	8 993	8 940	8 203	8 203	8 203	7 909	7 602	7 277
Trade and other receivables from exchange transactions	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions	–	–	–	–	–	–	–	–	–
Other non-current assets	–	–	–	–	–	–	–	–	–
Total non current assets	**3 795 371**	**3 921 776**	**3 946 528**	**4 162 847**	**4 116 242**	**4 116 242**	**4 184 043**	**4 176 179**	**4 200 030**
TOTAL ASSETS	**4 604 980**	**4 691 468**	**4 730 840**	**4 757 138**	**4 798 278**	**4 798 278**	**4 889 157**	**4 899 414**	**4 955 659**
LIABILITIES									
Current liabilities									
Bank overdraft	–	–	–	–	–	–	–	–	–
Financial liabilities	45 458	53 957	50 494	58 592	58 592	58 592	50 907	154 740	59 739
Consumer deposits	40 992	42 248	43 312	66 074	43 312	43 312	65 312	67 312	69 312
Trade and other payables from exchange transactions	134 818	141 475	138 780	173 931	170 120	170 120	177 246	189 628	202 841
Trade and other payables from non-exchange transactions	31 133	24 030	26 309	–	–	–	–	–	–
Provision	42 460	49 986	46 857	42 971	42 971	42 971	48 875	53 413	55 300
VAT	–	–	–	–	790	790	2 639	2 940	3 280
Other current liabilities	–	–	–	5 240	5 240	5 240	–	–	–
Total current liabilities	**294 861**	**311 695**	**305 751**	**346 808**	**321 025**	**321 025**	**344 979**	**468 033**	**390 473**
Non current liabilities									
Financial liabilities	431 475	430 400	429 906	421 184	421 184	421 184	420 625	325 885	326 146
Provision	210 662	247 812	273 231	290 101	292 186	292 186	311 112	313 905	314 892
Long term portion of trade payables	–	–	–	–	–	–	–	–	–
Other non-current liabilities	–	–	–	–	–	–	–	–	–
Total non current liabilities	**642 137**	**678 212**	**703 137**	**711 285**	**713 370**	**713 370**	**731 737**	**639 790**	**641 038**
TOTAL LIABILITIES	**936 998**	**989 907**	**1 008 888**	**1 058 092**	**1 034 395**	**1 034 395**	**1 076 716**	**1 107 823**	**1 031 511**
NET ASSETS	**3 667 983**	**3 701 561**	**3 721 952**	**3 699 046**	**3 763 883**	**3 763 883**	**3 812 441**	**3 791 591**	**3 924 149**
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	3 664 755	3 698 334	3 718 724	3 695 823	3 760 661	3 760 661	3 809 213	3 788 362	3 920 920
Reserves	3 227	3 227	3 228	3 223	3 223	3 223	3 229	3 229	3 229
TOTAL COMMUNITY WEALTH/EQUITY	**3 667 983**	**3 701 561**	**3 721 952**	**3 699 046**	**3 763 883**	**3 763 883**	**3 812 441**	**3 791 591**	**3 924 149**

SCHEDULE 5

WC032 Overstrand - Schedule 5 - Budgeted Cash Flows

R thousand	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	238 449	262 672	278 096	285 907	285 907	285 907	336 765	355 850	373 663
Service charges	689 210	737 211	818 906	843 505	830 014	830 014	916 095	1 043 315	1 123 832
Other revenue	175 357	131 492	171 510	146 992	152 798	152 798	162 121	144 754	154 235
Transfers and Subsidies - Operational	120 949	133 792	194 456	166 184	179 496	179 496	185 579	200 916	213 137
Transfers and Subsidies - Capital	60 675	37 219	–	72 254	81 141	81 141	53 667	40 235	41 222
Interest	53 186	34 748	36 128	24 871	34 671	34 671	43 100	45 978	49 161
Dividends	–	–	–	–	–	–			
Payments									
Suppliers and employees	(971 606)	(1 069 400)	(1 237 641)	(1 373 971)	(1 382 381)	(1 382 381)	(1 434 464)	(1 630 636)	(1 604 452)
Finance charges	(46 570)	(48 805)	(47 584)	(48 056)	(48 056)	(48 056)	(49 658)	(51 817)	(49 865)
Transfers and Grants	(560)	(8 710)	(12 813)	(13 057)	(14 786)	(14 786)	(16 380)	(17 143)	(17 944)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**319 091**	**210 220**	**201 057**	**104 629**	**118 804**	**118 804**	**196 826**	**131 453**	**282 988**
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	3 289	940	3 813	–	–	–			
Decrease (increase) in non-current receivables	7	4	–	–	–	–			
Decrease (increase) in non-current investments	(4 980)	(4 878)	(4 980)	(4 980)	(4 980)	(4 980)	(4 980)	(4 980)	(4 980)
Payments									
Capital assets	(211 056)	(254 800)	(192 377)	(236 020)	(206 216)	(206 216)	(203 615)	(130 325)	(164 442)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(212 740)**	**(258 734)**	**(193 544)**	**(241 000)**	**(211 196)**	**(211 196)**	**(208 595)**	**(135 305)**	**(169 422)**
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	–	–	–	–	–	–	–		
Borrowing long term/refinancing	54 000	54 000	50 000	50 000	50 000	50 000	50 000	50 000	60 000
Increase (decrease) in consumer deposits	–	–	–	2 000	2 000	2 000	22 000	2 000	2 000
Payments									
Repayment of borrowing	(39 725)	(46 576)	(53 957)	(50 623)	(50 623)	(50 623)	(58 245)	(40 907)	(154 740)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**14 275**	**7 424**	**(3 957)**	**1 377**	**1 377**	**1 377**	**13 755**	**11 093**	**(92 740)**
NET INCREASE/ (DECREASE) IN CASH HELD	**120 626**	**(41 091)**	**3 557**	**(134 994)**	**(91 016)**	**(91 016)**	**1 985**	**7 242**	**20 826**
Cash/cash equivalents at the year begin:	**533 188**	**653 813**	**612 723**	**566 302**	**616 280**	**616 280**	**525 264**	**527 249**	**534 490**
Cash/cash equivalents at the year end:	**653 813**	**612 723**	**616 280**	**431 308**	**525 264**	**525 264**	**527 249**	**534 490**	**555 317**

Cash/cash equivalents at the year end:

SCHEDULE 6

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

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Cash and investments available									
Cash/cash equivalents at the year end	653 813	612 723	616 280	431 308	525 264	525 264	527 249	534 490	555 317
Other current investments > 90 days	82 974	81 353	96 666	93 122	92 965	92 965	110 712	116 821	123 348
Investments - Property, plant and equipment	3 485 598	3 601 762	3 637 253	3 820 865	3 792 520	3 792 520	3 847 342	3 826 369	3 836 978
Cash and investments available:	**4 222 385**	**4 295 837**	**4 350 199**	**4 345 294**	**4 410 748**	**4 410 748**	**4 485 303**	**4 477 680**	**4 515 643**
Application of cash and investments									
Trade payables from Non-exchange transactions: Unspent conditional Grants	31 133	24 030	26 309	–	–	–	–	–	–
Unspent borrowing	–	44 066	–	22 033	22 033	22 033	45 214	–	–
Statutory requirements	–	–	–	–	–	–	–	–	–
Other working capital requirements	90 063	95 532	91 202	116 642	115 656	115 656	120 321	126 294	133 681
Other provisions	2 612	28 547	13 315	12 515	12 515	12 515	6 045	8 776	8 748
Long term investments committed	46 515	54 278	60 512	70 005	70 005	70 005	77 846	85 830	93 964
Reserves to be backed by cash/investments	3 227	3 227	3 228	3 223	3 223	3 223	3 229	3 229	3 229
Total Application of cash and investments:	**173 549**	**249 681**	**194 565**	**224 418**	**223 432**	**223 432**	**252 655**	**224 129**	**239 622**
Surplus(shortfall)	**4 048 835**	**4 046 156**	**4 155 634**	**4 120 877**	**4 187 316**	**4 187 316**	**4 232 648**	**4 253 552**	**4 276 021**

SCHEDULE 7

WC032 Overstrand - Table A9 Asset Management

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
CAPITAL EXPENDITURE									
Total New Assets	**188 804**	**199 520**	**119 714**	**141 955**	**145 918**	**145 918**	**135 647**	**70 690**	**98 401**
Roads Infrastructure	5 638	20 553	7 714	12 255	15 274	15 274	5 000	–	2 981
Storm water Infrastructure	7 918	14 169	4 724	1 636	1 636	1 636	12 732	7 000	–
Electrical Infrastructure	13 557	9 392	18 244	53 500	50 249	50 249	45 797	21 500	19 000
Water Supply Infrastructure	29 001	22 404	3 171	12 483	9 626	9 626	10 953	10 600	4 700
Sanitation Infrastructure	13 339	12 940	8 923	4 020	2 416	2 416	7 500	1 500	3 000
Solid Waste Infrastructure	7 311	12 254	2 972	1 470	1 250	1 250	400	–	500
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Infrastructure	***76 763***	***91 712***	***45 748***	***85 364***	***80 451***	***80 451***	***82 383***	***40 600***	***30 181***
Community Facilities	2 084	10 999	4 140	6 701	4 463	4 463	5 000	–	–
Sport and Recreation Facilities	2 447	15 000	5 047	4 250	4 797	4 797	875	–	5 000
Community Assets	***4 531***	***25 999***	***9 187***	***10 951***	***9 261***	***9 261***	***5 875***	**–**	***5 000***
Heritage Assets									
Revenue Generating									
Non-revenue Generating									
Investment properties	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings	1 749	4 581	1 410	3 017	2 295	2 295	–	–	–
Housing	85 753	49 598	49 031	38 785	42 211	42 211	41 890	30 090	63 220
Other Assets	***87 502***	***54 179***	***50 440***	***41 802***	***44 506***	***44 506***	***41 890***	***30 090***	***63 220***
Biological or Cultivated Assets									
Servitudes									
Licences and Rights									
Intangible Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment	**3 345**	**5 152**	**3 240**	**1 888**	**1 962**	**1 962**	**4 000**	**–**	**–**
Furniture and Office Equipment	**246**	**802**	**2 910**	**765**	**1 065**	**1 065**	**765**	**–**	**–**
Machinery and Equipment	**533**	**486**	**1 363**	**1 185**	**1 385**	**1 385**	**735**	**–**	**–**
Transport Assets	**15 884**	**21 189**	**6 806**	**–**	**7 289**	**7 289**	**–**	**–**	**–**
Land	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Mature	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Immature	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Living Resources	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Renewal of Existing Assets	**3 606**	**15 499**	**30 964**	**20 730**	**20 936**	**20 936**	**16 300**	**25 100**	**27 200**
Roads Infrastructure	8	–	–	–	–	–	–	–	–
Storm water Infrastructure	–	–	–	–	–	–	–	–	–
Electrical Infrastructure	–	915	1 000	1 058	1 058	1 058	1 500	2 000	2 000
Water Supply Infrastructure	887	11 297	29 964	19 172	19 228	19 228	14 100	22 400	20 500
Sanitation Infrastructure	2 711	3 287	–	500	650	650	700	700	700
Solid Waste Infrastructure	–	–	–	–	–	–	–	–	4 000
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Infrastructure	***3 606***	***15 499***	***30 964***	***20 730***	***20 936***	***20 936***	***16 300***	***25 100***	***27 200***
Community Facilities									
Sport and Recreation Facilities									
Community Assets									
Heritage Assets									
Revenue Generating									
Non-revenue Generating									
Investment properties									
Operational Buildings									
Housing									
Other Assets									
Biological or Cultivated Assets									
Servitudes									
Licences and Rights									
Intangible Assets									
Computer Equipment									
Furniture and Office Equipment									
Machinery and Equipment									
Transport Assets									
Land									
Zoo's, Marine and Non-biological Animals									

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Total Upgrading of Existing Assets	**18 646**	**39 781**	**41 698**	**73 335**	**39 362**	**39 362**	**51 668**	**34 535**	**38 841**
Roads Infrastructure	–	181	–	–	–	–	–	–	–
Storm water Infrastructure	1 285	12 258	–	–	–	–	–	–	–
Electrical Infrastructure	7 871	120	7 173	10 831	1 600	1 600	9 231	10 000	13 000
Water Supply Infrastructure	1 863	1 873	3 586	8 315	6 935	6 935	550	500	500
Sanitation Infrastructure	32	14 286	30 939	51 581	28 219	28 219	35 333	12 337	14 100
Solid Waste Infrastructure	–	3 262	–	2 074	2 074	2 074	–	–	–
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Infrastructure	***11 051***	***31 980***	***41 698***	***72 800***	***38 828***	***38 828***	***45 114***	***22 837***	***27 600***
Community Facilities	–	830	–	334	334	334	–	–	–
Sport and Recreation Facilities	7 534	6 971	–	200	200	200	6 554	11 698	11 241
Community Assets	***7 534***	***7 801***	**–**	***534***	***534***	***534***	***6 554***	***11 698***	***11 241***
Heritage Assets									
Revenue Generating									
Non-revenue Generating									
Investment properties									
Operational Buildings	61	–	–	–	–	–	–	–	–
Housing	–	–	–	–	–	–	–	–	–
Other Assets	***61***	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Biological or Cultivated Assets									
Servitudes									
Licences and Rights									
Intangible Assets									
Computer Equipment									
Furniture and Office Equipment									
Machinery and Equipment									
Transport Assets									
Land									
Zoo's, Marine and Non-biological Animals									
Total Capital Expenditure	**211 056**	**254 800**	**192 377**	**236 020**	**206 216**	**206 216**	**203 615**	**130 325**	**164 442**
Roads Infrastructure	5 645	20 734	7 714	12 255	15 274	15 274	5 000	–	2 981
Storm water Infrastructure	9 202	26 427	4 724	1 636	1 636	1 636	12 732	7 000	–
Electrical Infrastructure	21 428	10 427	26 417	65 389	52 907	52 907	56 528	33 500	34 000
Water Supply Infrastructure	31 752	35 574	36 721	39 970	35 789	35 789	25 603	33 500	25 700
Sanitation Infrastructure	16 081	30 513	39 862	56 101	31 285	31 285	43 533	14 537	17 800
Solid Waste Infrastructure	7 311	15 517	2 972	3 544	3 324	3 324	400	–	4 500
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Infrastructure	***91 420***	***139 192***	***118 410***	***178 895***	***140 215***	***140 215***	***143 796***	***88 537***	***84 981***
Community Facilities	2 084	11 829	4 140	7 035	4 798	4 798	5 000	–	–
Sport and Recreation Facilities	9 981	21 971	5 047	4 450	4 997	4 997	7 429	11 698	16 241
Community Assets	***12 065***	***33 801***	***9 187***	***11 485***	***9 795***	***9 795***	***12 429***	***11 698***	***16 241***
Heritage Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Investment properties	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings	1 810	4 581	1 410	3 017	2 295	2 295	–	–	–
Housing	85 753	49 598	49 031	38 785	42 211	42 211	41 890	30 090	63 220
Other Assets	***87 563***	***54 179***	***50 440***	***41 802***	***44 506***	***44 506***	***41 890***	***30 090***	***63 220***
Biological or Cultivated Assets									
Servitudes									
Licences and Rights									
Intangible Assets									
Computer Equipment	**3 345**	**5 152**	**3 240**	**1 888**	**1 962**	**1 962**	**4 000**		
Furniture and Office Equipment	**246**	**802**	**2 910**	**765**	**1 065**	**1 065**	**765**		
Machinery and Equipment	**533**	**486**	**1 363**	**1 185**	**1 385**	**1 385**	**735**		
Transport Assets	**15 884**	**21 189**	**6 806**	**–**	**7 289**	**7 289**	**–**		
Land									
Zoo's, Marine and Non-biological Animals									
Mature									
Immature									
Living Resources									
TOTAL CAPITAL EXPENDITURE - Asset class	**211 056**	**254 800**	**192 377**	**236 020**	**206 216**	**206 216**	**203 615**	**130 325**	**164 442**

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
ASSET REGISTER SUMMARY - PPE (WDV)	3 748 856	3 866 820	3 885 406	4 092 842	4 045 694	4 045 694	4 105 723	4 089 943	4 105 727
Roads Infrastructure	1 056 127	1 092 468	1 051 629	951 365	954 384	954 384	920 204	880 560	843 428
Storm water Infrastructure	214 067	234 040	250 290	240 845	240 845	240 845	245 097	243 526	234 861
Electrical Infrastructure	520 173	503 933	503 511	555 433	542 951	542 951	572 071	577 559	582 934
Water Supply Infrastructure	474 519	481 783	502 705	534 118	529 937	529 937	531 085	539 688	540 041
Sanitation Infrastructure	398 307	410 765	449 724	482 900	458 085	458 085	480 998	474 486	470 799
Solid Waste Infrastructure	24 634	40 153	40 054	49 883	49 663	49 663	46 762	43 405	44 490
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Infrastructure	***2 687 827***	***2 763 142***	***2 797 912***	***2 814 545***	***2 775 865***	***2 775 865***	***2 796 219***	***2 759 224***	***2 716 553***
Community Facilities									
Sport and Recreation Facilities									
Community Assets	***206 866***	***226 700***	***232 405***	**–**	**–**	**–**	**–**	**–**	**–**
Heritage Assets	**130 928**	**130 928**	**112 126**	**130 928**	**112 126**	**112 126**	**112 126**	**112 126**	**112 126**
Revenue Generating									
Non-revenue Generating									
Investment properties	***122 921***	***127 538***	***127 088***	***132 846***	***132 846***	***132 846***	***138 346***	***143 846***	***149 346***
Operational Buildings									
Housing									
Other Assets	***496 877***	***494 213***	***487 221***	***894 435***	***897 449***	***897 449***	***934 895***	***959 482***	***1 021 410***
Biological or Cultivated Assets									
Servitudes									
Licences and Rights									
Intangible Assets	***9 168***	***8 993***	***8 940***	***8 203***	***8 203***	***8 203***	***7 909***	***7 602***	***7 277***
Computer Equipment									
Furniture and Office Equipment	**10 174**	**11 016**	**12 301**	**15 403**	**15 777**	**15 777**	**17 932**	**15 295**	**12 634**
Machinery and Equipment	**6 022**	**8 693**	**9 473**	**5 659**	**5 317**	**5 317**	**4 864**	**3 664**	**2 451**
Transport Assets	**78 074**	**95 597**	**97 940**	**90 823**	**98 112**	**98 112**	**93 432**	**88 703**	**83 930**
Land									
Zoo's, Marine and Non-biological Animals									
Living Resources	**242**	**677**	**610**	**–**	**542**	**542**	**474**	**406**	**339**
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	**3 748 856**	**3 866 820**	**3 885 406**	**4 092 842**	**4 045 694**	**4 045 694**	**4 105 723**	**4 089 943**	**4 105 727**
EXPENDITURE OTHER ITEMS									
Depreciation	134 574	140 110	147 004	146 596	146 596	146 596	149 154	151 672	154 226
Repairs and Maintenance by Asset Class	**189 815**	**211 518**	**245 386**	**267 944**	**271 885**	**271 885**	**288 616**	**315 056**	**326 790**
Roads Infrastructure	65 691	67 439	64 340	72 275	60 564	60 564	75 266	79 593	84 168
Storm water Infrastructure	4 749	5 584	6 870	7 335	6 545	6 545	6 469	6 836	7 224
Electrical Infrastructure	36 812	31 045	30 721	39 232	38 565	38 565	41 404	45 107	41 533
Water Supply Infrastructure	16 161	21 046	21 088	22 142	22 089	22 089	23 527	24 847	26 242
Sanitation Infrastructure	10 072	12 980	11 710	13 044	13 465	13 465	13 718	14 494	15 314
Solid Waste Infrastructure	1 168	2 535	6 351	7 320	7 593	7 593	7 697	8 224	8 691
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	113	110	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	1	–	–	–	–	–	–	–
Infrastructure	***134 766***	***140 742***	***141 079***	***161 349***	***148 822***	***148 822***	***168 080***	***179 101***	***183 172***
Community Facilities	29 422	37 364	37 455	43 516	44 407	44 407	47 164	49 790	52 562
Sport and Recreation Facilities	4 176	7 007	12 921	14 849	14 019	14 019	15 119	19 060	20 131
Community Assets	***33 597***	***44 371***	***50 376***	***58 365***	***58 426***	***58 426***	***62 282***	***68 850***	***72 693***
Heritage Assets									
Revenue Generating									
Non-revenue Generating									
Investment properties									
Operational Buildings	1 582	2 136	15 056	15 246	19 382	19 382	18 438	25 359	26 838
Housing	–	1	–	–	–	–	–	–	–
Other Assets	***1 582***	***2 137***	***15 056***	***15 246***	***19 382***	***19 382***	***18 438***	***25 359***	***26 838***
Biological or Cultivated Assets									
Servitudes									
Licences and Rights	6 009	5 672	5 915	6 994	7 212	7 212	8 331	8 737	9 174
Intangible Assets	***6 009***	***5 672***	***5 915***	***6 994***	***7 212***	***7 212***	***8 331***	***8 737***	***9 174***
Computer Equipment	**766**	**1 947**	**2 490**	**2 280**	**2 386**	**2 386**	**2 423**	**2 740**	**2 979**
Furniture and Office Equipment	**242**	**1 128**	**5 004**	**6 330**	**12 310**	**12 310**	**6 812**	**6 882**	**7 227**
Machinery and Equipment	**–**	**–**	**4 059**	**5 601**	**4 963**	**4 963**	**6 036**	**6 241**	**6 574**
Transport Assets	**12 853**	**15 521**	**21 406**	**11 779**	**18 385**	**18 385**	**16 214**	**17 145**	**18 132**
Libraries									
Zoo's, Marine and Non-biological Animals									
Mature									
Immature									
Living Resources									
TOTAL EXPENDITURE OTHER ITEMS	**324 390**	**351 629**	**392 390**	**414 540**	**418 480**	**418 480**	**437 771**	**466 728**	**481 015**
Renewal and upgrading of Existing Assets as % of total	*10.5%*	*21.7%*	*37.8%*	*39.9%*	*29.2%*	*29.2%*	*33.4%*	*45.8%*	*40.2%*
Renewal and upgrading of Existing Assets as % of depr	*16.5%*	*39.5%*	*49.4%*	*64.2%*	*41.1%*	*41.1%*	*45.6%*	*39.3%*	*42.8%*
R&M as a % of PPE	*78460.1%*	*31228.8%*	*40254.5%*	*0.0%*	*50176.8%*	*50176.8%*	*60873.9%*	*77525.5%*	*96495.5%*
Renewal and upgrading and R&M as a % of PPE	*6.0%*	*7.0%*	*8.0%*	*9.0%*	*8.0%*	*8.0%*	*9.0%*	*9.0%*	*10.0%*

SCHEDULE 8

WC032 Overstrand - Schedule 8 - Basic service delivery measurement

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Household service targets									
Water:									
Piped water inside dwelling	29,946	30,111	30,990	30,412	30,412	30,412	31,324	32,264	33,232
Piped water inside yard (but not in dwelling)	–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	3,675	3,779	3,536	3,536	3,536	3,536	4,900	4,900	4,900
Other water supply (at least min.service level)	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total	33,621	33,890	34,526	33,948	33,948	33,948	36,224	37,164	38,132
Using public tap (< min.service level)	–	–	–	–	–	–	2,700	2,600	2,500
Other water supply (< min.service level)	–	–	–	–	–	–	–	–	–
No water supply	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–	–	–	2,700	2,600	2,500
Total number of households	**33,621**	**33,890**	**34,526**	**33,948**	**33,948**	**33,948**	**38,924**	**39,764**	**40,632**
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	30,060	30,420	31,394	30,724	30,724	30,724	31,646	32,595	33,573
Flush toilet (with septic tank)	–	–	–	–	–	–	–	–	–
Chemical toilet	–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)	–	–	–	–	–	–	–	–	–
Other toilet provisions (> min.service level)	3,675	3,779	3,536	3,536	3,536	3,536	4,900	4,900	4,900
Minimum Service Level and Above sub-total	33,735	34,199	34,930	34,260	34,260	34,260	36,546	37,495	38,473
Bucket toilet	–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)	–	–	–	–	–	–	2,700	2,700	2,700
No toilet provisions	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–	–	–	2,700	2,700	2,700
Total number of households	**33,735**	**34,199**	**34,930**	**34,260**	**34,260**	**34,260**	**39,246**	**40,195**	**41,173**
Energy:									
Electricity (at least min.service level)	5,946	5,826	5,618	5,586	5,586	5,586	5,554	5,522	5,490
Electricity - prepaid (min.service level)	19,731	20,146	20,821	20,976	20,976	20,976	21,651	22,326	23,001
Minimum Service Level and Above sub-total	25,677	25,972	26,439	26,562	26,562	26,562	27,205	27,848	28,491
Electricity (< min.service level)	–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–
Other energy sources	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	**25,677**	**25,972**	**26,439**	**26,562**	**26,562**	**26,562**	**27,205**	**27,848**	**28,491**
Refuse:									
Removed at least once a week	33,366	33,895	34,819	34,234	34,234	34,234	35,261	36,319	37,408
Minimum Service Level and Above sub-total	33,366	33,895	34,819	34,234	34,234	34,234	35,261	36,319	37,408
Removed less frequently than once a week	–	–	–	–	–	–	–	–	–
Using communal refuse dump	–	–	–	–	–	–	–	–	–
Using own refuse dump	–	–	–	–	–	–	–	–	–
Other rubbish disposal	–	–	–	–	–	–	–	–	–
No rubbish disposal	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	**33,366**	**33,895**	**34,819**	**34,234**	**34,234**	**34,234**	**35,261**	**36,319**	**37,408**
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	7,595	7,278	7,400	7,400	7,400	7,400	7,000	7,000	7,000
Sanitation (free minimum level service)	7,595	7,278	7,400	7,400	7,400	7,400	7,000	7,000	7,000
Electricity/other energy (50kwh per household per month)	7,595	7,278	7,300	7,300	7,300	7,300	7,000	7,000	7,000
Refuse (removed at least once a week)	7,595	7,278	7,400	7,400	7,400	7,400	7,000	7,000	7,000
Informal Settlements	–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Formal Settlements (R'000)									
Water (6 kilolitres per indigent household per month)	3,062	3,065	3,239	3,214	3,214	3,214	3,432	3,638	3,856
Sanitation (free sanitation service to indigent households)	5,244	5,253	5,553	9,132	9,132	9,132	9,814	10,403	11,027
Electricity/other energy (50kwh per indigent household per month)	5,416	5,513	6,423	6,530	6,530	6,530	7,509	7,960	8,437
Refuse (removed once a week for indigent households)	16,906	16,929	17,901	17,933	17,933	17,933	19,152	20,301	21,519
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	–	–	–	–	–	–	–	–	–
Total cost of FBS provided	**30,628**	**30,760**	**33,117**	**36,808**	**36,808**	**36,808**	**39,907**	**42,302**	**44,840**
Highest level of free service provided per household									
Property rates (R value threshold)	220,000	220,000	220,000	220,000	220,000	220,000	–	–	–
Water (kilolitres per household per month)	6	6	6	6	6	6	10	10	10
Sanitation (kilolitres per household per month)	4	4	4	4	4	4	7	7	7
Sanitation (Rand per household per month)	78	82	86	89	89	89	264	280	297
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50	50
Refuse (average litres per week)	210	210	210	210	210	210	210	210	210
Revenue cost of subsidised services provided (R'000)									
Property rates (tariff adjustment) (impermissable values per section 17 of MPRA)	–	–	–	–	–	–	–	–	–
Property rates exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)	–	–	–	–	–	–	–	–	–
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 mont	–	–	–	–	–	–	–	–	–
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	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

SCHEDULE 9

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

Standard Classification Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue - Functional									
Governance and administration	**346 166**	**366 679**	**390 897**	**384 994**	**398 420**	**398 420**	**460 614**	**487 005**	**515 935**
Executive and council	30 254	38 681	53 624	50 470	50 944	50 944	52 832	58 649	65 602
Finance and administration	315 876	327 998	337 273	334 524	347 476	347 476	407 781	428 357	450 333
Internal audit	36	–	–	–	–	–	–	–	–
Community and public safety	**164 043**	**125 463**	**164 894**	**152 578**	**161 611**	**161 611**	**179 758**	**166 843**	**181 807**
Community and social services	8 071	8 291	9 726	8 776	8 870	8 870	8 785	9 130	9 539
Sport and recreation	18 801	29 089	15 568	10 972	11 572	11 572	19 243	25 098	30 360
Public safety	32 801	16 193	48 216	35 995	41 335	41 335	38 275	40 713	43 398
Housing	104 370	71 891	91 383	96 834	99 834	99 834	113 454	91 902	98 509
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	**15 503**	**16 035**	**24 301**	**24 399**	**28 378**	**28 378**	**21 679**	**13 909**	**17 008**
Planning and development	8 315	11 638	17 461	13 483	13 783	13 783	15 986	13 164	13 229
Road transport	7 166	4 365	6 342	10 879	14 558	14 558	5 650	700	3 732
Environmental protection	21	32	498	37	37	37	42	45	47
Trading services	**804 239**	**847 454**	**936 098**	**1 021 099**	**1 018 817**	**1 018 817**	**1 083 523**	**1 201 796**	**1 279 979**
Energy sources	459 980	481 695	557 894	615 533	610 451	610 451	668 939	767 034	826 170
Water management	153 663	153 115	156 426	167 048	169 604	169 604	169 564	175 192	185 679
Waste water management	103 934	117 987	123 924	139 720	140 185	140 185	140 386	142 708	143 925
Waste management	86 662	94 657	97 854	98 797	98 577	98 577	104 634	116 862	124 204
Other	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Revenue - Functional	**1 329 951**	**1 355 632**	**1 516 190**	**1 583 069**	**1 607 226**	**1 607 226**	**1 745 573**	**1 869 554**	**1 994 730**
Expenditure - Functional									
Governance and administration	**218 047**	**259 532**	**295 156**	**315 410**	**316 730**	**316 730**	**334 374**	**338 409**	**353 934**
Executive and council	39 624	69 529	65 261	74 067	72 952	72 952	80 189	70 080	71 962
Finance and administration	176 101	187 242	226 997	237 178	240 173	240 173	249 820	263 743	277 153
Internal audit	2 322	2 761	2 898	4 165	3 604	3 604	4 366	4 586	4 819
Community and public safety	**171 527**	**192 423**	**247 198**	**267 374**	**276 412**	**276 412**	**297 756**	**303 385**	**289 206**
Community and social services	15 216	22 122	20 500	21 751	22 296	22 296	23 853	25 038	26 334
Sport and recreation	44 289	52 169	53 049	63 035	62 188	62 188	64 055	70 623	74 533
Public safety	82 675	87 169	126 920	118 758	128 844	128 844	132 228	139 628	146 420
Housing	29 347	30 963	46 729	63 829	63 084	63 084	77 620	68 096	41 919
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	**156 576**	**170 202**	**183 133**	**198 290**	**188 991**	**188 991**	**211 088**	**224 165**	**234 704**
Planning and development	39 397	43 396	47 152	53 256	51 965	51 965	57 133	56 025	58 748
Road transport	107 277	110 465	114 891	121 995	111 840	111 840	129 394	134 762	140 554
Environmental protection	9 902	16 340	21 090	23 039	25 186	25 186	24 561	33 377	35 402
Trading services	**641 935**	**696 761**	**767 390**	**810 381**	**823 887**	**823 887**	**901 649**	**985 586**	**1 049 252**
Energy sources	366 823	384 141	438 281	480 315	467 207	467 207	538 594	598 735	645 641
Water management	112 899	120 612	131 792	133 992	141 838	141 838	145 534	155 404	162 098
Waste water management	90 406	95 785	110 529	103 774	119 258	119 258	121 648	128 306	133 494
Waste management	71 808	96 223	86 788	92 299	95 584	95 584	95 874	103 141	108 019
Other	**2 998**	**2 893**	**2 923**	**3 517**	**4 429**	**4 429**	**4 104**	**4 247**	**4 403**
Total Expenditure - Functional	**1 191 084**	**1 321 810**	**1 495 800**	**1 594 971**	**1 610 448**	**1 610 448**	**1 748 972**	**1 855 792**	**1 931 500**
Surplus/(Deficit) for the year	**138 868**	**33 821**	**20 390**	**(11 902)**	**(3 222)**	**(3 222)**	**(3 399)**	**13 762**	**63 230**

SCHEDULE 10

WC032 Overstrand - Schedule 10 - Budgeted Capital Expenditure by directorate

Vote Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote 1 - Council & Mayor's Office	–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager & Internal Audit	–	–	–	–	–	–	5 000	–	–
Vote 3 - Management Services	–	–	3 250	1 815	1 815	1 815	2 215	–	–
Vote 4 - Finance	–	–	42	60	60	60	60	–	–
Vote 5 - Infrastructure & Planning	15 575	73 712	146 819	198 128	168 863	168 863	192 586	130 325	164 442
Vote 6 - Protection Services	–	–	2 117	300	600	600	300	–	–
Vote 7 - Economic and Social Development & T	–	–	100	45	45	45	45	–	–
Vote 8 - Community Services	58 300	36 053	6 417	735	1 385	1 385	735	–	–
Total Capital Expenditure - Vote	**73 875**	**109 765**	**158 744**	**201 083**	**172 768**	**172 768**	**200 941**	**130 325**	**164 442**
Single-year expenditure to be appropriated									
Vote 1 - Council & Mayor's Office	–	352	–	–	–	–	–	–	–
Vote 2 - Municipal Manager & Internal Audit	–	–	–	–	–	–	–	–	–
Vote 3 - Management Services	3 966	2 288	–	–	–	–	1 800	–	–
Vote 4 - Finance	22	57	–	–	–	–	–	–	–
Vote 5 - Infrastructure & Planning	93 905	80 221	19 604	17 475	14 740	14 740	–	–	–
Vote 6 - Protection Services	12 064	8 160	4 989	2 492	5 442	5 442	–	–	–
Vote 7 - Economic and Social Development & T	375	498	–	–	–	–	–	–	–
Vote 8 - Community Services	26 849	53 459	9 039	14 970	13 267	13 267	875	–	–
Capital single-year expenditure sub-total	**137 181**	**145 035**	**33 633**	**34 937**	**33 448**	**33 448**	**2 675**	**–**	**–**
Total Capital Expenditure - Vote	**211 056**	**254 800**	**192 377**	**236 020**	**206 216**	**206 216**	**203 615**	**130 325**	**164 442**

ANNEXURE B

A1 SCHEDULE & A2 BUDGET CHARTS

The A Schedule Budget Tables is a National Treasury template, and now, also incorporated into the financial systems of the vendors, and in many instances, sheet & cell protected. It should be noted that some tables contain inconsistent formula errors, which calculates the data incorrectly in some tables. 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. Numerous of the incorrect formulas have been edited or changed by the municipal staff, to improve the quality of the information presented.

Municipal annual budgets and MTREF & supporting tables

mSCOA Version 6.7

Click for Instructions!

Accountability

Transparency

Information & service delivery

national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Contact details:

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

Preparation Instructions

Municipality Name:	WC032 Overstrand
CFO Name:	SANTIE REYNEKE-NAUDE
Tel:	028 313 8040
Fax:	0
E-Mail:	cfo@overstrand.gov.za
Budget for MTREF starting:	2023
Budget Year:	2023/24
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

Show Pre-audit columns on all

Hide Reference columns on all

Showing / Clearing Highlights

Clear Highlights on all sheets

Important documents which provide essential assistance

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

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

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:		**Secretary/PA to the Speaker:**	
ID Number	0	ID Number	0
Title	Mr	Title	Ms
Name	GRANT MICHAEL COHEN	Name	ANNA KORVER
Telephone number	028 313 8193	Telephone number	028 313 8058
Cell number	072 436 9068	Cell number	0
Fax number	0	Fax number	0
E-mail address	gcohen@overstrand.gov.za	E-mail address	akorver@overstrand.gov.za
Mayor/Executive Mayor:		**Secretary/PA to the Mayor/Executive Mayor:**	
ID Number	0	ID Number	0
Title	Mrs	Title	Ms
Name	ANNA LOUISE RABIE	Name	ANNA KORVER
Telephone number	028 313 8011	Telephone number	028 313 8058
Cell number	083 457 8711	Cell number	0
Fax number	0	Fax number	0
E-mail address	annelierabie@overstrand.gov.za	E-mail address	akorver@overstrand.gov.za
Deputy Mayor/Executive Mayor:		**Secretary/PA to the Deputy Mayor/Executive Mayor:**	
ID Number	0	ID Number	0
Title	Mr	Title	Ms
Name	LINDILE NTSABO	Name	ANNA KORVER
Telephone number	028 313 8000	Telephone number	028 313 8058
Cell number	081 491 0949	Cell number	0
Fax number	0	Fax number	0
E-mail address	lntsabo@overstrand.gov.za	E-mail address	akorver@overstrand.gov.za

D. MANAGEMENT LEADERSHIP			
Municipal Manager:		**Secretary/PA to the Municipal Manager:**	
ID Number	0	ID Number	0
Title	Mr	Title	Mrs
Name	DEAN GABRIEL IAN O'NEILL	Name	RENTIA PRETORIUS
Telephone number	028 313 8003	Telephone number	028 313 8909
Cell number	076 911 6497	Cell number	0
Fax number	0	Fax number	0
E-mail address	mm@overstrand.gov.za	E-mail address	rpretorius@overstrand.gov.za
Chief Financial Officer		**Secretary/PA to the Chief Financial Officer**	
ID Number	0	ID Number	0
Title	Mrs	Title	Mrs
Name	SANTIE REYNEKE-NAUDE	Name	DORET TALJAARD
Telephone number	028 313 8040	Telephone number	028 313 8074
Cell number	082 551 4499	Cell number	0
Fax number	0	Fax number	0
E-mail address	cfo@overstrand.gov.za	E-mail address	dtaljaard@overstrand.gov.za
Official responsible for submitting financial information		**Official responsible for submitting financial information**	
ID Number	0	ID Number	0
Title	Mr	Title	Ms
Name	BERNARD KING	Name	VERONICA ALLEN

Telephone number	028 313 8154	Telephone number	028 313 8131
Cell number	0	Cell number	0
Fax number	0	Fax number	0
E-mail address	bking@overstrand.gov.za	E-mail address	vallen@overstrand.gov.za
Official responsible for submitting financial information		**Official responsible for submitting financial information**	
ID Number	0	ID Number	0
Title	Mrs	Title	Ms
Name	GEORGIA BUCCHIANERI	Name	KELLY JEPTHA
Telephone number	028 313 8913	Telephone number	028 313 8138
Cell number	0	Cell number	0
Fax number	0	Fax number	0
E-mail address	gbucchianeri@overstrand.gov.za	E-mail address	kjeptha@overstrand.gov.za
Official responsible for submitting financial information		**Official responsible for submitting financial information**	
ID Number	0	ID Number	0
Title	Mr	Title	0
Name	LLYLE TAIT	Name	0
Telephone number	028 313 8151	Telephone number	0
Cell number	0	Cell number	0
Fax number	0	Fax number	0
E-mail address	ltait@overstrand.gov.za	E-mail address	0

WC032 Overstrand - Table A1 Budget Summary

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Financial Performance									
Property rates	240 910	263 442	278 154	287 941	287 941	287 941	340 506	357 532	375 408
Service charges	698 179	733 701	825 796	849 642	835 994	835 994	931 059	1 050 040	1 130 814
Investment revenue	48 116	30 476	31 884	24 871	34 671	34 671	41 800	44 600	47 700
Transfer and subsidies - Operational	122 921	140 895	151 903	166 184	179 496	179 496	185 579	200 916	213 137
Other own revenue	178 486	125 979	185 975	169 515	172 915	172 915	192 961	176 231	186 448
Total Revenue (excluding capital transfers and contributions)	1 288 611	1 294 494	1 473 713	1 498 153	1 511 017	1 511 017	1 691 906	1 829 319	1 953 508
Employee costs	380 774	436 214	452 651	504 478	505 647	505 647	538 535	549 452	577 304
Remuneration of councillors	11 282	11 219	11 538	12 335	12 335	12 335	12 514	13 014	13 540
Depreciation and amortisation	134 574	140 116	147 004	146 596	146 596	146 596	149 154	151 672	154 226
Finance charges	46 570	48 805	47 584	48 056	48 056	48 056	49 658	51 817	49 865
Inventory consumed and bulk purchases	320 849	343 325	404 258	436 298	435 898	435 898	503 324	565 220	613 024
Transfers and subsidies	560	8 710	12 813	13 057	14 786	14 786	16 380	17 143	17 944
Other expenditure	296 473	333 421	419 951	434 152	447 130	447 130	479 406	507 474	505 597
Total Expenditure	1 191 084	1 321 810	1 495 800	1 594 971	1 610 448	1 610 448	1 748 972	1 855 792	1 931 500
Surplus/(Deficit)	97 527	(27 316)	(22 087)	(96 819)	(99 431)	(99 431)	(57 066)	(26 473)	22 008
Transfers and subsidies - capital (monetary allocations)	37 611	37 219	37 978	84 917	93 583	93 583	53 667	40 235	41 222
Transfers and subsidies - capital (in-kind)	3 730	23 919	4 499	–	2 626	2 626	–	–	–
Surplus/(Deficit) after capital transfers & contributions	138 868	33 821	20 390	(11 902)	(3 222)	(3 222)	(3 399)	13 762	63 230
Intercompany/Parent subsidiary transactions	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	138 868	33 821	20 390	(11 902)	(3 222)	(3 222)	(3 399)	13 762	63 230
Capital expenditure & funds sources									
Capital expenditure	211 056	254 800	192 377	236 020	206 216	206 216	203 615	130 325	164 442
Transfers recognised - capital	117 493	83 490	91 365	123 702	137 994	137 994	95 557	70 325	104 442
Borrowing	50 476	45 443	65 237	80 175	38 411	38 411	95 214	60 000	60 000
Internally generated funds	39 358	101 949	35 775	32 143	29 811	29 811	12 845	–	–
Total sources of capital funds	207 327	230 881	192 377	236 020	206 216	206 216	203 615	130 325	164 442
Financial position									
Total current assets	809 609	769 692	784 312	594 291	682 037	682 037	705 114	723 234	755 630
Total non current assets	3 795 371	3 921 776	3 946 528	4 162 847	4 116 242	4 116 242	4 184 043	4 176 179	4 200 030
Total current liabilities	294 861	311 695	305 751	346 808	321 025	321 025	344 979	468 033	390 473
Total non current liabilities	642 137	678 212	703 137	711 285	713 370	713 370	731 737	639 790	641 038
Community wealth/Equity	3 667 983	3 701 561	3 721 952	3 699 046	3 763 883	3 763 883	3 812 441	3 791 591	3 924 149
Cash flows									
Net cash from (used) operating	319 091	210 220	201 057	104 629	118 804	118 804	196 826	131 453	282 988
Net cash from (used) investing	(212 740)	(258 734)	(193 544)	(241 000)	(211 196)	(211 196)	(208 595)	(135 305)	(169 422)
Net cash from (used) financing	14 275	7 424	(3 957)	1 377	1 377	1 377	13 755	11 093	(92 740)
Cash/cash equivalents at the year end	653 813	612 723	616 280	431 308	525 264	525 264	527 249	534 490	555 317
Cash backing/surplus reconciliation									
Cash and investments available	4 222 385	4 295 837	4 350 199	4 345 294	4 410 748	4 410 748	4 485 303	4 477 680	4 515 643
Application of cash and investments	173 549	249 681	194 565	224 418	223 432	223 432	252 655	224 129	239 622
Balance - surplus (shortfall)	4 048 835	4 046 156	4 155 634	4 120 877	4 187 316	4 187 316	4 232 648	4 253 552	4 276 021
Asset management									
Asset register summary (WDV)	3 748 856	3 866 820	3 885 406	4 092 842	4 045 694	4 045 694	4 105 723	4 089 943	4 105 727
Depreciation	134 574	140 110	147 004	146 596	146 596	146 596	149 154	151 672	154 226
Renewal and Upgrading of Existing Assets	22 252	55 281	72 662	94 065	60 298	60 298	67 968	59 635	66 041
Repairs and Maintenance	189 815	211 518	245 386	267 944	271 885	271 885	288 616	315 056	326 790
Free services									
Cost of Free Basic Services provided	30 628	30 760	33 117	36 808	36 808	36 808	39 907	42 302	44 840
Revenue cost of free services provided	–	–	–	–	–	–	–	–	–
Households below minimum service level									
Water:	–	–	–	–	–	–	3	3	3
Sanitation/sewerage:	–	–	–	–	–	–	3	3	3
Energy:	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–

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

Functional Classification Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue - Functional										
Governance and administration		**346 166**	**366 679**	**390 897**	**384 994**	**398 420**	**398 420**	**460 614**	**487 005**	**515 935**
Executive and council		30 254	38 681	53 624	50 470	50 944	50 944	52 832	58 649	65 602
Finance and administration		315 876	327 998	337 273	334 524	347 476	347 476	407 781	428 357	450 333
Internal audit		36	–	–	–	–	–	–	–	–
Community and public safety		**164 043**	**125 463**	**164 894**	**152 578**	**161 611**	**161 611**	**179 758**	**166 843**	**181 807**
Community and social services		8 071	8 291	9 726	8 776	8 870	8 870	8 785	9 130	9 539
Sport and recreation		18 801	29 089	15 568	10 972	11 572	11 572	19 243	25 098	30 360
Public safety		32 801	16 193	48 216	35 995	41 335	41 335	38 275	40 713	43 398
Housing		104 370	71 891	91 383	96 834	99 834	99 834	113 454	91 902	98 509
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**15 503**	**16 035**	**24 301**	**24 399**	**28 378**	**28 378**	**21 679**	**13 909**	**17 008**
Planning and development		8 315	11 638	17 461	13 483	13 783	13 783	15 986	13 164	13 229
Road transport		7 166	4 365	6 342	10 879	14 558	14 558	5 650	700	3 732
Environmental protection		21	32	498	37	37	37	42	45	47
Trading services		**804 239**	**847 454**	**936 098**	**1 021 099**	**1 018 817**	**1 018 817**	**1 083 523**	**1 201 796**	**1 279 979**
Energy sources		459 980	481 695	557 894	615 533	610 451	610 451	668 939	767 034	826 170
Water management		153 663	153 115	156 426	167 048	169 604	169 604	169 564	175 192	185 679
Waste water management		103 934	117 987	123 924	139 720	140 185	140 185	140 386	142 708	143 925
Waste management		86 662	94 657	97 854	98 797	98 577	98 577	104 634	116 862	124 204
Other	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	**1 329 951**	**1 355 632**	**1 516 190**	**1 583 069**	**1 607 226**	**1 607 226**	**1 745 573**	**1 869 554**	**1 994 730**
Expenditure - Functional										
Governance and administration		**218 047**	**259 532**	**295 156**	**315 410**	**316 730**	**316 730**	**334 374**	**338 409**	**353 934**
Executive and council		39 624	69 529	65 261	74 067	72 952	72 952	80 189	70 080	71 962
Finance and administration		176 101	187 242	226 997	237 178	240 173	240 173	249 820	263 743	277 153
Internal audit		2 322	2 761	2 898	4 165	3 604	3 604	4 366	4 586	4 819
Community and public safety		**171 527**	**192 423**	**247 198**	**267 374**	**276 412**	**276 412**	**297 756**	**303 385**	**289 206**
Community and social services		15 216	22 122	20 500	21 751	22 296	22 296	23 853	25 038	26 334
Sport and recreation		44 289	52 169	53 049	63 035	62 188	62 188	64 055	70 623	74 533
Public safety		82 675	87 169	126 920	118 758	128 844	128 844	132 228	139 628	146 420
Housing		29 347	30 963	46 729	63 829	63 084	63 084	77 620	68 096	41 919
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**156 576**	**170 202**	**183 133**	**198 290**	**188 991**	**188 991**	**211 088**	**224 165**	**234 704**
Planning and development		39 397	43 396	47 152	53 256	51 965	51 965	57 133	56 025	58 748
Road transport		107 277	110 465	114 891	121 995	111 840	111 840	129 394	134 762	140 554
Environmental protection		9 902	16 340	21 090	23 039	25 186	25 186	24 561	33 377	35 402
Trading services		**641 935**	**696 761**	**767 390**	**810 381**	**823 887**	**823 887**	**901 649**	**985 586**	**1 049 252**
Energy sources		366 823	384 141	438 281	480 315	467 207	467 207	538 594	598 735	645 641
Water management		112 899	120 612	131 792	133 992	141 838	141 838	145 534	155 404	162 098
Waste water management		90 406	95 785	110 529	103 774	119 258	119 258	121 648	128 306	133 494
Waste management		71 808	96 223	86 788	92 299	95 584	95 584	95 874	103 141	108 019
Other	4	**2 998**	**2 893**	**2 923**	**3 517**	**4 429**	**4 429**	**4 104**	**4 247**	**4 403**
Total Expenditure - Functional	3	**1 191 084**	**1 321 810**	**1 495 800**	**1 594 971**	**1 610 448**	**1 610 448**	**1 748 972**	**1 855 792**	**1 931 500**
Surplus/(Deficit) for the year		**138 868**	**33 821**	**20 390**	**(11 902)**	**(3 222)**	**(3 222)**	**(3 399)**	**13 762**	**63 230**

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

Functional Classification Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue - Functional										
Municipal governance and administration		**346 166**	**366 679**	**390 897**	**384 994**	**398 420**	**398 420**	**460 614**	**487 005**	**515 935**
Executive and council		30 254	38 681	53 624	50 470	50 944	50 944	52 832	58 649	65 602
Mayor and Council		30 091	38 321	53 270	50 312	50 786	50 786	52 697	58 511	65 462
Municipal Manager, Town Secretary and Chief Executive		163	360	354	158	158	158	135	138	140
Finance and administration		315 876	327 998	337 273	334 524	347 476	347 476	407 781	428 357	450 333
Administrative and Corporate Support		378	2 958	2 835	262	662	662	265	276	288
Asset Management		–	–	–	–	–	–	–	–	–
Finance		298 907	312 837	323 536	327 365	337 165	337 165	400 461	420 971	442 879
Fleet Management		95	–	–	0	2 552	2 552	0	0	0
Human Resources		738	2 246	2 473	858	858	858	954	972	991
Information Technology		–	257	817	–	200	200	–	–	–
Legal Services		–	6	–	–	–	–	–	–	–
Marketing, Customer Relations, Publicity and Media Co-ordination		–	–	–	–	–	–	–	–	–
Property Services		701	4 403	398	348	348	348	372	394	417
Risk Management		–	–	–	–	–	–	–	–	–
Security Services		–	–	–	–	–	–	–	–	–
Supply Chain Management		152	373	150	71	71	71	79	84	89
Valuation Service		14 906	4 918	7 064	5 620	5 620	5 620	5 650	5 659	5 669
Internal audit		36	–	–	–	–	–	–	–	–
Governance Function		36	–	–	–	–	–	–	–	–
Community and public safety		**164 043**	**125 463**	**164 894**	**152 578**	**161 611**	**161 611**	**179 758**	**166 843**	**181 807**
Community and social services		**8 071**	**8 291**	**9 726**	**8 776**	**8 870**	**8 870**	**8 785**	**9 130**	**9 539**
Aged Care		–	–	–	–	–	–	–	–	–
Agricultural		–	–	–	–	–	–	–	–	–
Animal Care and Diseases		–	–	–	–	–	–	–	–	–
Cemeteries, Funeral Parlours and Crematoriums		301	425	402	225	225	225	195	207	218
Child Care Facilities		–	–	–	–	–	–	–	–	–
Community Halls and Facilities		385	174	394	271	271	271	157	161	167
Consumer Protection		–	–	–	–	–	–	–	–	–
Cultural Matters		–	–	–	–	–	–	–	–	–
Disaster Management		–	–	–	–	–	–	–	–	–
Education		–	–	–	–	–	–	–	–	–
Indigenous and Customary Law		–	–	–	–	–	–	–	–	–
Industrial Promotion		–	–	–	–	–	–	–	–	–
Language Policy		–	–	–	–	–	–	–	–	–
Libraries and Archives		7 385	7 692	8 930	8 280	8 374	8 374	8 433	8 762	9 154
Literacy Programmes		–	–	–	–	–	–	–	–	–
Media Services		–	–	–	–	–	–	–	–	–
Museums and Art Galleries		–	–	–	–	–	–	–	–	–
Population Development		–	–	–	–	–	–	–	–	–
Provincial Cultural Matters		–	–	–	–	–	–	–	–	–
Theatres		–	–	–	–	–	–	–	–	–
Zoo's		–	–	–	–	–	–	–	–	–
Sport and recreation		**18 801**	**29 089**	**15 568**	**10 972**	**11 572**	**11 572**	**19 243**	**25 098**	**30 360**
Beaches and Jetties		755	524	887	734	734	734	806	806	806
Casinos, Racing, Gambling, Wagering		–	–	–	–	–	–	–	–	–
Community Parks (including Nurseries)		3 816	3 459	4 947	4 082	4 082	4 082	4 957	5 253	5 533
Recreational Facilities		6 083	4 901	7 366	5 952	5 952	5 952	6 918	9 333	10 773
Sports Grounds and Stadiums		8 147	20 205	2 369	205	805	805	6 562	9 706	13 248
Public safety		**32 801**	**16 193**	**48 216**	**35 995**	**41 335**	**41 335**	**38 275**	**40 713**	**43 398**
Civil Defence		3 870	1 638	–	–	–	–	–	–	–
Cleansing		–	–	–	–	–	–	–	–	–
Control of Public Nuisances		–	–	4 686	5 378	10 682	10 682	7 410	7 995	8 717
Fencing and Fences		–	–	–	–	–	–	–	–	–
Fire Fighting and Protection		3 137	3 571	1 020	131	131	131	485	514	545
Licensing and Control of Animals		1 787	1 219	1 263	368	403	403	304	322	341
Police Forces, Traffic and Street Parking Control		24 007	9 764	41 248	30 118	30 118	30 118	30 076	31 882	33 795
Pounds		–	–	–	–	–	–	–	–	–
Housing		**104 370**	**71 891**	**91 383**	**96 834**	**99 834**	**99 834**	**113 454**	**91 902**	**98 509**
Housing		104 370	71 891	91 383	96 834	99 834	99 834	113 454	91 902	98 509
Informal Settlements		–	–	–	–	–	–	–	–	–
Health		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Ambulance		–	–	–	–	–	–	–	–	–
Health Services		–	–	–	–	–	–	–	–	–
Laboratory Services		–	–	–	–	–	–	–	–	–
Food Control		–	–	–	–	–	–	–	–	–
Health Surveillance and Prevention of Communicable Diseases including		–	–	–	–	–	–	–	–	–
Vector Control		–	–	–	–	–	–	–	–	–
Chemical Safety		–	–	–	–	–	–	–	–	–
Economic and environmental services		**15 503**	**16 035**	**24 301**	**24 399**	**28 378**	**28 378**	**21 679**	**13 909**	**17 008**
Planning and development		**8 315**	**11 638**	**17 461**	**13 483**	**13 783**	**13 783**	**15 986**	**13 164**	**13 229**
Billboards		–	–	–	–	–	–	–	–	–
Corporate Wide Strategic Planning (IDPs, LEDs)		–	–	–	–	–	–	–	–	–
Central City Improvement District		–	–	–	–	–	–	–	–	–
Development Facilitation		–	–	–	–	300	300	–	–	–
Economic Development/Planning		2 635	3 798	4 529	2 593	2 593	2 593	3 565	–	–
Regional Planning and Development		–	–	–	–	–	–	–	–	–
Town Planning, Building Regulations and Enforcement, and City Engineer		5 680	7 840	12 933	9 659	9 659	9 659	11 143	11 836	11 849
Project Management Unit		–	–	–	1 231	1 231	1 231	1 278	1 328	1 380
Provincial Planning		–	–	–	–	–	–	–	–	–
Support to Local Municipalities		–	–	–	–	–	–	–	–	–
Road transport		**7 166**	**4 365**	**6 342**	**10 879**	**14 558**	**14 558**	**5 650**	**700**	**3 732**
Public Transport		–	–	–	–	–	–	–	–	–
Road and Traffic Regulation		–	–	–	–	–	–	–	–	–

Functional Classification Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Roads		7 166	4 365	6 342	10 879	14 558	14 558	5 650	700	3 732
Taxi Ranks		–	–	–	–	–	–	–	–	–
Environmental protection		**21**	**32**	**498**	**37**	**37**	**37**	**42**	**45**	**47**
Biodiversity and Landscape		21	32	498	37	37	37	42	45	47
Coastal Protection		–	–	–	–	–	–	–	–	–
Indigenous Forests		–	–	–	–	–	–	–	–	–
Nature Conservation		–	–	–	–	–	–	–	–	–
Pollution Control		–	–	–	–	–	–	–	–	–
Soil Conservation		–	–	–	–	–	–	–	–	–
Trading services		**804 239**	**847 454**	**936 098**	**1 021 099**	**1 018 817**	**1 018 817**	**1 083 523**	**1 201 796**	**1 279 979**
Energy sources		**459 980**	**481 695**	**557 894**	**615 533**	**610 451**	**610 451**	**668 939**	**767 034**	**826 170**
Electricity		459 980	481 695	557 894	610 533	605 451	605 451	664 739	761 034	826 170
Street Lighting and Signal Systems		–	–	–	5 000	5 000	5 000	4 200	6 000	–
Nonelectric Energy		–	–	–	–	–	–	–	–	–
Water management		**153 663**	**153 115**	**156 426**	**167 048**	**169 604**	**169 604**	**169 564**	**175 192**	**185 679**
Water Treatment		–	–	–	–	–	–	–	–	–
Water Distribution		153 663	153 115	156 426	167 048	169 604	169 604	169 564	175 192	185 679
Water Storage		–	–	–	–	–	–	–	–	–
Waste water management		**103 934**	**117 987**	**123 924**	**139 720**	**140 185**	**140 185**	**140 386**	**142 708**	**143 925**
Public Toilets		–	–	–	–	–	–	–	–	–
Sewerage		98 448	109 568	123 713	139 620	140 085	140 085	127 423	135 478	143 695
Storm Water Management		5 486	8 420	212	100	100	100	12 963	7 230	230
Waste Water Treatment		–	–	–	–	–	–	–	–	–
Waste management		**86 662**	**94 657**	**97 854**	**98 797**	**98 577**	**98 577**	**104 634**	**116 862**	**124 204**
Recycling		–	–	–	–	–	–	–	–	–
Solid Waste Disposal (Landfill Sites)		38	5 204	2 361	2 002	1 782	1 782	46	48	52
Solid Waste Removal		86 624	89 453	95 493	96 795	96 795	96 795	104 588	116 814	124 152
Street Cleaning		–	–	–	–	–	–	–	–	–
Other		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Abattoirs		–	–	–	–	–	–	–	–	–
Air Transport		–	–	–	–	–	–	–	–	–
Forestry		–	–	–	–	–	–	–	–	–
Licensing and Regulation		–	–	–	–	–	–	–	–	–
Markets		–	–	–	–	–	–	–	–	–
Tourism		–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	**1 329 951**	**1 355 632**	**1 516 190**	**1 583 069**	**1 607 226**	**1 607 226**	**1 745 573**	**1 869 554**	**1 994 730**
Expenditure - Functional										
Municipal governance and administration		**218 047**	**259 532**	**295 156**	**315 410**	**316 730**	**316 730**	**334 374**	**338 409**	**353 934**
Executive and council		39 624	69 529	65 261	74 067	72 952	72 952	80 189	70 080	71 962
Mayor and Council		19 926	44 088	36 404	44 592	47 361	47 361	49 457	37 657	37 753
Municipal Manager, Town Secretary and Chief Executive		19 698	25 441	28 857	29 475	25 591	25 591	30 732	32 423	34 209
Finance and administration		176 101	187 242	226 997	237 178	240 173	240 173	249 820	263 743	277 153
Administrative and Corporate Support		31 711	41 606	44 606	41 543	45 240	45 240	44 824	47 543	49 831
Asset Management		–	–	207	1 500	258	258	1 500	1 500	1 500
Finance		61 374	68 484	69 563	92 732	90 888	90 888	93 130	98 103	103 643
Fleet Management		9 154	9 733	9 688	9 505	11 399	11 399	9 335	9 795	10 280
Human Resources		11 881	13 909	14 140	14 939	15 303	15 303	15 843	16 803	17 622
Information Technology		19 178	21 697	23 529	28 114	28 157	28 157	30 186	32 638	34 470
Legal Services		4 855	5 167	5 483	6 095	5 547	5 547	6 199	6 533	6 885
Marketing, Customer Relations, Publicity and Media Co-ordination		2 026	2 098	2 192	3 627	3 198	3 198	3 716	3 888	4 026
Property Services		21 530	9 509	43 333	21 291	23 333	23 333	25 581	26 382	27 208
Risk Management		–	53	524	1 113	1 113	1 113	1 163	1 214	1 269
Security Services		4 414	5 054	3 752	4 389	4 389	4 389	5 429	5 796	6 190
Supply Chain Management		9 977	9 932	9 980	12 329	11 348	11 348	12 914	13 549	14 229
Valuation Service		–	–	–	–	–	–	–	–	–
Internal audit		2 322	2 761	2 898	4 165	3 604	3 604	4 366	4 586	4 819
Governance Function		2 322	2 761	2 898	4 165	3 604	3 604	4 366	4 586	4 819
Community and public safety		**171 527**	**192 423**	**247 198**	**267 374**	**276 412**	**276 412**	**297 756**	**303 385**	**289 206**
Community and social services		**15 216**	**22 122**	**20 500**	**21 751**	**22 296**	**22 296**	**23 853**	**25 038**	**26 334**
Aged Care		1	1	1	1	1	1	1	1	1
Agricultural		–	–	–	–	–	–	–	–	–
Animal Care and Diseases		–	–	–	500	500	500	538	578	621
Cemeteries, Funeral Parlours and Crematoriums		728	967	1 037	1 112	880	880	948	1 001	1 057
Child Care Facilities		59	–	–	–	–	–	–	–	–
Community Halls and Facilities		5 638	12 340	9 963	9 658	10 476	10 476	11 877	12 532	13 223
Consumer Protection		–	–	–	–	–	–	–	–	–
Cultural Matters		–	–	–	–	–	–	–	–	–
Disaster Management		–	–	–	–	–	–	–	–	–
Education		–	–	–	–	–	–	–	–	–
Indigenous and Customary Law		–	–	–	–	–	–	–	–	–
Industrial Promotion		–	–	–	–	–	–	–	–	–
Language Policy		–	–	–	–	–	–	–	–	–
Libraries and Archives		8 790	8 815	9 500	10 481	10 440	10 440	10 490	10 926	11 432
Literacy Programmes		–	–	–	–	–	–	–	–	–
Media Services		–	–	–	–	–	–	–	–	–
Museums and Art Galleries		–	–	–	–	–	–	–	–	–
Population Development		–	–	–	–	–	–	–	–	–
Provincial Cultural Matters		–	–	–	–	–	–	–	–	–
Theatres		–	–	–	–	–	–	–	–	–
Zoo's		–	–	–	–	–	–	–	–	–
Sport and recreation		**44 289**	**52 169**	**53 049**	**63 035**	**62 188**	**62 188**	**64 055**	**70 623**	**74 533**
Beaches and Jetties		7 024	6 447	6 427	7 667	7 970	7 970	8 318	8 793	9 295
Casinos, Racing, Gambling, Wagering		–	–	–	–	–	–	–	–	–
Community Parks (including Nurseries)		22 913	28 575	29 609	34 967	33 733	33 733	35 226	37 077	39 096
Recreational Facilities		10 051	10 790	11 145	13 426	13 468	13 468	13 907	17 776	18 769

Functional Classification Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Sports Grounds and Stadiums		4 301	6 357	5 868	6 976	7 017	7 017	6 604	6 978	7 373
Public safety		**82 675**	**87 169**	**126 920**	**118 758**	**128 844**	**128 844**	**132 228**	**139 628**	**146 420**
Civil Defence		3 320	3 542	15 383	16 270	18 320	18 320	22 793	24 189	25 453
Cleansing		–	–	–	–	–	–	–	–	–
Control of Public Nuisances		19 715	25 863	22 256	24 866	26 221	26 221	22 438	23 910	25 487
Fencing and Fences		–	–	–	–	–	–	–	–	–
Fire Fighting and Protection		24 661	26 729	34 976	34 299	36 876	36 876	36 277	38 731	40 712
Licensing and Control of Animals		–	–	–	–	35	35	–	–	–
Police Forces, Traffic and Street Parking Control		34 979	31 034	54 305	43 323	47 392	47 392	50 720	52 797	54 768
Pounds		–	–	–	–	–	–	–	–	–
Housing		**29 347**	**30 963**	**46 729**	**63 829**	**63 084**	**63 084**	**77 620**	**68 096**	**41 919**
Housing		29 347	30 963	46 729	63 829	63 084	63 084	77 620	68 096	41 919
Informal Settlements		–	–	–	–	–	–	–	–	–
Health		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Ambulance		–	–	–	–	–	–	–	–	–
Health Services		–	–	–	–	–	–	–	–	–
Laboratory Services		–	–	–	–	–	–	–	–	–
Food Control		–	–	–	–	–	–	–	–	–
Health Surveillance and Prevention of Communicable Diseases including		–	–	–	–	–	–	–	–	–
Vector Control		–	–	–	–	–	–	–	–	–
Chemical Safety		–	–	–	–	–	–	–	–	–
Economic and environmental services		**156 576**	**170 202**	**183 133**	**198 290**	**188 991**	**188 991**	**211 088**	**224 165**	**234 704**
Planning and development		**39 397**	**43 396**	**47 152**	**53 256**	**51 965**	**51 965**	**57 133**	**56 025**	**58 748**
Billboards		–	–	–	–	–	–	–	–	–
Corporate Wide Strategic Planning (IDPs, LEDs)		4 168	4 081	2 542	3 229	3 026	3 026	3 221	3 370	3 527
Central City Improvement District		–	–	–	–	–	–	–	–	–
Development Facilitation		918	1 359	2 212	2 004	2 099	2 099	1 986	1 965	2 049
Economic Development/Planning		7 320	8 706	9 561	10 136	9 197	9 197	11 421	8 202	8 567
Regional Planning and Development		–	–	–	–	–	–	–	–	–
Town Planning, Building Regulations and Enforcement, and City Engineer		19 105	20 094	22 400	26 905	25 992	25 992	28 274	29 636	31 100
Project Management Unit		7 885	9 155	10 437	10 982	11 650	11 650	12 230	12 853	13 505
Provincial Planning		–	–	–	–	–	–	–	–	–
Support to Local Municipalities		–	–	–	–	–	–	–	–	–
Road transport		**107 277**	**110 465**	**114 891**	**121 995**	**111 840**	**111 840**	**129 394**	**134 762**	**140 554**
Public Transport		–	–	–	–	–	–	–	–	–
Road and Traffic Regulation		1 080	1 080	1 345	1 361	1 358	1 358	1 357	1 428	1 503
Roads		106 198	109 386	113 547	120 633	110 482	110 482	128 037	133 334	139 051
Taxi Ranks		–	–	–	–	–	–	–	–	–
Environmental protection		**9 902**	**16 340**	**21 090**	**23 039**	**25 186**	**25 186**	**24 561**	**33 377**	**35 402**
Biodiversity and Landscape		9 663	15 780	20 579	22 331	23 825	23 825	23 501	31 817	33 752
Coastal Protection		–	–	–	–	–	–	–	–	–
Indigenous Forests		–	–	–	–	–	–	–	–	–
Nature Conservation		239	560	511	708	1 361	1 361	1 060	1 560	1 650
Pollution Control		–	–	–	–	–	–	–	–	–
Soil Conservation		–	–	–	–	–	–	–	–	–
Trading services		**641 935**	**696 761**	**767 390**	**810 381**	**823 887**	**823 887**	**901 649**	**985 586**	**1 049 252**
Energy sources		**366 823**	**384 141**	**438 281**	**480 315**	**467 207**	**467 207**	**538 594**	**598 735**	**645 641**
Electricity		363 413	377 147	436 108	473 369	459 948	459 948	532 435	590 970	642 981
Street Lighting and Signal Systems		3 411	6 994	2 173	6 946	7 259	7 259	6 159	7 765	2 659
Nonelectric Energy		–	–	–	–	–	–	–	–	–
Water management		**112 899**	**120 612**	**131 792**	**133 992**	**141 838**	**141 838**	**145 534**	**155 404**	**162 098**
Water Treatment		53 893	58 428	76 360	71 453	73 751	73 751	83 671	88 550	93 613
Water Distribution		54 102	57 010	50 599	56 573	62 121	62 121	54 564	59 154	60 785
Water Storage		4 904	5 174	4 833	5 965	5 965	5 965	7 298	7 699	7 700
Waste water management		**90 406**	**95 785**	**110 529**	**103 774**	**119 258**	**119 258**	**121 648**	**128 306**	**133 494**
Public Toilets		704	658	1 409	1 459	1 459	1 459	1 476	1 557	1 642
Sewerage		49 426	54 917	65 033	52 188	61 791	61 791	59 579	63 234	65 424
Storm Water Management		11 920	12 876	14 130	15 718	14 928	14 928	15 360	15 841	16 345
Waste Water Treatment		28 355	27 334	29 957	34 410	41 080	41 080	45 233	47 675	50 084
Waste management		**71 808**	**96 223**	**86 788**	**92 299**	**95 584**	**95 584**	**95 874**	**103 141**	**108 019**
Recycling		39	7	73	400	400	400	605	521	547
Solid Waste Disposal (Landfill Sites)		33 108	58 574	45 629	47 437	47 651	47 651	47 026	51 719	53 854
Solid Waste Removal		37 711	37 642	41 087	44 462	47 533	47 533	48 243	50 901	53 617
Street Cleaning		948	–	–	–	–	–	–	–	–
Other		**2 998**	**2 893**	**2 923**	**3 517**	**4 429**	**4 429**	**4 104**	**4 247**	**4 403**
Abattoirs		–	–	–	–	–	–	–	–	–
Air Transport		–	–	–	–	–	–	–	–	–
Forestry		–	–	–	–	–	–	–	–	–
Licensing and Regulation		–	–	–	–	–	–	–	–	–
Markets		–	–	–	–	–	–	–	–	–
Tourism		2 998	2 893	2 923	3 517	4 429	4 429	4 104	4 247	4 403
Total Expenditure - Functional	3	**1 191 084**	**1 321 810**	**1 495 800**	**1 594 971**	**1 610 448**	**1 610 448**	**1 748 972**	**1 855 792**	**1 931 500**
Surplus/(Deficit) for the year		**138 868**	**33 821**	**20 390**	**(11 902)**	**(3 222)**	**(3 222)**	**(3 399)**	**13 762**	**63 230**

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

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue by Vote	1									
Vote 1 - Council & Mayor's Office		30 091	38 321	53 270	50 312	50 786	50 786	52 697	58 511	65 462
Vote 2 - Municipal Manager & Internal Audit		36	–	–	–	–	–	–	–	–
Vote 3 - Management Services		1 189	2 570	3 603	869	1 069	1 069	956	974	993
Vote 4 - Finance		299 059	313 209	323 686	327 436	337 236	337 236	400 540	421 055	442 968
Vote 5 - Infrastructure & Planning		585 515	585 823	672 305	730 542	739 119	739 119	799 411	877 455	943 255
Vote 6 - Protection Services		32 797	16 277	48 857	35 995	41 335	41 335	38 275	40 713	43 398
Vote 7 - Economic and Social Development & Tourism		2 914	3 860	4 846	2 811	3 111	3 111	3 628	66	70
Vote 8 - Community Services		378 350	395 572	409 623	435 105	434 571	434 571	450 066	470 780	498 584
Vote 9 - Costing Services		–	–	–	–	–	–	–	–	–
Vote 10 - Main Ledger Services		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	**1 329 951**	**1 355 632**	**1 516 190**	**1 583 069**	**1 607 226**	**1 607 226**	**1 745 573**	**1 869 554**	**1 994 730**
Expenditure by Vote ***to be appropriated***	1									
Vote 1 - Council & Mayor's Office		19 927	44 089	36 404	44 592	47 361	47 361	49 457	37 658	37 754
Vote 2 - Municipal Manager & Internal Audit		5 361	5 885	6 042	8 042	7 569	7 569	8 371	8 768	9 186
Vote 3 - Management Services		50 129	54 639	57 226	65 889	65 456	65 456	69 485	74 131	77 829
Vote 4 - Finance		71 308	78 365	79 557	106 313	102 296	102 296	107 441	113 042	119 256
Vote 5 - Infrastructure & Planning		527 810	577 727	690 779	734 810	742 136	742 136	826 814	901 456	936 755
Vote 6 - Protection Services		83 725	91 326	123 167	119 732	127 662	127 662	137 515	145 559	152 668
Vote 7 - Economic and Social Development & Tourism		12 042	13 558	15 122	17 570	16 794	16 794	19 382	16 369	17 064
Vote 8 - Community Services		420 782	456 221	487 502	498 023	501 174	501 174	530 506	558 809	580 988
Vote 9 - Costing Services		–	–	–	–	–	–	–	–	–
Vote 10 - Main Ledger Services		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	**1 191 084**	**1 321 810**	**1 495 800**	**1 594 971**	**1 610 448**	**1 610 448**	**1 748 972**	**1 855 792**	**1 931 500**
Surplus/(Deficit) for the year	2	**138 868**	**33 821**	**20 390**	**(11 902)**	**(3 222)**	**(3 222)**	**(3 399)**	**13 762**	**63 230**

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

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue by Vote	1									
Vote 1 - Council & Mayor's Office		**30 091**	**38 321**	**53 270**	**50 312**	**50 786**	**50 786**	**52 697**	**58 511**	**65 462**
1.1 - Council General		30 091	38 321	53 270	50 312	50 786	50 786	52 697	58 511	65 462
1.2 - Mayor's Office		–	–	–	–	–	–	–	–	–
1.3 - Pensioners & Continued Members		–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager & Internal Audit		**36**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
2.1 - Municipal Manager		–	–	–	–	–	–	–	–	–
2.2 - Internal Audit		36	–	–	–	–	–	–	–	–
2.3 - Risk Management		–	–	–	–	–	–	–	–	–
Vote 3 - Management Services		**1 189**	**2 570**	**3 603**	**869**	**1 069**	**1 069**	**956**	**974**	**993**
3.1 - Director: Management Services		178	60	311	10	10	10	1	1	1
3.2 - Communication		–	–	–	–	–	–	–	–	–
3.3 - Legal Services		–	6	–	–	–	–	–	–	–
3.4 - Strategic Services		–	–	–	–	–	–	–	–	–
3.5 - Human Resources		1 010	2 246	2 473	858	858	858	954	972	991
3.6 - Info & Communication Technology		–	257	817	–	200	200	–	–	–
3.7 - Council Support Services		1	1	2	1	1	1	1	1	1
3.8 - Social Development		–	–	–	–	–	–	–	–	–
3.9 - Municipal Court		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Vote 4 - Finance		**299 059**	**313 209**	**323 686**	**327 436**	**337 236**	**337 236**	**400 540**	**421 055**	**442 968**
4.1 - Finance: Director		–	77	–	–	–	–	–	–	–
4.2 - Finance: Deputy Director		1 550	1 000	1 211	1 550	1 550	1 550	1 550	1 550	1 688
4.3 - Finance: Accounting Services		34 446	37 658	30 583	27 596	37 396	37 396	44 200	47 100	50 300
4.4 - Finance: Expenditure & Assets		12 273	3 070	4 300	1 525	1 525	1 525	1 525	1 525	1 525
4.5 - Finance: Revenue		9 723	9 759	9 287	8 753	8 753	8 753	12 679	13 264	13 957
4.6 - Finance: Supply Chain Management		152	423	150	71	71	71	79	84	89
4.7 - Data Control		–	–	–	–	–	–	–	–	–
4.8 - Assessment Rates		240 914	261 222	278 154	287 941	287 941	287 941	340 506	357 532	375 408
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Vote 5 - Infrastructure & Planning		**585 515**	**585 823**	**672 305**	**730 542**	**739 119**	**739 119**	**799 411**	**877 455**	**943 255**
5.1 - Director: Infrastructure & Planning		–	52	–	0	0	0	0	0	0
5.2 - Deputy Director:Engineering Planning		154	–	1 933	0	10 279	10 279	0	0	1
5.3 - Engineering Services & Housing Development		104 498	72 226	92 073	97 730	101 330	101 330	113 636	92 880	99 518
5.4 - Town Planning		1 220	16 436	2 346	1 181	1 181	1 181	1 416	1 501	1 592
5.5 - Geographical Info System (GIS)		–	–	–	–	–	–	–	–	–
5.6 - Building Control Services		4 461	6 404	10 496	8 477	8 477	8 477	9 727	10 335	10 257
5.7 - Environmental Management Services		21	32	498	37	37	37	42	45	47
5.8 - Electricity		459 980	481 695	557 894	615 533	610 451	610 451	668 939	767 034	826 170
5.9 - Solid Waste Planning & Solid Waste Disposal		–	–	–	1 962	1 742	1 742	–	–	–
5.10 - Property Administration		15 182	8 978	7 064	5 620	5 620	5 620	5 650	5 659	5 669
Vote 6 - Protection Services		**32 797**	**16 277**	**48 857**	**35 995**	**41 335**	**41 335**	**38 275**	**40 713**	**43 398**
6.1 - Director: Protection Services		–	85	641	–	–	–	–	–	–
6.2 - Traffic		24 003	9 764	41 248	30 118	30 118	30 118	30 076	31 882	33 795
6.3 - Law Enforcement		5 000	2 857	6 095	5 746	11 086	11 086	7 714	8 317	9 058
6.4 - Vehicle testing		–	–	–	–	–	–	–	–	–
6.5 - Fire Brigade		2 965	1 271	286	131	131	131	485	514	545
6.6 - Vehicle Licensing		–	–	–	–	–	–	–	–	–
6.7 - Special Task Team Unit		–	–	–	–	–	–	–	–	–
6.8 - Disaster Management		829	2 300	588	–	–	–	–	–	–
6.9 - Security Services		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Vote 7 - Economic and Social Development & Tourism		**2 914**	**3 860**	**4 846**	**2 811**	**3 111**	**3 111**	**3 628**	**66**	**70**
7.1 - Director: Economic Development & Planning		2 911	3 761	4 520	2 593	2 593	2 593	3 565	0	0
7.2 - Tourism		–	–	–	–	–	–	–	–	–
7.3 - Social Development		4	–	–	–	300	300	–	–	–
7.4 - EPWP		–	–	–	–	–	–	–	–	–
7.5 - Thusong Centre: Hawston		–	98	305	218	218	218	63	66	70
7.6 - Parking Services		–	0	22	–	–	–	–	–	–
Vote 8 - Community Services		**378 350**	**395 572**	**409 623**	**435 105**	**434 571**	**434 571**	**450 066**	**470 780**	**498 584**
8.1 - Director & Administration		241	2 973	2 044	213	3 165	3 165	202	204	206
8.2 - Offices & Community Buildings		750	604	664	597	597	597	663	698	735
8.3 - Parks & Townlands, Cemetries		4 117	3 884	5 348	4 307	4 307	4 307	5 152	5 460	5 751
8.4 - Libraries		7 385	7 692	8 930	8 280	8 374	8 374	8 433	8 762	9 154
8.5 - Sport & Recreation		14 985	10 630	10 622	6 891	6 891	6 891	14 286	19 845	24 827
8.6 - Housing & Social Upliftment		351	415	310	335	335	335	1 096	350	371
8.7 - Roads & Stormwater		11 902	12 035	5 553	10 979	14 658	14 658	18 613	7 930	3 962

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

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
8.8 - Water		153 510	153 115	156 426	167 048	163 369	163 369	169 563	175 192	185 678
8.9 - Sewerage		98 448	109 568	123 713	139 620	136 041	136 041	127 423	135 478	143 695
8.10 - Refuse		86 662	94 657	96 011	96 835	96 835	96 835	104 634	116 862	124 204
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	**1 329 951**	**1 355 632**	**1 516 190**	**1 583 069**	**1 607 226**	**1 607 226**	**1 745 573**	**1 869 554**	**1 994 730**
Expenditure by Vote	1									
Vote 1 - Council & Mayor's Office		**19 927**	**44 089**	**36 404**	**44 592**	**47 361**	**47 361**	**49 457**	**37 658**	**37 754**
1.1 - Council General		18 889	43 160	35 414	43 523	46 292	46 292	48 351	36 512	36 567
1.2 - Mayor's Office		1 037	928	990	1 069	1 069	1 069	1 106	1 145	1 187
1.3 - Pensioners & Continued Members		1	1	1	1	1	1	1	1	1
Vote 2 - Municipal Manager & Internal Audit		**5 361**	**5 885**	**6 042**	**8 042**	**7 569**	**7 569**	**8 371**	**8 768**	**9 186**
2.1 - Municipal Manager		3 039	3 070	2 336	2 763	2 851	2 851	2 842	2 967	3 099
2.2 - Internal Audit		2 322	2 761	2 898	4 165	3 604	3 604	4 366	4 586	4 819
2.3 - Risk Management		–	53	808	1 113	1 113	1 113	1 163	1 214	1 269
Vote 3 - Management Services		**50 129**	**54 639**	**57 226**	**65 889**	**65 456**	**65 456**	**69 485**	**74 131**	**77 829**
3.1 - Director: Management Services		5 289	4 372	4 192	4 537	4 729	4 729	4 681	5 003	5 132
3.2 - Communication		2 026	2 098	2 192	3 627	3 198	3 198	3 716	3 888	4 026
3.3 - Legal Services		2 670	2 479	2 620	2 856	2 255	2 255	2 948	3 101	3 263
3.4 - Strategic Services		1 975	2 126	2 263	2 653	2 463	2 463	2 645	2 792	2 948
3.5 - Human Resources		11 857	13 889	14 066	14 896	15 281	15 281	15 831	16 791	17 610
3.6 - Info & Communication Technology		19 178	21 697	23 529	28 114	28 157	28 157	30 186	32 638	34 470
3.7 - Council Support Services		4 949	5 284	5 502	5 966	6 080	6 080	6 227	6 486	6 759
3.8 - Social Development		2	2 694	2 863	3 239	3 292	3 292	3 251	3 432	3 623
3.9 - Municipal Court		2 183	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Vote 4 - Finance		**71 308**	**78 365**	**79 557**	**106 313**	**102 296**	**102 296**	**107 441**	**113 042**	**119 256**
4.1 - Finance: Director		2 258	2 366	2 409	2 643	2 675	2 675	2 684	2 818	2 960
4.2 - Finance: Deputy Director		6 996	6 611	6 612	8 321	8 856	8 856	8 309	8 707	9 267
4.3 - Finance: Accounting Services		6 876	9 715	4 615	8 265	8 335	8 335	8 750	9 210	9 694
4.4 - Finance: Expenditure & Assets		14 967	11 718	13 221	15 797	15 797	15 797	17 818	18 674	19 575
4.5 - Finance: Revenue		25 679	27 268	28 479	36 049	34 369	34 369	37 742	39 912	42 361
4.6 - Finance: Supply Chain Management		9 723	9 950	9 911	12 249	11 274	11 274	12 886	13 519	14 197
4.7 - Data Control		723	671	725	1 498	1 498	1 498	1 434	1 515	1 601
4.8 - Assessment Rates		4 086	10 065	13 584	21 492	19 492	19 492	17 817	18 687	19 602
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Vote 5 - Infrastructure & Planning		**527 810**	**577 727**	**690 779**	**734 810**	**742 136**	**742 136**	**826 814**	**901 456**	**936 755**
5.1 - Director: Infrastructure & Planning		2 722	2 655	2 740	3 153	3 140	3 140	3 279	3 393	3 525
5.2 - Deputy Director:Engineering Planning		67 131	72 015	83 700	90 705	110 234	110 234	107 415	115 491	124 240
5.3 - Engineering Services & Housing Development		27 664	28 774	46 470	63 743	64 411	64 411	77 480	68 815	42 626
5.4 - Town Planning		10 591	10 954	10 319	12 822	12 131	12 131	13 469	14 073	14 711
5.5 - Geographical Info System (GIS)		2 549	2 380	2 790	2 806	2 821	2 821	2 946	3 104	3 270
5.6 - Building Control Services		5 966	6 662	7 392	9 289	9 052	9 052	9 775	10 267	10 816
5.7 - Environmental Management Services		9 561	16 122	20 814	22 792	24 783	24 783	24 561	33 377	35 402
5.8 - Electricity		365 284	378 836	435 638	478 279	464 343	464 343	537 446	597 547	644 398
5.9 - Solid Waste Planning & Solid Waste Disposal		29 731	55 370	43 707	46 633	46 633	46 633	45 626	50 327	52 456
5.10 - Property Administration		6 611	3 959	37 210	4 587	4 587	4 587	4 818	5 060	5 311
Vote 6 - Protection Services		**83 725**	**91 326**	**123 167**	**119 732**	**127 662**	**127 662**	**137 515**	**145 559**	**152 668**
6.1 - Director: Protection Services		2 270	2 603	3 311	4 262	4 268	4 268	4 296	4 863	5 040
6.2 - Traffic		33 999	33 628	52 802	41 183	45 872	45 872	49 675	51 652	53 570
6.3 - Law Enforcement		17 806	23 513	17 709	23 628	25 439	25 439	27 834	29 687	31 562
6.4 - Vehicle testing		428	534	660	644	622	622	521	549	578
6.5 - Fire Brigade		20 807	20 619	28 306	27 969	29 812	29 812	31 535	33 375	35 161
6.6 - Vehicle Licensing		1 024	960	1 199	1 264	1 260	1 260	1 482	1 553	1 628
6.7 - Special Task Team Unit		182	268	11 759	12 490	12 130	12 130	13 092	13 884	14 613
6.8 - Disaster Management		2 796	2 657	1 071	2 414	2 381	2 381	2 068	2 532	2 567
6.9 - Security Services		4 414	6 544	6 350	5 879	5 879	5 879	7 012	7 465	7 948
		–	–	–	–	–	–	–	–	–
Vote 7 - Economic and Social Development & Tourism		**12 042**	**13 558**	**15 122**	**17 570**	**16 794**	**16 794**	**19 382**	**16 369**	**17 064**
7.1 - Director: Economic Development & Planning		8 155	8 594	9 482	10 079	9 075	9 075	11 398	8 178	8 542
7.2 - Tourism		2 956	2 893	2 923	3 517	4 429	4 429	4 104	4 247	4 403
7.3 - Social Development		931	1 354	1 545	2 024	2 119	2 119	1 984	1 963	2 046

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

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
7.4 - EPWP		–	–	–	–	–	–	–	–	–
7.5 - Thusong Centre: Hawston		–	193	1 164	1 949	1 171	1 171	1 896	1 982	2 073
7.6 - Parking Services		–	524	9	–	–	–	–	–	–
Vote 8 - Community Services		**420 782**	**456 221**	**487 502**	**498 023**	**501 174**	**501 174**	**530 506**	**558 809**	**580 988**
8.1 - Director & Administration		77 941	92 163	111 977	100 810	113 136	113 136	91 546	96 626	101 995
8.2 - Offices & Community Buildings		19 584	22 520	19 973	23 229	26 372	26 372	29 934	31 010	32 133
8.3 - Parks & Townlands, Cemetries		22 461	27 284	28 967	34 100	32 945	32 945	35 717	37 594	39 640
8.4 - Libraries		8 506	8 815	9 500	10 481	10 440	10 440	10 490	10 926	11 432
8.5 - Sport & Recreation		20 355	22 115	22 259	26 738	27 195	27 195	27 478	32 121	33 932
8.6 - Housing & Social Upliftment		5 421	6 883	5 925	5 932	5 261	5 261	7 095	6 574	6 937
8.7 - Roads & Stormwater		109 531	112 261	116 611	127 454	114 953	114 953	136 028	141 364	147 116
8.8 - Water		65 200	69 398	70 674	65 232	65 179	65 179	69 219	73 397	73 930
8.9 - Sewerage		55 317	58 013	63 257	62 648	63 353	63 353	75 625	79 431	81 540
8.10 - Refuse		36 464	36 770	38 360	41 400	42 341	42 341	47 375	49 768	52 334
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	**1 191 084**	**1 321 810**	**1 495 800**	**1 594 971**	**1 610 448**	**1 610 448**	**1 748 972**	**1 855 792**	**1 931 500**
Surplus/(Deficit) for the year	2	**138 868**	**33 821**	**20 390**	**(11 902)**	**(3 222)**	**(3 222)**	**(3 399)**	**13 762**	**63 230**

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

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue										
Exchange Revenue										
Service charges - Electricity	2	415 960	443 718	512 750	541 692	528 044	528 044	593 645	692 904	752 413
Service charges - Water	2	133 037	130 885	142 917	138 138	138 138	138 138	147 269	156 593	165 876
Service charges - Waste Water Management	2	80 925	86 983	93 177	90 962	90 962	90 962	104 715	104 595	110 861
Service charges - Waste Management	2	68 256	72 115	76 951	78 850	78 850	78 850	85 430	95 948	101 664
Sale of Goods and Rendering of Services		123 359	86 171	114 179	113 250	116 250	116 250	131 673	112 040	119 146
Agency services		4 376	6 164	6 858	7 858	7 858	7 858	8 319	8 818	9 346
Interest		31	28	24	0	0	0	0	0	0
Interest earned from Receivables		3 869	3 257	3 370	3 136	3 136	3 136	6 400	6 700	7 100
Interest earned from Current and Non Current Assets		48 116	30 476	31 884	24 871	34 671	34 671	41 800	44 600	47 700
Dividends		–	–	–	–	–	–	–	–	–
Rent on Land		2 314	2 088	1 650	1 229	1 229	1 229	1 127	1 149	1 173
Rental from Fixed Assets		3 425	4 068	5 042	4 573	4 573	4 573	5 646	5 975	6 290
Licence and permits		698	626	1 002	953	953	953	964	1 016	1 071
Operational Revenue		15 867	12 296	8 528	7 419	7 819	7 819	8 093	8 328	8 568
Non-Exchange Revenue										
Property rates	2	240 910	263 442	278 154	287 941	287 941	287 941	340 506	357 532	375 408
Surcharges and Taxes		–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		18 211	1 095	35 124	20 344	20 344	20 344	19 597	20 768	22 009
Licences or permits		1 277	1 601	1 778	1 683	1 683	1 683	1 943	2 060	2 184
Transfer and subsidies - Operational		122 921	140 895	151 903	166 184	179 496	179 496	185 579	200 916	213 137
Interest		1 170	987	851	846	846	846	1 300	1 378	1 461
Fuel Levy		–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		–	53	–	–	–	–	–	–	–
Other Gains		3 890	7 545	7 570	8 225	8 225	8 225	7 900	8 000	8 100
Discontinued Operations		–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		**1 288 611**	**1 294 494**	**1 473 713**	**1 498 153**	**1 511 017**	**1 511 017**	**1 691 906**	**1 829 319**	**1 953 508**
Expenditure										
Employee related costs	2	380 774	436 214	452 651	504 478	505 647	505 647	538 535	549 452	577 304
Remuneration of councillors		11 282	11 219	11 538	12 335	12 335	12 335	12 514	13 014	13 540
Bulk purchases - electricity	2	278 548	298 272	351 600	384 161	371 533	371 533	440 824	496 986	546 684
Inventory consumed	8	42 302	45 053	52 658	52 137	64 364	64 364	62 499	68 235	66 340
Debt impairment	3	23 434	7 579	28 248	13 564	19 617	19 617	19 414	19 608	19 804
Depreciation and amortisation		134 574	140 116	147 004	146 596	146 596	146 596	149 154	151 672	154 226
Interest		46 570	48 805	47 584	48 056	48 056	48 056	49 658	51 817	49 865
Contracted services		178 363	208 907	237 081	269 929	272 201	272 201	295 738	323 452	341 534
Transfers and subsidies		560	8 710	12 813	13 057	14 786	14 786	16 380	17 143	17 944
Irrecoverable debts written off		–	4 559	5 258	–	–	–	–	–	–
Operational costs		93 037	112 218	118 193	150 658	155 312	155 312	164 254	164 414	144 258
Losses on disposal of Assets		1 369	–	30 979	–	–	–	–	–	–
Other Losses		270	159	192	–	–	–	–	–	–
Total Expenditure		**1 191 084**	**1 321 810**	**1 495 800**	**1 594 971**	**1 610 448**	**1 610 448**	**1 748 972**	**1 855 792**	**1 931 500**
Surplus/(Deficit)		**97 527**	**(27 316)**	**(22 087)**	**(96 819)**	**(99 431)**	**(99 431)**	**(57 066)**	**(26 473)**	**22 008**
Transfers and subsidies - capital (monetary allocations)	6	37 611	37 219	37 978	84 917	93 583	93 583	53 667	40 235	41 222
Transfers and subsidies - capital (in-kind)	6	3 730	23 919	4 499	–	2 626	2 626	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**138 868**	33 821	20 390	**(11 902)**	**(3 222)**	**(3 222)**	**(3 399)**	**13 762**	**63 230**
Income Tax		–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax		**138 868**	33 821	20 390	(11 902)	(3 222)	(3 222)	(3 399)	13 762	63 230
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		**138 868**	33 821	20 390	(11 902)	(3 222)	(3 222)	(3 399)	13 762	63 230
Share of Surplus/Deficit attributable to Associate	7	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	1	**138 868**	**33 821**	**20 390**	**(11 902)**	**(3 222)**	**(3 222)**	**(3 399)**	**13 762**	**63 230**

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

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital expenditure - Vote										
Multi-year expenditure ***to be appropriated***	2									
Vote 1 - Council & Mayor's Office		–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager & Internal Audit		–	–	–	–	–	–	5 000	–	–
Vote 3 - Management Services		–	–	3 250	1 815	1 815	1 815	2 215	–	–
Vote 4 - Finance		–	–	42	60	60	60	60	–	–
Vote 5 - Infrastructure & Planning		15 575	73 712	146 819	198 128	168 863	168 863	192 586	130 325	164 442
Vote 6 - Protection Services		–	–	2 117	300	600	600	300	–	–
Vote 7 - Economic and Social Development & Tourism		–	–	100	45	45	45	45	–	–
Vote 8 - Community Services		58 300	36 053	6 417	735	1 385	1 385	735	–	–
Vote 9 - Costing Services		–	–	–	–	–	–	–	–	–
Vote 10 - Main Ledger Services		–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total		**73 875**	**109 765**	**158 744**	**201 083**	**172 768**	**172 768**	**200 941**	**130 325**	**164 442**
Single-year expenditure ***to be appropriated***	2									
Vote 1 - Council & Mayor's Office		–	352	–	–	–	–	–	–	–
Vote 2 - Municipal Manager & Internal Audit		–	–	–	–	–	–	–	–	–
Vote 3 - Management Services		3 966	2 288	–	–	–	–	1 800	–	–
Vote 4 - Finance		22	57	–	–	–	–	–	–	–
Vote 5 - Infrastructure & Planning		93 905	80 221	19 604	17 475	14 740	14 740	–	–	–
Vote 6 - Protection Services		12 064	8 160	4 989	2 492	5 442	5 442	–	–	–
Vote 7 - Economic and Social Development & Tourism		375	498	–	–	–	–	–	–	–
Vote 8 - Community Services		26 849	53 459	9 039	14 970	13 267	13 267	875	–	–
Vote 9 - Costing Services		–	–	–	–	–	–	–	–	–
Vote 10 - Main Ledger Services		–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**137 181**	**145 035**	**33 633**	**34 937**	**33 448**	**33 448**	**2 675**	**–**	**–**
Total Capital Expenditure - Vote	3,7	**211 056**	**254 800**	**192 377**	**236 020**	**206 216**	**206 216**	**203 615**	**130 325**	**164 442**

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

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital Expenditure - Functional										
Governance and administration		**4 049**	**7 054**	**3 761**	**1 875**	**1 875**	**1 875**	**9 075**	**–**	**–**
Executive and council		2	355	3	5	5	5	5 005	–	–
Finance and administration		4 048	6 699	3 759	1 870	1 870	1 870	4 070	–	–
Internal audit					–	–	–	–	–	–
Community and public safety		**112 758**	**96 981**	**63 534**	**53 438**	**58 181**	**58 181**	**50 354**	**41 788**	**79 461**
Community and social services		1 330	16 072	1 458	7 261	4 781	4 781	735	–	–
Sport and recreation		9 981	22 886	5 047	2 500	3 047	3 047	7 429	11 698	16 241
Public safety		15 694	8 425	7 998	2 792	6 042	6 042	300	–	–
Housing		85 753	49 598	49 031	40 885	44 311	44 311	41 890	30 090	63 220
Health					–	–	–	–	–	–
Economic and environmental services		**6 865**	**29 200**	**11 405**	**14 068**	**18 668**	**18 668**	**5 390**	**–**	**2 981**
Planning and development		1 220	8 466	2 656	1 478	1 844	1 844	390	–	–
Road transport		5 645	20 734	8 748	12 590	16 824	16 824	5 000	–	2 981
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**87 384**	**121 565**	**113 677**	**166 639**	**127 492**	**127 492**	**138 796**	**88 537**	**82 000**
Energy sources		21 428	10 436	28 253	65 389	52 907	52 907	56 528	33 500	34 000
Water management		31 752	35 574	36 721	39 970	35 789	35 789	25 603	33 500	25 700
Waste water management		26 893	57 190	45 732	57 736	32 921	32 921	56 265	21 537	17 800
Waste management		7 311	18 365	2 972	3 544	5 876	5 876	400	–	4 500
Other		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Capital Expenditure - Functional	3,7	**211 056**	**254 800**	**192 377**	**236 020**	**206 216**	**206 216**	**203 615**	**130 325**	**164 442**
Funded by:										
National Government		31 528	35 100	36 688	72 254	75 741	75 741	53 667	40 235	41 222
Provincial Government		85 965	48 390	1 290	–	5 400	5 400	–	–	–
District Municipality		–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind)		–	–	53 387	51 447	56 853	56 853	41 890	30 090	63 220
Transfers recognised - capital	4	**117 493**	**83 490**	**91 365**	**123 702**	**137 994**	**137 994**	**95 557**	**70 325**	**104 442**
Public contributions & donations	5	3 730	23 919	–	–	–	–	–	–	–
Borrowing	6	50 476	45 443	65 237	80 175	38 411	38 411	95 214	60 000	60 000
Internally generated funds		39 358	101 949	35 775	32 143	29 811	29 811	12 845	–	–
Total Capital Funding	7	**211 056**	**254 800**	**192 377**	**236 020**	**206 216**	**206 216**	**203 615**	**130 325**	**164 442**

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

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital expenditure - Municipal Vote										
Multi-year expenditure appropriation	2									
Vote 1 - Council & Mayor's Office		–	–	–	–	–	–	–	–	–
1.1 - Council General		–	–	–	–	–	–	–	–	–
1.2 - Mayor's Office		–	–	–	–	–	–	–	–	–
1.3 - Pensioners & Continued Members		–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager & Internal Audit		–	–	–	–	–	–	5 000	–	–
2.1 - Municipal Manager		–	–	–	–	–	–	5 000	–	–
2.2 - Internal Audit		–	–	–	–	–	–	–	–	–
2.3 - Risk Management		–	–	–	–	–	–	–	–	–
Vote 3 - Management Services		–	–	3 250	1 815	1 815	1 815	2 215	–	–
3.1 - Director: Management Services		–	–	10	15	15	15	15	–	–
3.2 - Communication		–	–	–	–	–	–	–	–	–
3.3 - Legal Services		–	–	–	–	–	–	–	–	–
3.4 - Strategic Services		–	–	–	–	–	–	–	–	–
3.5 - Human Resources		–	–	–	–	–	–	–	–	–
3.6 - Info & Communication Technology		–	–	3 240	1 800	1 800	1 800	2 200	–	–
3.7 - Council Support Services		–	–	–	–	–	–	–	–	–
3.8 - Social Development		–	–	–	–	–	–	–	–	–
3.9 - Municipal Court		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Vote 4 - Finance		–	–	42	60	60	60	60	–	–
4.1 - Finance: Director		–	–	42	60	60	60	60	–	–
4.2 - Finance: Deputy Director		–	–	–	–	–	–	–	–	–
4.3 - Finance: Accounting Services		–	–	–	–	–	–	–	–	–
4.4 - Finance: Expenditure & Assets		–	–	–	–	–	–	–	–	–
4.5 - Finance: Revenue		–	–	–	–	–	–	–	–	–
4.6 - Finance: Supply Chain Management		–	–	–	–	–	–	–	–	–
4.7 - Data Control		–	–	–	–	–	–	–	–	–
4.8 - Assessment Rates		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Vote 5 - Infrastructure & Planning		15 575	73 712	146 819	198 128	168 863	168 863	192 586	130 325	164 442
5.1 - Director: Infrastructure & Planning		–	1 212	769	1 403	1 403	1 403	1 845	2 000	2 000
5.2 - Deputy Director:Engineering Planning		–	14 777	63 731	80 756	57 544	57 544	68 183	48 037	43 500
5.3 - Engineering Services & Housing Development		4 082	48 411	58 065	49 654	56 333	56 333	67 130	48 788	82 442
5.4 - Town Planning		–	–	–	–	–	–	–	–	–
5.5 - Geographical Info System (GIS)		–	–	–	–	–	–	–	–	–
5.6 - Building Control Services		–	–	–	–	–	–	–	–	–
5.7 - Environmental Management Services		–	–	–	–	–	–	–	–	–
5.8 - Electricity		11 493	9 313	24 254	64 331	51 599	51 599	55 028	31 500	32 000
5.9 - Solid Waste Planning & Solid Waste Disposal		–	–	–	1 984	1 984	1 984	400	–	4 500
5.10 - Property Administration		–	–	–	–	–	–	–	–	–
Vote 6 - Protection Services		–	–	2 117	300	600	600	300	–	–
6.1 - Director: Protection Services		–	–	911	300	600	600	300	–	–
6.2 - Traffic		–	–	–	–	–	–	–	–	–
6.3 - Law Enforcement		–	–	1 206	–	–	–	–	–	–
6.4 - Vehicle testing		–	–	–	–	–	–	–	–	–
6.5 - Fire Brigade		–	–	–	–	–	–	–	–	–
6.6 - Vehicle Licensing		–	–	–	–	–	–	–	–	–
6.7 - Special Task Team Unit		–	–	–	–	–	–	–	–	–
6.8 - Disaster Management		–	–	–	–	–	–	–	–	–
6.9 - Security Services		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Vote 7 - Economic and Social Development & Tourism		–	–	100	45	45	45	45	–	–
7.1 - Director: Economic Development & Planning		–	–	100	45	45	45	45	–	–
7.2 - Tourism		–	–	–	–	–	–	–	–	–
7.3 - Social Development		–	–	–	–	–	–	–	–	–
7.4 - EPWP		–	–	–	–	–	–	–	–	–
7.5 - Thusong Centre: Hawston		–	–	–	–	–	–	–	–	–
7.6 - Parking Services		–	–	–	–	–	–	–	–	–
Vote 8 - Community Services		58 300	36 053	6 417	735	1 385	1 385	735	–	–
8.1 - Director & Administration			–	6 417	735	1 045	1 045	735	–	–
8.2 - Offices & Community Buildings			–	–	–	–	–	–	–	–
8.3 - Parks & Townlands, Cemetries			–	–	–	–	–	–	–	–
8.4 - Libraries			–	–	–	340	340	–	–	–
8.5 - Sport & Recreation			–	–	–	–	–	–	–	–
8.6 - Housing & Social Upliftment			–	–	–	–	–	–	–	–
8.7 - Roads & Stormwater		24 277	36 053	–	–	–	–	–	–	–
8.8 - Water		20 965	–	–	–	–	–	–	–	–
8.9 - Sewerage		13 058	–	–	–	–	–	–	–	–
8.10 - Refuse		–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total		**73 875**	**109 765**	**158 744**	**201 083**	**172 768**	**172 768**	**200 941**	**130 325**	**164 442**

Multi-year appropriation for Budget Year 2023/24 in the 2022/23 Annual Budget				Multi-year appropriation for 2024/25 in the 2022/23 Annual Budget				New multi-year appropriations (funds for new and existing projects)		
Appropriation for 2023/24	Adjustments in 2022/23	Downward adjustments for 2023/24	Appropriation carried forward	Appropriation for 2023/24	Adjustments in 2022/23	Downward adjustments for 2023/24	Appropriation carried forward	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
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			–				–	1 845	2 000	2 000
			–				–	68 183	48 037	43 500
			–				–	67 130	48 788	82 442
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Capital expenditure - Municipal Vote Single-year expenditure appropriation	2									
Vote 1 - Council & Mayor's Office		–	352	–	–	–	–	–	–	–
1.1 - Council General		–	–	–	–	–	–	–	–	–
1.2 - Mayor's Office		–	352	–	–	–	–	–	–	–
1.3 - Pensioners & Continued Members		–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager & Internal Audit		–	–	–	–	–	–	–	–	–
2.1 - Municipal Manager		–	–	–	–	–	–	–	–	–
2.2 - Internal Audit		–	–	–	–	–	–	–	–	–
2.3 - Risk Management		–	–	–	–	–	–	–	–	–
Vote 3 - Management Services		3 966	2 288	–	–	–	–	1 800	–	–
3.1 - Director: Management Services		14	5	–	–	–	–	–	–	–
3.2 - Communication		–	–	–	–	–	–	–	–	–
3.3 - Legal Services		–	–	–	–	–	–	–	–	–
3.4 - Strategic Services		–	–	–	–	–	–	–	–	–
3.5 - Human Resources		–	–	–	–	–	–	–	–	–
3.6 - Info & Communication Technology		3 952	2 283	–	–	–	–	1 800	–	–
3.7 - Council Support Services			–	–	–	–	–	–	–	–
3.8 - Social Development			–	–	–	–	–	–	–	–
3.9 - Municipal Court		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Vote 4 - Finance		22	57	–	–	–	–	–	–	–
4.1 - Finance: Director		22	57	–	–	–	–	–	–	–
4.2 - Finance: Deputy Director			–	–	–	–	–	–	–	–
4.3 - Finance: Accounting Services			–	–	–	–	–	–	–	–
4.4 - Finance: Expenditure & Assets			–	–	–	–	–	–	–	–
4.5 - Finance: Revenue			–	–	–	–	–	–	–	–
4.6 - Finance: Supply Chain Management			–	–	–	–	–	–	–	–
4.7 - Data Control			–	–	–	–	–	–	–	–
4.8 - Assessment Rates		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Vote 5 - Infrastructure & Planning		93 905	80 221	19 604	17 475	14 740	14 740	–	–	–
5.1 - Director: Infrastructure & Planning		317	868	53	100	100	100	–	–	–
5.2 - Deputy Director:Engineering Planning		–	27 260	–	–	–	–	–	–	–
5.3 - Engineering Services & Housing Development		83 972	38 649	13 451	15 165	12 400	12 400	–	–	–
5.4 - Town Planning		–	–	965	1 900	1 900	1 900	–	–	–
5.5 - Geographical Info System (GIS)		–	–	–	–	–	–	–	–	–
5.6 - Building Control Services		–	–	–	–	–	–	–	–	–
5.7 - Environmental Management Services		–	–	–	–	–	–	–	–	–
5.8 - Electricity		8 689	199	2 163	–	250	250	–	–	–
5.9 - Solid Waste Planning & Solid Waste Disposal		927	13 245	2 972	310	90	90	–	–	–
5.10 - Property Administration		–	–	–	–	–	–	–	–	–
Vote 6 - Protection Services		12 064	8 160	4 989	2 492	5 442	5 442	–	–	–
6.1 - Director: Protection Services		123	910	–	–	–	–	–	–	–
6.2 - Traffic		77		1 846	1 450	600	600	–	–	–
6.3 - Law Enforcement		1 799	1 517	1 431	1 042	4 320	4 320	–	–	–
6.4 - Vehicle testing		–	–	–	–	–	–	–	–	–
6.5 - Fire Brigade		10 065	5 733	1 713	–	522	522	–	–	–
6.6 - Vehicle Licensing			–	–	–	–	–	–	–	–
6.7 - Special Task Team Unit			–	–	–	–	–	–	–	–
6.8 - Disaster Management		–	–	–	–	–	–	–	–	–
6.9 - Security Services		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Vote 7 - Economic and Social Development & Tourism		375	498	–	–	–	–	–	–	–
7.1 - Director: Economic Development & Planning		375	448	–	–	–	–	–	–	–
7.2 - Tourism		–	50	–	–	–	–	–	–	–
7.3 - Social Development		–	–	–	–	–	–	–	–	–
7.4 - EPWP		–	–	–	–	–	–	–	–	–
7.5 - Thusong Centre: Hawston		–	–	–	–	–	–	–	–	–
7.6 - Parking Services		–	–	–	–	–	–	–	–	–
Vote 8 - Community Services		26 849	53 459	9 039	14 970	13 267	13 267	875	–	–
8.1 - Director & Administration		8 484	42 100	1 458	14 970	13 193	13 193	875	–	–
8.2 - Offices & Community Buildings		–	–	–	–	–	–	–	–	–
8.3 - Parks & Townlands, Cemetries		–	–	–	–	–	–	–	–	–
8.4 - Libraries		–	–	–	–	74	74	–	–	–
8.5 - Sport & Recreation		–	–	–	–	–	–	–	–	–
8.6 - Housing & Social Upliftment		–	–	–	–	–	–	–	–	–

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
8.7 - Roads & Stormwater		10 309	11 358	7 581	–	–	–	–	–	–
8.8 - Water		5 064	–	–	–	–	–	–	–	–
8.9 - Sewerage		2 992	–	–	–	–	–	–	–	–
8.10 - Refuse		–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		137 181	145 035	33 633	34 937	33 448	33 448	2 675	–	–
Total Capital Expenditure		211 056	254 800	192 377	236 020	206 216	206 216	203 615	130 325	164 442

Multi-year appropriation for Budget Year 2023/24 in the 2022/23 Annual Budget				Multi-year appropriation for 2024/25 in the 2022/23 Annual Budget				New multi-year appropriations (funds for new and existing projects)		
Appropriation for 2023/24	Adjustments in 2022/23	Downward adjustments for 2023/24	Appropriation carried forward	Appropriation for 2023/24	Adjustments in 2022/23	Downward adjustments for 2023/24	Appropriation carried forward	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26

WC032 Overstrand - Table A6 Budgeted Financial Position

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
ASSETS										
Current assets										
Cash and cash equivalents		653 813	612 723	616 280	431 308	525 264	525 264	527 249	534 490	555 317
Trade and other receivables from exchange transactio	1	82 974	81 353	96 666	93 122	92 965	92 965	110 712	116 821	123 348
Receivables from non-exchange transactions	1	51 504	45 341	47 229	58 498	52 445	52 445	54 310	57 631	61 103
Current portion of non-current receivables		4	–	–	–	–	–	–	–	–
Inventory	2	10 222	12 736	10 932	10 908	10 908	10 908	11 054	11 025	11 008
VAT		10 384	16 822	12 472	(268)	(268)	(268)	1 066	2 544	4 131
Other current assets		708	717	733	723	723	723	723	723	723
Total current assets		**809 609**	**769 692**	**784 312**	**594 291**	**682 037**	**682 037**	**705 114**	**723 234**	**755 630**
Non current assets										
Investments		46 515	54 278	60 512	70 005	70 005	70 005	77 846	85 830	93 964
Investment property		122 921	127 538	127 088	132 846	132 846	132 846	138 346	143 846	149 346
Property, plant and equipment	3	3 485 598	3 601 762	3 637 253	3 820 865	3 792 520	3 792 520	3 847 342	3 826 369	3 836 978
Biological assets		–	–	–	–	–	–	–	–	–
Living and non-living resources		242	677	610	–	542	542	474	406	339
Heritage assets		130 928	128 528	112 126	130 928	112 126	112 126	112 126	112 126	112 126
Intangible assets		9 168	8 993	8 940	8 203	8 203	8 203	7 909	7 602	7 277
Trade and other receivables from exchange transactio		–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactio		–	–	–	–	–	–	–	–	–
Other non-current assets		–	–	–	–	–	–	–	–	–
Total non current assets		**3 795 371**	**3 921 776**	**3 946 528**	**4 162 847**	**4 116 242**	**4 116 242**	**4 184 043**	**4 176 179**	**4 200 030**
TOTAL ASSETS		**4 604 980**	**4 691 468**	**4 730 840**	**4 757 138**	**4 798 278**	**4 798 278**	**4 889 157**	**4 899 414**	**4 955 659**
LIABILITIES										
Current liabilities										
Bank overdraft		–	–	–	–	–	–	–	–	–
Financial liabilities		45 458	53 957	50 494	58 592	58 592	58 592	50 907	154 740	59 739
Consumer deposits		40 992	42 248	43 312	66 074	43 312	43 312	65 312	67 312	69 312
Trade and other payables from exchange transactions	4	134 818	141 475	138 780	173 931	170 120	170 120	177 246	189 628	202 841
Trade and other payables from non-exchange transact	5	31 133	24 030	26 309	–	–	–	–	–	–
Provision		42 460	49 986	46 857	42 971	42 971	42 971	48 875	53 413	55 300
VAT		–	–	–	–	790	790	2 639	2 940	3 280
Other current liabilities		–	–	–	5 240	5 240	5 240	–	–	–
Total current liabilities		**294 861**	**311 695**	**305 751**	**346 808**	**321 025**	**321 025**	**344 979**	**468 033**	**390 473**
Non current liabilities										
Financial liabilities	6	431 475	430 400	429 906	421 184	421 184	421 184	420 625	325 885	326 146
Provision	7	210 662	247 812	273 231	290 101	292 186	292 186	311 112	313 905	314 892
Long term portion of trade payables		–	–	–	–	–	–	–	–	–
Other non-current liabilities		–	–	–	–	–	–	–	–	–
Total non current liabilities		**642 137**	**678 212**	**703 137**	**711 285**	**713 370**	**713 370**	**731 737**	**639 790**	**641 038**
TOTAL LIABILITIES		**936 998**	**989 907**	**1 008 888**	**1 058 092**	**1 034 395**	**1 034 395**	**1 076 716**	**1 107 823**	**1 031 511**
NET ASSETS		**3 667 983**	**3 701 561**	**3 721 952**	**3 699 046**	**3 763 883**	**3 763 883**	**3 812 441**	**3 791 591**	**3 924 149**
COMMUNITY WEALTH/EQUITY										
Accumulated surplus/(deficit)	8	3 664 755	3 698 334	3 718 724	3 695 823	3 760 661	3 760 661	3 809 213	3 788 362	3 920 920
Reserves and funds	9	3 227	3 227	3 228	3 223	3 223	3 223	3 229	3 229	3 229
Other		–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	10	**3 667 983**	**3 701 561**	**3 721 952**	**3 699 046**	**3 763 883**	**3 763 883**	**3 812 441**	**3 791 591**	**3 924 149**

WC032 Overstrand - Table A7 Budgeted Cash Flows

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		238 449	262 672	278 096	285 907	285 907	285 907	336 765	355 850	373 663
Service charges		689 210	737 211	818 906	843 505	830 014	830 014	916 095	1 043 315	1 123 832
Other revenue		175 357	131 492	171 510	146 992	152 798	152 798	162 121	144 754	154 235
Transfers and Subsidies - Operational	1	120 949	133 792	194 456	166 184	179 496	179 496	185 579	200 916	213 137
Transfers and Subsidies - Capital	1	60 675	37 219	–	72 254	81 141	81 141	53 667	40 235	41 222
Interest		53 186	34 748	36 128	24 871	34 671	34 671	43 100	45 978	49 161
Dividends		–	–	–	–	–	–	–	–	–
Payments										
Suppliers and employees		(971 606)	(1 069 400)	(1 237 641)	(1 373 971)	(1 382 381)	(1 382 381)	(1 434 464)	(1 630 636)	(1 604 452)
Finance charges		(46 570)	(48 805)	(47 584)	(48 056)	(48 056)	(48 056)	(49 658)	(51 817)	(49 865)
Transfers and Subsidies	1	(560)	(8 710)	(12 813)	(13 057)	(14 786)	(14 786)	(16 380)	(17 143)	(17 944)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**319 091**	**210 220**	**201 057**	**104 629**	**118 804**	**118 804**	**196 826**	**131 453**	**282 988**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		3 289	940	3 813	–	–	–	–	–	–
Decrease (increase) in non-current receivables		7	4	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		(4 980)	(4 878)	(4 980)	(4 980)	(4 980)	(4 980)	(4 980)	(4 980)	(4 980)
Payments										
Capital assets		(211 056)	(254 800)	(192 377)	(236 020)	(206 216)	(206 216)	(203 615)	(130 325)	(164 442)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(212 740)**	**(258 734)**	**(193 544)**	**(241 000)**	**(211 196)**	**(211 196)**	**(208 595)**	**(135 305)**	**(169 422)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		54 000	54 000	50 000	50 000	50 000	50 000	50 000	50 000	60 000
Increase (decrease) in consumer deposits		–	–	–	2 000	2 000	2 000	22 000	2 000	2 000
Payments										
Repayment of borrowing		(39 725)	(46 576)	(53 957)	(50 623)	(50 623)	(50 623)	(58 245)	(40 907)	(154 740)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**14 275**	**7 424**	**(3 957)**	**1 377**	**1 377**	**1 377**	**13 755**	**11 093**	**(92 740)**
NET INCREASE/ (DECREASE) IN CASH HELD		**120 626**	**(41 091)**	**3 557**	**(134 994)**	**(91 016)**	**(91 016)**	**1 985**	**7 242**	**20 826**
Cash/cash equivalents at the year begin:	2	**533 188**	**653 813**	**612 723**	566 302	616 280	616 280	**525 264**	**527 249**	**534 490**
Cash/cash equivalents at the year end:	2	**653 813**	**612 723**	**616 280**	**431 308**	**525 264**	**525 264**	**527 249**	**534 490**	**555 317**

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

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Cash and investments available										
Cash/cash equivalents at the year end	1	653 813	612 723	616 280	431 308	525 264	525 264	527 249	534 490	555 317
Other current investments > 90 days		82 974	81 353	96 666	93 122	92 965	92 965	110 712	116 821	123 348
Investments - Property, plant and equipment	1	3 485 598	3 601 762	3 637 253	3 820 865	3 792 520	3 792 520	3 847 342	3 826 369	3 836 978
Cash and investments available:		**4 222 385**	**4 295 837**	**4 350 199**	**4 345 294**	**4 410 748**	**4 410 748**	**4 485 303**	**4 477 680**	**4 515 643**
Application of cash and investments										
Trade payables from Non-exchange transactions: Unspent con		31 133	24 030	26 309	–	–	–	–	–	–
Unspent borrowing		–	44 066	–	22 033	22 033	22 033	45 214	–	–
Statutory requirements	2	–	–	–	–	–	–	–	–	–
Other working capital requirements	3	90 063	95 532	91 202	116 642	115 656	115 656	120 321	126 294	133 681
Other provisions		2 612	28 547	13 315	12 515	12 515	12 515	6 045	8 776	8 748
Long term investments committed	4	46 515	54 278	60 512	70 005	70 005	70 005	77 846	85 830	93 964
Reserves to be backed by cash/investments	5	3 227	3 227	3 228	3 223	3 223	3 223	3 229	3 229	3 229
Total Application of cash and investments:		**173 549**	**249 681**	**194 565**	**224 418**	**223 432**	**223 432**	**252 655**	**224 129**	**239 622**
Surplus(shortfall)		**4 048 835**	**4 046 156**	**4 155 634**	**4 120 877**	**4 187 316**	**4 187 316**	**4 232 648**	**4 253 552**	**4 276 021**

WC032 Overstrand - Table A9 Asset Management

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
CAPITAL EXPENDITURE										
Total New Assets	1	**188 804**	**199 520**	**119 714**	**141 955**	**145 918**	**145 918**	**135 647**	**70 690**	**98 401**
Roads Infrastructure		5 638	20 553	7 714	12 255	15 274	15 274	5 000	–	2 981
Storm water Infrastructure		7 918	14 169	4 724	1 636	1 636	1 636	12 732	7 000	–
Electrical Infrastructure		13 557	9 392	18 244	53 500	50 249	50 249	45 797	21 500	19 000
Water Supply Infrastructure		29 001	22 404	3 171	12 483	9 626	9 626	10 953	10 600	4 700
Sanitation Infrastructure		13 339	12 940	8 923	4 020	2 416	2 416	7 500	1 500	3 000
Solid Waste Infrastructure		7 311	12 254	2 972	1 470	1 250	1 250	400	–	500
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***76 763***	***91 712***	***45 748***	***85 364***	***80 451***	***80 451***	***82 383***	***40 600***	***30 181***
Community Facilities		2 084	10 999	4 140	6 701	4 463	4 463	5 000	–	–
Sport and Recreation Facilities		2 447	15 000	5 047	4 250	4 797	4 797	875	–	5 000
Community Assets		***4 531***	***25 999***	***9 187***	***10 951***	***9 261***	***9 261***	***5 875***	**–**	***5 000***
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		1 749	4 581	1 410	3 017	2 295	2 295	–	–	–
Housing		85 753	49 598	49 031	38 785	42 211	42 211	41 890	30 090	63 220
Other Assets		***87 502***	***54 179***	***50 440***	***41 802***	***44 506***	***44 506***	***41 890***	***30 090***	***63 220***
Biological or Cultivated Assets		**–**	**–**	**21**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment		**3 345**	**5 152**	**3 240**	**1 888**	**1 962**	**1 962**	**4 000**	**–**	**–**
Furniture and Office Equipment		**246**	**802**	**2 910**	**765**	**1 065**	**1 065**	**765**	**–**	**–**
Machinery and Equipment		**533**	**486**	**1 363**	**1 185**	**1 385**	**1 385**	**735**	**–**	**–**
Transport Assets		**15 884**	**21 189**	**6 806**	**–**	**7 289**	**7 289**	**–**	**–**	**–**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Renewal of Existing Assets	2	**3 606**	**15 499**	**30 964**	**20 730**	**20 936**	**20 936**	**16 300**	**25 100**	**27 200**
Roads Infrastructure		8	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	915	1 000	1 058	1 058	1 058	1 500	2 000	2 000
Water Supply Infrastructure		887	11 297	29 964	19 172	19 228	19 228	14 100	22 400	20 500
Sanitation Infrastructure		2 711	3 287	–	500	650	650	700	700	700
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	4 000
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***3 606***	***15 499***	***30 964***	***20 730***	***20 936***	***20 936***	***16 300***	***25 100***	***27 200***
Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Furniture and Office Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Machinery and Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Transport Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	6	**18 646**	**39 781**	**41 698**	**73 335**	**39 362**	**39 362**	**51 668**	**34 535**	**38 841**
Roads Infrastructure		–	181	–	–	–	–	–	–	–
Storm water Infrastructure		1 285	12 258	–	–	–	–	–	–	–
Electrical Infrastructure		7 871	120	7 173	10 831	1 600	1 600	9 231	10 000	13 000
Water Supply Infrastructure		1 863	1 873	3 586	8 315	6 935	6 935	550	500	500
Sanitation Infrastructure		32	14 286	30 939	51 581	28 219	28 219	35 333	12 337	14 100
Solid Waste Infrastructure		–	3 262	–	2 074	2 074	2 074	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Infrastructure		***11 051***	***31 980***	***41 698***	***72 800***	***38 828***	***38 828***	***45 114***	***22 837***	***27 600***
Community Facilities		–	830	–	334	334	334	–	–	–
Sport and Recreation Facilities		7 534	6 971	–	200	200	200	6 554	11 698	11 241
Community Assets		***7 534***	***7 801***	**–**	***534***	***534***	***534***	***6 554***	***11 698***	***11 241***
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		61	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		***61***	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Furniture and Office Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Machinery and Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Transport Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	**211 056**	**254 800**	**192 377**	**236 020**	**206 216**	**206 216**	**203 615**	**130 325**	**164 442**
Roads Infrastructure		5 645	20 734	7 714	12 255	15 274	15 274	5 000	–	2 981
Storm water Infrastructure		9 202	26 427	4 724	1 636	1 636	1 636	12 732	7 000	–
Electrical Infrastructure		21 428	10 427	26 417	65 389	52 907	52 907	56 528	33 500	34 000
Water Supply Infrastructure		31 752	35 574	36 721	39 970	35 789	35 789	25 603	33 500	25 700
Sanitation Infrastructure		16 081	30 513	39 862	56 101	31 285	31 285	43 533	14 537	17 800
Solid Waste Infrastructure		7 311	15 517	2 972	3 544	3 324	3 324	400	–	4 500
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***91 420***	***139 192***	***118 410***	***178 895***	***140 215***	***140 215***	***143 796***	***88 537***	***84 981***
Community Facilities		2 084	11 829	4 140	7 035	4 798	4 798	5 000	–	–
Sport and Recreation Facilities		9 981	21 971	5 047	4 450	4 997	4 997	7 429	11 698	16 241
Community Assets		***12 065***	***33 801***	***9 187***	***11 485***	***9 795***	***9 795***	***12 429***	***11 698***	***16 241***
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		1 810	4 581	1 410	3 017	2 295	2 295	–	–	–
Housing		85 753	49 598	49 031	38 785	42 211	42 211	41 890	30 090	63 220
Other Assets		***87 563***	***54 179***	***50 440***	***41 802***	***44 506***	***44 506***	***41 890***	***30 090***	***63 220***
Biological or Cultivated Assets		**–**	**–**	**21**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment		**3 345**	**5 152**	**3 240**	**1 888**	**1 962**	**1 962**	**4 000**	**–**	**–**
Furniture and Office Equipment		**246**	**802**	**2 910**	**765**	**1 065**	**1 065**	**765**	**–**	**–**
Machinery and Equipment		**533**	**486**	**1 363**	**1 185**	**1 385**	**1 385**	**735**	**–**	**–**
Transport Assets		**15 884**	**21 189**	**6 806**	**–**	**7 289**	**7 289**	**–**	**–**	**–**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		**211 056**	**254 800**	**192 377**	**236 020**	**206 216**	**206 216**	**203 615**	**130 325**	**164 442**
ASSET REGISTER SUMMARY - PPE (WDV)	5	3 748 856	3 866 820	3 885 406	4 092 842	4 045 694	4 045 694	4 105 723	4 089 943	4 105 727
Roads Infrastructure		1 056 127	1 092 468	1 051 629	951 365	954 384	954 384	920 204	880 560	843 428
Storm water Infrastructure		214 067	234 040	250 290	240 845	240 845	240 845	245 097	243 526	234 861
Electrical Infrastructure		520 173	503 933	503 511	555 433	542 951	542 951	572 071	577 559	582 934
Water Supply Infrastructure		474 519	481 783	502 705	534 118	529 937	529 937	531 085	539 688	540 041
Sanitation Infrastructure		398 307	410 765	449 724	482 900	458 085	458 085	480 998	474 486	470 799
Solid Waste Infrastructure		24 634	40 153	40 054	49 883	49 663	49 663	46 762	43 405	44 490
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***2 687 827***	***2 763 142***	***2 797 912***	***2 814 545***	***2 775 865***	***2 775 865***	***2 796 219***	***2 759 224***	***2 716 553***
Community Assets		206 866	226 700	232 405	–	–	–	–	–	–
Heritage Assets		130 928	130 928	112 126	130 928	112 126	112 126	112 126	112 126	112 126
Investment properties		122 921	127 538	127 088	132 846	132 846	132 846	138 346	143 846	149 346
Other Assets		496 877	494 213	487 221	894 435	897 449	897 449	934 895	959 482	1 021 410
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		9 168	8 993	8 940	8 203	8 203	8 203	7 909	7 602	7 277
Computer Equipment			–	–	–	–	–	–	–	–
Furniture and Office Equipment		10 174	11 016	12 301	15 403	15 777	15 777	17 932	15 295	12 634
Machinery and Equipment		6 022	8 693	9 473	5 659	5 317	5 317	4 864	3 664	2 451
Transport Assets		78 074	95 597	97 940	90 823	98 112	98 112	93 432	88 703	83 930
Land		–	–	–	–	–	–	–	–	–

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Living Resources		242	677	610	–	542	542	474	406	339
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	**3 748 856**	**3 866 820**	**3 885 406**	**4 092 842**	**4 045 694**	**4 045 694**	**4 105 723**	**4 089 943**	**4 105 727**
EXPENDITURE OTHER ITEMS										
Depreciation	7	134 574	140 110	147 004	146 596	146 596	146 596	149 154	151 672	154 226
Repairs and Maintenance by Asset Class	3	**189 815**	**211 518**	**245 386**	**267 944**	**271 885**	**271 885**	**288 616**	**315 056**	**326 790**
Roads Infrastructure		65 691	67 439	64 340	72 275	60 564	60 564	75 266	79 593	84 168
Storm water Infrastructure		4 749	5 584	6 870	7 335	6 545	6 545	6 469	6 836	7 224
Electrical Infrastructure		36 812	31 045	30 721	39 232	38 565	38 565	41 404	45 107	41 533
Water Supply Infrastructure		16 161	21 046	21 088	22 142	22 089	22 089	23 527	24 847	26 242
Sanitation Infrastructure		10 072	12 980	11 710	13 044	13 465	13 465	13 718	14 494	15 314
Solid Waste Infrastructure		1 168	2 535	6 351	7 320	7 593	7 593	7 697	8 224	8 691
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		113	110	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	1	–	–	–	–	–	–	–
Infrastructure		***134 766***	***140 742***	***141 079***	***161 349***	***148 822***	***148 822***	***168 080***	***179 101***	***183 172***
Community Facilities		29 422	37 364	37 455	43 516	44 407	44 407	47 164	49 790	52 562
Sport and Recreation Facilities		4 176	7 007	12 921	14 849	14 019	14 019	15 119	19 060	20 131
Community Assets		***33 597***	***44 371***	***50 376***	***58 365***	***58 426***	***58 426***	***62 282***	***68 850***	***72 693***
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		1 582	2 136	15 056	15 246	19 382	19 382	18 438	25 359	26 838
Housing		–	1	–	–	–	–	–	–	–
Other Assets		***1 582***	***2 137***	***15 056***	***15 246***	***19 382***	***19 382***	***18 438***	***25 359***	***26 838***
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		6 009	5 672	5 915	6 994	7 212	7 212	8 331	8 737	9 174
Intangible Assets		***6 009***	***5 672***	***5 915***	***6 994***	***7 212***	***7 212***	***8 331***	***8 737***	***9 174***
Computer Equipment		**766**	**1 947**	**2 490**	**2 280**	**2 386**	**2 386**	**2 423**	**2 740**	**2 979**
Furniture and Office Equipment		**242**	**1 128**	**5 004**	**6 330**	**12 310**	**12 310**	**6 812**	**6 882**	**7 227**
Machinery and Equipment		–	–	**4 059**	**5 601**	**4 963**	**4 963**	**6 036**	**6 241**	**6 574**
Transport Assets		**12 853**	**15 521**	**21 406**	**11 779**	**18 385**	**18 385**	**16 214**	**17 145**	**18 132**
Libraries		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		**324 390**	**351 629**	**392 390**	**414 540**	**418 480**	**418 480**	**437 771**	**466 728**	**481 015**
Renewal and upgrading of Existing Assets as % of total capex		*10.5%*	*21.7%*	*37.8%*	*39.9%*	*29.2%*	*29.2%*	*33.4%*	*45.8%*	*40.2%*
Renewal and upgrading of Existing Assets as % of deprecn		*16.5%*	*39.5%*	*49.4%*	*64.2%*	*41.1%*	*41.1%*	*45.6%*	*39.3%*	*42.8%*
R&M as a % of PPE		*78460.1%*	*31228.8%*	*40254.5%*	*0.0%*	*50176.8%*	*50176.8%*	*60873.9%*	*77525.5%*	*96495.5%*
Renewal and upgrading and R&M as a % of PPE		*6.0%*	*7.0%*	*8.0%*	*9.0%*	*8.0%*	*8.0%*	*9.0%*	*9.0%*	*10.0%*

WC032 Overstrand - Table A10 Basic service delivery measuremen

Description	Ref	-2019	-2020	-2021	-2022-O	-2022-A	-2022-F	-2023	-2024	-2025
		2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Household service targets	1									
Water:										
Piped water inside dwelling		29 946	30 111	30 990	30 412	30 412	30 412	31 324	32 264	33 232
Piped water inside yard (but not in dwelling)		–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	2	3 675	3 779	3 536	3 536	3 536	3 536	4 900	4 900	4 900
Other water supply (at least min.service level)	4	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		33 621	33 890	34 526	33 948	33 948	33 948	36 224	37 164	38 132
Using public tap (< min.service level)	3	–	–	–	–	–	–	2 700	2 600	2 500
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	2 700	2 600	2 500
Total number of households	5	**33 621**	**33 890**	**34 526**	**33 948**	**33 948**	**33 948**	**38 924**	**39 764**	**40 632**
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		30 060	30 420	31 394	30 724	30 724	30 724	31 646	32 595	33 573
Flush toilet (with septic tank)		–	–	–	–	–	–	–	–	–
Chemical toilet		–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)		–	–	–	–	–	–	–	–	–
Other toilet provisions (> min.service level)		3 675	3 779	3 536	3 536	3 536	3 536	4 900	4 900	4 900
Minimum Service Level and Above sub-total		33 735	34 199	34 930	34 260	34 260	34 260	36 546	37 495	38 473
Bucket toilet		–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		–	–	–	–	–	–	2 700	2 700	2 700
No toilet provisions		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	2 700	2 700	2 700
Total number of households	5	**33 735**	**34 199**	**34 930**	**34 260**	**34 260**	**34 260**	**39 246**	**40 195**	**41 173**
Energy:										
Electricity (at least min.service level)		5 946	5 826	5 618	5 586	5 586	5 586	5 554	5 522	5 490
Electricity - prepaid (min.service level)		19 731	20 146	20 821	20 976	20 976	20 976	21 651	22 326	23 001
Minimum Service Level and Above sub-total		25 677	25 972	26 439	26 562	26 562	26 562	27 205	27 848	28 491
Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	**25 677**	**25 972**	**26 439**	**26 562**	**26 562**	**26 562**	**27 205**	**27 848**	**28 491**
Refuse:										
Removed at least once a week		33 366	33 895	34 819	34 234	34 234	34 234	35 261	36 319	37 408
Minimum Service Level and Above sub-total		33 366	33 895	34 819	34 234	34 234	34 234	35 261	36 319	37 408
Removed less frequently than once a week		–	–	–	–	–	–	–	–	–
Using communal refuse dump		–	–	–	–	–	–	–	–	–
Using own refuse dump		–	–	–	–	–	–	–	–	–
Other rubbish disposal		–	–	–	–	–	–	–	–	–
No rubbish disposal		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	**33 366**	**33 895**	**34 819**	**34 234**	**34 234**	**34 234**	**35 261**	**36 319**	**37 408**
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		3 062 304	3 065 494	7 400	7 400	7 400	7 400	7 000	7 000	7 000
Sanitation (free minimum level service)		5 244 196	5 252 736	7 400	7 400	7 400	7 400	7 000	7 000	7 000
Electricity/other energy (50kwh per household per month)		5 415 995	5 512 648	7 300	7 300	7 300	7 300	7 000	7 000	7 000
Refuse (removed at least once a week)		16 905 559	16 929 210	7 400	7 400	7 400	7 400	7 000	7 000	7 000
Informal Settlements		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per **indigent** household per month)		3 062	3 065	3 239	3 214	3 214	3 214	3 432	3 638	3 856
Sanitation (free sanitation service to **indigent households**)		5 244	5 253	5 553	9 132	9 132	9 132	9 814	10 403	11 027
Electricity/other energy (50kwh per **indigent** household per month)		5 416	5 513	6 423	6 530	6 530	6 530	7 509	7 960	8 437
Refuse (removed once a week **for indigent households**)		16 906	16 929	17 901	17 933	17 933	17 933	19 152	20 301	21 519
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	–	–	–	–	–	–	–
Total cost of FBS provided		**30 628**	**30 760**	**33 117**	**36 808**	**36 808**	**36 808**	**39 907**	**42 302**	**44 840**
Highest level of free service provided per household										
Property rates (R value threshold)		220 000	220 000	220 000	220 000	220 000	220 000	–	–	–
Water (kilolitres per household per month)		6	6	6	6	6	6	10	10	10
Sanitation (kilolitres per household per month)		4	4	4	4	4	4	7	7	7
Sanitation (Rand per household per month)		78	82	86	89	89	89	264	280	297
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		210	210	210	210	210	210	210	210	210
Revenue cost of subsidised services provided (R'000)	9									
Property rates **(tariff adjustment)** (**impermissable values per section 17 of MPRA**)		–	–	–	–	–	–	–	–	–
Property rates exemptions, reductions and rebates **and impermissable values in excess of section 17 of MPRA)**		–	–	–	–	–	–	–	–	–
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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
REVENUE ITEMS:										
Property rates	6									
Total Property Rates		240 910	263 442	278 154	287 941	287 941	287 941	340 506	357 532	375 408
less Revenue Foregone ***(exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)***		–	–	–	–	–	–	–	–	–
Net Property Rates		**240 910**	**263 442**	**278 154**	**287 941**	**287 941**	**287 941**	**340 506**	**357 532**	**375 408**
Service charges - Electricity	6									
Total Service charges - Electricity		421 376	449 230	519 173	548 222	534 574	534 574	601 154	700 864	760 851
less Revenue Foregone ***(in excess of 50 kwh per indigent household per month)***		–	–	–	–	–	–	–	–	–
less Cost of Free Basic Services (50 kwh per indigent household per month)		5 416	5 513	6 423	6 530	6 530	6 530	7 509	7 960	8 437
Net Service charges - Electricity		**415 960**	**443 718**	**512 750**	**541 692**	**528 044**	**528 044**	**593 645**	**692 904**	**752 413**
Service charges - Water	6									
Total Service charges - Water		136 100	133 950	146 157	141 352	141 352	141 352	150 701	160 231	169 732
less Revenue Foregone ***(in excess of 6 kilolitres per indigent household per month)***		–	–	–	–	–	–	–	–	–
less Cost of Free Basic Services (6 kilolitres per indigent household per month)		3 062	3 065	3 239	3 214	3 214	3 214	3 432	3 638	3 856
Net Service charges - Water		**133 037**	**130 885**	**142 917**	**138 138**	**138 138**	**138 138**	**147 269**	**156 593**	**165 876**
Service charges - Waste Water Management										
Total Service charges - Waste Water Management		86 170	92 236	98 730	100 094	100 094	100 094	114 528	114 997	121 887
less Revenue Foregone ***(in excess of free sanitation service to indigent households)***		–	–	–	–	–	–	–	–	–
less Cost of Free Basic Services (free sanitation service to indigent households)		5 244	5 253	5 553	9 132	9 132	9 132	9 814	10 403	11 027
Net Service charges - Waste Water Management		**80 925**	**86 983**	**93 177**	**90 962**	**90 962**	**90 962**	**104 715**	**104 595**	**110 861**
Service charges - Waste Management	6									
Total refuse removal revenue		85 161	89 044	94 852	96 782	96 782	96 782	104 582	116 250	123 183
Total landfill revenue		–	–	–	–	–	–	–	–	–
less Revenue Foregone ***(in excess of one removal a week to indigent households)***		–	–	–	–	–	–	–	–	–
less Cost of Free Basic Services (removed once a week to indigent households)		16 906	16 929	17 901	17 933	17 933	17 933	19 152	20 301	21 519
Net Service charges - Waste Management		**68 256**	**72 115**	**76 951**	**78 850**	**78 850**	**78 850**	**85 430**	**95 948**	**101 664**
EXPENDITURE ITEMS:										
Employee related costs										
Basic Salaries and Wages	2	245 396	266 655	279 082	314 879	311 146	311 146	332 527	346 638	365 201
Pension and UIF Contributions		39 697	42 603	45 123	52 863	53 243	53 243	55 940	58 909	62 078
Medical Aid Contributions		13 141	13 951	14 510	17 116	17 168	17 168	18 074	19 041	20 060
Overtime		28 523	30 532	35 197	29 501	30 601	30 601	33 331	35 138	37 031
Performance Bonus		19 219	19 229	20 628	23 967	24 167	24 167	25 334	26 680	28 099
Motor Vehicle Allowance		7 923	8 115	8 136	8 321	8 321	8 321	8 869	9 346	9 847
Cellphone Allowance		2 128	2 150	2 185	2 364	2 396	2 396	2 493	2 617	2 748
Housing Allowances		2 507	2 741	1 707	1 829	1 884	1 884	1 985	2 091	2 204
Other benefits and allowances		17 056	19 489	24 133	25 864	26 576	26 576	27 865	29 367	30 940
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		4 855	3 047	3 689	3 945	4 205	4 205	3 945	3 310	3 739
Post-retirement benefit obligations	4	(4 578)	22 448	12 613	17 946	19 771	19 771	21 862	9 771	8 464
Entertainment		–	–	–	–	–	–	–	–	–
Scarcity		2 919	3 121	3 575	3 867	3 867	3 867	4 061	4 281	4 512
Acting and post related allowance		1 989	2 131	2 074	2 017	2 302	2 302	2 249	2 262	2 381
In kind benefits		–	–	–	–	–	–	–	–	–
sub-total	5	**380 774**	**436 214**	**452 651**	**504 478**	**505 647**	**505 647**	**538 535**	**549 452**	**577 304**
Less: Employees costs capitalised to PPE		–	–	–	–	–	–	–	–	–
Total Employee related costs	1	**380 774**	**436 214**	**452 651**	**504 478**	**505 647**	**505 647**	**538 535**	**549 452**	**577 304**
Depreciation and amortisation										
Depreciation of Property, Plant & Equipment		132 293	136 136	140 727	146 196	146 196	146 196	148 860	151 366	153 901
Lease amortisation		447	431	290	400	400	400	294	307	325
Capital asset impairment		1 835	3 550	5 987	–	–	–	–	–	–
Total Depreciation and amortisation	1	**134 574**	**140 116**	**147 004**	**146 596**	**146 596**	**146 596**	**149 154**	**151 672**	**154 226**
Bulk purchases - electricity										
Electricity Bulk Purchases		278 548	298 272	351 600	384 161	371 533	371 533	440 824	496 986	546 684
Total bulk purchases	1	**278 548**	**298 272**	**351 600**	**384 161**	**371 533**	**371 533**	**440 824**	**496 986**	**546 684**
Transfers and grants										
Cash transfers and grants		560	8 710	12 813	13 057	14 786	14 786	16 380	17 143	17 944
Non-cash transfers and grants		–	–	–	–	–	–	–	–	–
Total transfers and grants	1	**560**	**8 710**	**12 813**	**13 057**	**14 786**	**14 786**	**16 380**	**17 143**	**17 944**
Contracted services										
Outsourced Services		78 540	87 046	104 229	119 205	119 847	119 847	138 344	147 026	156 031
Consultants and Professional Services		22 691	26 274	32 365	45 868	47 018	47 018	41 711	49 061	50 595
Contractors		77 132	95 587	100 488	104 857	105 336	105 336	115 683	127 365	134 909
sub-total	1	**178 363**	**208 907**	**237 081**	**269 929**	**272 201**	**272 201**	**295 738**	**323 452**	**341 534**
Operational Costs										
Collection costs		4 449	4 569	5 363	7 041	7 041	7 041	7 367	7 809	8 521

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Contributions to 'other' provisions		2 612	28 547	13 315	12 515	12 515	12 515	6 045	8 776	8 748
Audit fees		4 851	4 164	3 810	5 561	5 561	5 561	5 500	5 830	6 180
Other Operational Costs	3									
Operating Leases		105	113	96	281	299	299	283	286	289
Operational Cost		79 223	72 979	93 646	125 260	129 895	129 895	145 059	141 713	120 519
Statutory Payments other than Income Taxes		1 798	1 845	1 963	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–
Total Operational Costs	1	**93 037**	**112 218**	**118 193**	**150 658**	**155 312**	**155 312**	**164 254**	**164 414**	**144 258**
Repairs and Maintenance by Expenditure Item	8									
Employee related costs		96 517	101 119	113 771	125 413	122 867	122 867	132 606	139 767	147 314
Inventory Consumed (Project Maintenance)		18 430	19 462	22 089	25 392	26 170	26 170	25 845	29 069	25 008
Contracted Services		59 184	80 996	99 098	104 388	109 203	109 203	115 690	131 083	138 611
Other Expenditure		15 684	9 941	10 428	12 751	13 645	13 645	14 476	15 137	15 856
Total Repairs and Maintenance Expenditure	9	189 815	211 518	245 386	267 944	271 885	271 885	288 616	315 056	326 790
Inventory Consumed										
Inventory Consumed - Water		(142)	(206)	(248)	(204)	(204)	(204)	(253)	(302)	(351)
Inventory Consumed - Other		(5 886 306)	(6 135 597)	(6 296 292)	(6 673 818)	(6 646 128)	(6 646 128)	(6 851 593)	(6 982 218)	(7 147 000)
Total Inventory Consumed & Other Material		**(5 886 449)**	**(6 135 803)**	**(6 296 539)**	**(6 674 022)**	**(6 646 332)**	**(6 646 332)**	**(6 851 845)**	**(6 982 520)**	**(7 147 350)**

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

Description R thousand	Ref 1	Vote 1 - Council & Mayor's Office	Vote 2 - Municipal Manager & Internal Audit	Vote 3 - Management Services	Vote 4 - Finance	Vote 5 - Infrastructure & Planning	Vote 6 - Protection Services	Vote 7 - Economic and Social Development & Tourism	Vote 8 - Community Services	Total
Revenue										
Exchange Revenue										
Service charges - Electricity		–	–	–	800	592 845	–	–	–	**593 645**
Service charges - Water		–	–	–	17	–	–	–	147 252	**147 269**
Service charges - Waste Water Management		–	–	–	–	–	0	–	104 714	**104 715**
Service charges - Waste Management		–	–	–	–	–	–	–	85 430	**85 430**
Sale of Goods and Rendering of Services		–	–	401	1 012	123 088	485	0	6 686	**131 673**
Agency services		–	–	–	–	–	8 309	–	10	**8 319**
Interest		–	–	–	0	–	–	–	–	**0**
Interest earned from Receivables		–	–	–	6 400	–	–	–	0	**6 400**
Interest earned from Current and Non Current Assets		–	–	–	41 800	–	–	–	–	**41 800**
Dividends		–	–	–	–	–	–	–	–	**–**
Rent on Land		–	–	–	–	0	–	–	1 127	**1 127**
Rental from Fixed Assets		–	–	–	–	0	–	63	5 582	**5 646**
Licence and permits		–	–	–	–	–	357	–	607	**964**
Operational Revenue		151	–	555	4 750	811	800	–	1 027	**8 093**
Non-Exchange Revenue										
Property rates		–	–	–	340 506	–	–	–	–	**340 506**
Surcharges and Taxes		–	–	–	–	–	–	–	–	**–**
Fines, penalties and forfeits		0	–	–	4	469	18 971	–	153	**19 597**
Licences or permits		–	–	–	–	–	1 943	–	–	**1 943**
Transfer and subsidies - Operational		52 546	–	–	1 550	52 317	7 410	3 565	68 191	**185 579**
Interest		–	–	–	1 300	–	–	–	–	**1 300**
Fuel Levy		–	–	–	–	–	–	–	–	**–**
Service charges		–	–	–	–	–	–	–	–	**–**
Gains on disposal of Assets		–	–	–	–	–	–	–	–	**–**
Other Gains		–	–	–	2 400	5 500	–	–	–	**7 900**
Discontinued Operations		–	–	–	–	–	–	–	–	**–**
Total Revenue (excluding capital transfers and contributions)		**52 697**	**–**	**956**	**400 540**	**775 031**	**38 275**	**3 628**	**420 779**	**1 691 906**

Description R thousand	Ref 1	Vote 1 - Council & Mayor's Office	Vote 2 - Municipal Manager & Internal Audit	Vote 3 - Management Services	Vote 4 - Finance	Vote 5 - Infrastructure & Planning	Vote 6 - Protection Services	Vote 7 - Economic and Social Development & Tourism	Vote 8 - Community Services	Total
Expenditure										
Employee related costs		26 328	7 419	35 223	56 351	82 082	91 561	15 661	223 910	**538 535**
Remuneration of councillors		12 514	–	–	–	–	–	–	–	**12 514**
Bulk purchases - electricity		–	–	–	–	440 824	–	–	–	**440 824**
Inventory consumed		25	59	2 487	588	13 396	9 218	385	36 342	**62 499**
Debt impairment		–	–	–	1 722	965	15 256	–	1 471	**19 414**
Depreciation and amortisation		1	18	2 091	190	28 087	1 411	141	117 213	**149 154**
Interest		–	–	–	30	15 240	–	–	34 388	**49 658**
Contracted services		187	500	8 081	7 796	154 819	13 895	1 698	108 763	**295 738**
Transfers and subsidies		1 400	–	–	14 443	–	538	–	–	**16 380**
Irrecoverable debts written off		–	–	–	–	–	–	–	–	**–**
Operational costs		9 003	375	21 603	26 321	91 401	5 636	1 496	8 420	**164 254**
Losses on disposal of Assets		–	–	–	–	–	–	–	–	**–**
Other Losses		–	–	–	–	–	–	–	–	**–**
Total Expenditure		**49 457**	**8 371**	**69 485**	**107 441**	**826 814**	**137 515**	**19 382**	**530 506**	**1 748 972**
Surplus/(Deficit)		**3 240**	**(8 371)**	**(68 530)**	**293 099**	**(51 784)**	**(99 240)**	**(15 753)**	**(109 727)**	**(57 066)**
Transfers and subsidies - capital (monetary allocations)		–	–	–	–	**24 380**	–	–	**29 287**	**53 667**
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–	**–**
Surplus/(Deficit) after capital transfers & contributions		–	–	–	–	–	–	–	–	**–**
Income Tax		**3 240**	**(8 371)**	**(68 530)**	**293 099**	**(27 404)**	**(99 240)**	**(15 753)**	**(80 440)**	**(3 399)**

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

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
ASSETS										
Trade and other receivables from exchange transactions										
Electricity		29 294	28 843	32 616	43 569	43 412	43 412	54 173	57 656	61 458
Water		27 450	24 741	28 153	29 692	29 692	29 692	32 466	33 361	34 308
Waste		10 529	11 450	12 770	7 176	7 176	7 176	8 797	9 349	9 933
Waste Water		14 624	14 991	17 081	13 460	13 460	13 460	15 446	16 047	16 685
Other trade receivables from exchange transactions		27 798	29 807	35 579	29 876	29 876	29 876	32 916	35 956	38 996
Gross: Trade and other receivables from exchange transactio		**109 695**	**109 832**	**126 198**	**123 772**	**123 615**	**123 615**	**143 799**	**152 368**	**161 380**
Less: Impairment for debt		**(26 721)**	**(28 479)**	**(29 532)**	**(30 650)**	**(30 650)**	**(30 650)**	**(33 086)**	**(35 548)**	**(38 032)**
Impairment for Electricity		(9 312)	(10 235)	(10 450)	(10 046)	(10 046)	(10 046)	(10 904)	(11 772)	(12 647)
Impairment for Water		(8 907)	(8 455)	(9 087)	(6 418)	(6 418)	(6 418)	(6 758)	(7 101)	(7 448)
Impairment for Waste		(3 644)	(4 005)	(4 089)	(6 403)	(6 403)	(6 403)	(6 732)	(7 064)	(7 399)
Impairment for Waste Water		(4 453)	(5 340)	(5 452)	(6 167)	(6 167)	(6 167)	(6 969)	(7 779)	(8 598)
Impairment for other trade receivalbes from exchange transactio		(405)	(445)	(454)	(1 616)	(1 616)	(1 616)	(1 723)	(1 832)	(1 941)
Total net Trade and other receivables from Exchange Transac		**82 974**	**81 353**	**96 666**	**93 122**	**92 965**	**92 965**	**110 712**	**116 821**	**123 348**
Receivables from non-exchange transactions										
Property rates		32 702	34 475	35 166	31 449	31 449	31 449	41 425	47 841	54 578
Less: Impairment of Property rates		(10 122)	(11 125)	(11 359)	(9 138)	(9 138)	(9 138)	(10 175)	(11 222)	(12 279)
Net Property rates		**22 580**	**23 350**	**23 808**	**22 311**	**22 311**	**22 311**	**31 250**	**36 619**	**42 299**
Other receivables from non-exchange transactions		68 258	64 953	93 391	168 771	168 771	168 771	120 898	134 950	149 005
Impairment for other receivalbes from non-exchange transactio		(39 334)	(42 962)	(69 970)	(132 584)	(138 637)	(138 637)	(97 838)	(113 939)	(130 201)
Net other receivables from non-exchange transactions		**28 924**	**21 991**	**23 421**	**36 187**	**30 134**	**30 134**	**23 060**	**21 011**	**18 804**
Total net Receivables from non-exchange transactions		**51 504**	**45 341**	**47 229**	**58 498**	**52 445**	**52 445**	**54 310**	**57 631**	**61 103**
Inventory										
Water										
Opening Balance		134	**142**	**206**	**205**	**205**	**205**	204	**253**	**302**
System Input Volume		**8**	**63**	**42**	**11 396**	**11 396**	**11 396**	**11 681**	**11 973**	**12 272**
Water Treatment Works		8	63	42	(1)	(1)	(1)	(1)	(1)	(1)
Bulk Purchases		–	–	–	–	–	–	–	–	–
Natural Sources		–	–	–	11 397	11 397	11 397	11 682	11 974	12 273
Authorised Consumption	6	**–**	**–**	**–**	**(9 004)**	**(9 004)**	**(9 004)**	**(9 230)**	**(9 460)**	**(9 697)**
Billed Authorised Consumption		**–**	**–**	**–**	**(8 808)**	**(8 808)**	**(8 808)**	**(9 028)**	**(9 254)**	**(9 485)**
Billed Metered Consumption		**–**	**–**	**–**	**(8 808)**	**(8 808)**	**(8 808)**	**(9 028)**	**(9 254)**	**(9 485)**
Free Basic Water		–	–	–	–	–	–	–	–	–
Subsidised Water		–	–	–	–	–	–	–	–	–
Revenue Water		–	–	–	(8 808)	(8 808)	(8 808)	(9 028)	(9 254)	(9 485)
Billed Unmetered Consumption		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Free Basic Water		–	–	–	–	–	–	–	–	–
Subsidised Water		–	–	–	–	–	–	–	–	–
Revenue Water		–	–	–	–	–	–	–	–	–
UnBilled Authorised Consumption		**–**	**–**	**–**	**(197)**	**(197)**	**(197)**	**(202)**	**(207)**	**(212)**
Unbilled Metered Consumption		–	–	–	–	–	–	–	–	–
Unbilled Unmetered Consumption		–	–	–	(197)	(197)	(197)	(202)	(207)	(212)
Water Losses		**–**	**–**	**–**	**(2 392)**	**(2 392)**	**(2 392)**	**(2 402)**	**(2 463)**	**(2 526)**
Apparent losses		**–**	**–**	**–**	**(2 392)**	**(2 392)**	**(2 392)**	**(2 452)**	**(2 513)**	**(2 576)**
Unauthorised Consumption		–	–	–	(2 392)	(2 392)	(2 392)	(2 452)	(2 513)	(2 576)
Customer Meter Inaccuracies		–	–	–	–	–	–	–	–	–
Real losses		**–**	**–**	**–**	**–**	**–**	**–**	**50**	**50**	**50**
Leakage on Transmission and Distribution Mains		–	–	–	–	–	–	–	–	–
Leakage and Overflows at Storage Tanks/Reservoirs		–	–	–	–	–	–	–	–	–
Leakage on Service Connections up to the point of Custome		–	–	–	–	–	–	–	–	–
Data Transfer and Management Errors		–	–	–	–	–	–	50	50	50
Unavoidable Annual Real Losses		–	–	–	–	–	–	–	–	–
Non-revenue Water		**–**	**–**	**–**	**(2 589)**	**(2 589)**	**(2 589)**	**(2 604)**	**(2 670)**	**(2 738)**
Closing Balance Water		**142**	**206**	**248**	**204**	**204**	**204**	**253**	**302**	**351**
Agricultural										
Opening Balance		–	–	–	–	–	–	–	–	–
Acquisitions		–	–	–	–	–	–	–	–	–
Issues	7	–	–	–	–	–	–	–	–	–
Adjustments	8	–	–	–	–	–	–	–	–	–
Write-offs	9	–	–	–	–	–	–	–	–	–
Closing balance - Agricultural		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Consumables										

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Standard Rated										
Opening Balance		9 591	**8 785**	**9 374**	**7 938**	**7 938**	**7 938**	8 188	**8 284**	**8 207**
Acquisitions		15 897	14 087	13 854	15 900	17 576	17 576	16 000	16 000	16 200
Issues	7	(16 704)	(13 498)	(14 310)	(15 650)	(17 326)	(17 326)	(15 903)	(16 078)	(16 266)
Adjustments	8	–	–	–	–	–	–	–	–	–
Write-offs	9	–	–	–	–	–	–	–	–	–
Closing balance - Consumables Standard Rated		**8 785**	**9 374**	**8 918**	**8 188**	**8 188**	**8 188**	**8 284**	**8 207**	**8 141**
Zero Rated										
Opening Balance		–	–	–	–	–	–	–	–	–
Acquisitions		–	–	–	–	–	–	–	–	–
Issues	7	–	–	–	–	–	–	–	–	–
Adjustments	8	–	–	–	–	–	–	–	–	–
Write-offs	9	–	–	–	–	–	–	–	–	–
Closing balance - Consumables Zero Rated		–	–	–	–	–	–	–	–	–
Finished Goods										
Opening Balance		–	–	–	–	–	–	–	–	–
Acquisitions		–	–	–	–	–	–	–	–	–
Issues	7	–	–	–	–	–	–	–	–	–
Adjustments	8	–	–	–	–	–	–	–	–	–
Write-offs	9	–	–	–	–	–	–	–	–	–
Closing balance - Finished Goods		–	–	–	–	–	–	–	–	–
Materials and Supplies										
Opening Balance		–	–	–	–	–	–	–	–	–
Acquisitions		–	–	–	–	–	–	–	–	–
Issues	7	–	–	–	–	–	–	–	–	–
Adjustments	8	–	–	–	–	–	–	–	–	–
Write-offs	9	–	–	–	–	–	–	–	–	–
Closing balance - Materials and Supplies		–	–	–	–	–	–	–	–	–
Work-in-progress										
Opening Balance		–	–	–	–	–	–	–	–	–
Materials		–	–	–	–	–	–	–	–	–
Transfers		–	–	–	–	–	–	–	–	–
Closing balance - Work-in-progress		–	–	–	–	–	–	–	–	–
Housing Stock										
Opening Balance		6 304	**1 295**	**3 157**	**2 517**	**2 517**	**2 517**	2 517	**2 517**	**2 517**
Acquisitions		–	–	273	–	–	–	–	–	–
Transfers		(4 812)	1 946	32 972	–	–	–	–	–	–
Sales		(197)	(84)	(34 635)	–	–	–	–	–	–
Closing Balance - Housing Stock		**1 295**	**3 157**	**1 766**	**2 517**	**2 517**	**2 517**	**2 517**	**2 517**	**2 517**
Land										
Opening Balance		–	–	–	–	–	–	–	–	–
Acquisitions		–	–	–	–	–	–	–	–	–
Sales		–	–	–	–	–	–	–	–	–
Adjustments		–	–	–	–	–	–	–	–	–
Correction of Prior period errors		–	–	–	–	–	–	–	–	–
Closing Balance - Land		–	–	–	–	–	–	–	–	–
Closing Balance - Inventory & Consumables		**10 222**	**12 736**	**10 932**	**10 908**	**10 908**	**10 908**	**11 054**	**11 025**	**11 008**
Property, plant and equipment (PPE)										
PPE at cost/valuation (excl. finance leases)		5 886 306	6 135 597	6 296 292	6 673 818	6 645 338	6 645 338	6 848 953	6 979 278	7 143 720
Leases recognised as PPE	3	–	–	–	–	–	–	–	–	–
Less: Accumulated depreciation		(2 400 708)	(2 533 835)	(2 659 039)	(2 852 954)	(2 852 818)	(2 852 818)	(3 001 611)	(3 152 909)	(3 306 742)
Total Property, plant and equipment (PPE)	2	**3 485 598**	**3 601 762**	**3 637 253**	**3 820 865**	**3 792 520**	**3 792 520**	**3 847 342**	**3 826 369**	**3 836 978**
LIABILITIES										
Current liabilities - Financial liabilities										
Short term loans (other than bank overdraft)		–	–	–	–	–	–	–	–	–
Current portion of long-term liabilities		45 458	53 957	50 494	58 592	58 592	58 592	50 907	154 740	59 739
Total Current liabilities - Financial liabilities		**45 458**	**53 957**	**50 494**	**58 592**	**58 592**	**58 592**	**50 907**	**154 740**	**59 739**
Trade and other payables										
Trade and other payables from exchange transactions		71 305	75 444	78 086	173 931	170 120	170 120	177 246	189 628	202 841

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Other trade payables from exchange transactions		63 513	66 031	60 693	–	–	–	–	–	–
Trade payables from Non-exchange transactions: Unspent conc		31 133	24 030	26 309	–	–	–	–	–	–
Trade payables from Non-exchange transactions: Other		–	–	–	–	–	–	–	–	–
VAT		–	–	–	–	790	790	2 639	2 940	3 280
Total Trade and other payables	2	**165 950**	**165 505**	**165 088**	**173 931**	**170 910**	**170 910**	**179 886**	**192 568**	**206 121**
Non current liabilities - Financial liabilities										
Borrowing	4	431 475	430 400	429 906	421 184	421 184	421 184	420 625	325 885	326 146
Other financial liabilities		–	–	–	–	–	–	–	–	–
Total Non current liabilities - Financial liabilities		**431 475**	**430 400**	**429 906**	**421 184**	**421 184**	**421 184**	**420 625**	**325 885**	**326 146**
Provisions										
Retirement benefits		92 981	108 533	116 205	130 437	132 262	132 262	144 013	146 513	147 392
Refuse landfill site rehabilitation		99 799	120 448	137 226	138 837	138 837	138 837	146 273	145 808	144 853
Other		17 882	18 831	19 799	20 827	21 087	21 087	20 827	21 584	22 647
Total Provisions		**210 662**	**247 812**	**273 231**	**290 101**	**292 186**	**292 186**	**311 112**	**313 905**	**314 892**
CHANGES IN NET ASSETS										
Accumulated surplus/(deficit)										
Accumulated surplus/(deficit) - opening balance		3 525 888	3 664 755	3 695 603	3 685 995	3 741 933	3 741 933	3 760 661	3 809 213	3 788 362
GRAP adjustments		–	(243)	2 731	(220)	(0)	(0)	–	–	–
Restated balance		3 525 888	3 664 512	3 698 334	3 685 775	3 741 932	3 741 932	3 760 661	3 809 213	3 788 362
Surplus/(Deficit)		138 868	33 821	20 390	(11 902)	(3 222)	(3 222)	(3 399)	13 762	63 230
Transfers to/from Reserves		(0)	(0)	(0)	10	10	10	10	10	10
Depreciation offsets		–	–	–	–	–	–	–	–	–
Other adjustments		0	0	0	21 941	21 941	21 941	51 941	(34 622)	69 318
Accumulated Surplus/(Deficit)	1	**3 664 755**	**3 698 334**	**3 718 724**	**3 695 823**	**3 760 661**	**3 760 661**	**3 809 213**	**3 788 362**	**3 920 920**
Reserves										
Housing Development Fund		3 227	3 227	3 228	3 223	3 223	3 223	3 229	3 229	3 229
Capital replacement		–	–	–	–	–	–	–	–	–
Self-insurance		–	–	–	–	–	–	–	–	–
Other reserves		–	–	–	–	–	–	–	–	–
Revaluation		–	–	–	–	–	–	–	–	–
Total Reserves	2	**3 227**	**3 227**	**3 228**	**3 223**	**3 223**	**3 223**	**3 229**	**3 229**	**3 229**
TOTAL COMMUNITY WEALTH/EQUITY	2	**3 667 983**	**3 701 561**	**3 721 952**	**3 699 046**	**3 763 883**	**3 763 883**	**3 812 441**	**3 791 591**	**3 924 149**

Total capital expenditure includes expenditure on nationally significant priorities:

Provision of basic services										

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

Strategic Objective	Goal	Goal Code	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
The provision of democratic, accountable and ethical governance	Good Governance	1		346 166	366 679	390 897	384 994	398 420	398 420	460 614	487 005	515 935
The provision and maintenance of municipal services	Basic Service Delivery	2		804 239	847 454	936 098	1 021 099	1 018 817	1 018 817	1 083 523	1 201 796	1 279 979
The encouragement of structured community participation in the matters of the municipality	Good Governance	3										
The creation and maintenance of a safe and healthy environment	Safe and Healthy Environment	4		59 673	53 573	73 510	55 744	61 777	61 777	66 303	74 941	83 298
The promotion of tourism, economic and social development	Economic Development and Social upliftmnent	5		119 873	87 926	115 685	121 233	128 213	128 213	135 133	105 812	115 518
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	**1 329 951**	**1 355 632**	**1 516 190**	**1 583 069**	**1 607 226**	**1 607 226**	**1 745 573**	**1 869 554**	**1 994 730**

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

Strategic Objective	Goal	Goal Code	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
The provision of democratic, accountable and ethical governance	Good Governance	1		217 322	258 150	294 031	314 285	315 605	315 605	334 374	338 409	353 934
The provision and maintenance of municipal services	Basic Service Delivery	2		644 933	699 654	770 312	813 898	828 316	828 316	905 753	989 833	1 053 655
The encouragement of structured community participation in the matters of the municipality	Good Governance	3		725	1 382	1 125	1 125	1 125	1 125			
The creation and maintenance of a safe and healthy environment	Safe and Healthy Environment	4		142 180	161 460	200 470	203 544	213 328	213 328	220 135	235 289	247 287
The promotion of tourism, economic and social development	Economic Development and Social upliftmnent	5		185 923	201 164	229 861	262 119	252 075	252 075	288 708	292 261	276 624
Allocations to other priorities												
Total Expenditure			1	**1 191 084**	**1 321 810**	**1 495 800**	**1 594 971**	**1 610 448**	**1 610 448**	**1 748 972**	**1 855 792**	**1 931 500**

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

Strategic Objective	Goal	Goal Code	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
The provision of democratic, accountable and ethical governance	Good Governance	1		4 049	7 054	3 761	1 875	1 875	1 875	4 075	–	–
The provision and maintenance of municipal services	Basic Service Delivery	2		87 384	121 565	113 677	166 639	127 492	127 492	138 796	88 537	82 000
The encouragement of structured community participation in the matters of the municipality	Good Governance	3								5 000		
The creation and maintenance of a safe and healthy environment	Safe and Healthy Environment	4		27 005	47 383	14 504	12 553	13 870	13 870	8 464	11 698	16 241
The promotion of tourism, economic and social development	Economic Development and Social upliftmnent	5		92 618	78 798	60 435	54 953	62 979	62 979	47 280	30 090	66 201
Allocations to other priorities			3									
Total Capital Expenditure			1	**211 056**	**254 800**	**192 377**	**236 020**	**206 216**	**206 216**	**203 615**	**130 325**	**164 442**

WC032 Overstrand - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Vote 1 - vote name										
Council and Municipal Manager										
Municipal Manager										
Submit three progress reports on the revision of the top 10 risks as a corrective action to the Top Management Team	Number of progress reports submitted	4	4	4	3	0	3	3	3	3
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	76.53%	90.9%	80.89%	95.0%	0	95.0%	95.0%	95.0%	95.0%
Sign section 56 performance agreements with all directors by the end of July 2023	Number of agreements signed	6	6	6	6	0	6	6	6	6
Monitor the implementation of the action plan developed to address all the issues raised in the management letter of the Auditor General and submit three progress reports to Executive Mayor	Number of progress reports monitored and submitted to Executive Mayor	5	7	4	3	0	3	3	3	3
Bi-annual formal performance appraisals of the section 56 appointees for the previous financial period April to June 2023 to be completed by Sept 2023 and the current period October to December 2023 to be completed by February 2024	Number of appraisals	12	12	12	12	0	12	12	12	12
Draft the annual report and submit to the Auditor-General by end August 2023	Draft Annual report submitted	1	1	1	1	0	1	1	1	1
Develop a Tourism Strategy to be approved by the Executive Mayor by 30 June 2023	Approved tourism strategy	new kpi	new kpi	new kpi	1	0	1	0	0	0
Implementation of the Business Service request portal on Collaborator by 30 March 2023	Functional Business service request porta	new kpi	new kpi	new kpi	1	0	1	0	0	0
Communication strategy approved by the Executive Mayor by 30 June 2023	Approved communication strategy	new kpi	new kpi	new kpi	1	0	1	0	0	0
Management Services										
Director: Management Services										
Human Resources										
92% of the approved and funded organogram filled {(actual number of posts filled dived by the funded posts budgeted) x100}	% filled	90.64%	92.08%	91.38%	92.0%	0	92.0%	92.0%	92.0%	92.0%
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	71	71	70	75	0	75	75	75	75
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	84.5%	100.0%	99.60%	100.0%	0	100.0%	100.0%	100.0%	100.0%
Review the Municipal Organisational Staff Structure by the end of June	Structure reviewed	1	1	1	1	0	1	1	1	1
Finance										
Director: Finance										
Director Finance										
Financial viability measured in terms of the available cash to cover fixed operating expenditure ((Available cash+ investments)/ Monthly fixed operating expenditure) (MPPMR Reg 10 (g))	Ratio achieved	7.63%	6.27%	5.73	4.6	0	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	25.06	23.56%	27.78%	16	0	16	16	16	16
Financial viability measured in terms of the outstanding service debtors (Total outstanding service debtors/ revenue received for services) (MPPR Reg 10 (g))	% achieved	12.33%	11.37%	11.39%	11.0%	0	11.0%	11.0%	11.0%	11.0%
Submit a reviewed long term financial plan to the CFO by the end of October 2023	Reviewed long term financial plan submitted	1	1	1	1	0	1	1	1	1
Financial statements submitted to the Auditor General by end August 2023	Financial statements submitted	1	1	1	1	0	1	1	1	1
Provision of free basic electricity, refuse removal, sanitation and water in terms of the equitable share requirements (MPPMR Reg 10 (b))	Number of indgent households	7595	7278	7367	7300	0	7300	7000	7000	7000
Achieve a debt recovery rate not less than 98% (Receipts/total billed for 12 months period x 100)	% Recovered	97.10%	100.15%	98.98%	98.0%	0	98.0%	98.0%	98.0%	98.0%
Community Services										
Director: Community Services										
Director: Community Services										
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)	98.49%	100.0%	100.0%	100.0%	0.0%	100.0%	100.0%	100.0%	100.0%
m² of roads patched and resealed according to approved Pavement Management System within available budget	m² of roads patched and resealed	104 952	105 067	94 665	110 000	0	110 000	110 000	110 000	110 000
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	23%	28.3%	24.04%	25.0%	0	25.0%	25.0%	25.0%	25.0%

Ward committee meetings held to facilitate consistent and regular communication with residents	No of ward committee meetings per ward per annum	77	79	83	70	0	70	70	70	70
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)	317	341	464	328	0	328	262	262	262
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	29 946	30 111	30 990	30 412	0	30 412	31 324	32 264	33 232
Provision of refuse removal, refuse dumps and solid waste disposal to all formal households at least once a week (A household is a residenntial unit being billed for the particular services rendered by way of the financial system (SAMRAS) (MPPMR Reg 10 (a))	Number of formal households for which refuse is removed at least once a week	33 366	33 895	34 819	34 234	0	34 234	35 261	36 319	37 408
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)	53	52	52	52	0	52	52	52	52
The provision of sanitation services to informal households (excluding invaded state owned land and private land) based on the standard of 1 toilette to 5 households (MPPMR Reg 10 (a))	The number of toilets provided in relation to the number of informal households (excluding invaded state owned land and private land)	885	934	983	1020	0	1020	785	785	785
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	30 060	30 420	31 394	30 724	-	30 724	31 646	32 595	33 573
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	104	80	82	80	0	80	80	80	80
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	137	139	143	105	0	105	105	105	105
Infrastructure & Planning										
Director: Infrastructure and Planning										
Water Treatment										
Quality of effluent comply 75% with license and/or general limit in terms of the Water Act (Act 36 of 1998)	% compliance	86.34%	79.61%	80.08%	80.0%	0.0%	80.0%	75.0%	75.0%	75.0%
Quality of potable water comply 98% with SANS 241	% compliance with SANS 241	98.45%	98.83%	97.83%	98.0%	0.0%	98.0%	98.0%	98.0%	98.0%
Report on the implementation of the Water Service Development plan annually by the end of October	Report submitted	1	1	1	1	1	1	1	1	1
Electricity										
Limit electricity losses to 7% 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	6.02%	7.35%	7.20%	7.0%	0.0%	7.0%	7.5%	7.5%	7.5%
Provision of Electricity: Number of metered electrical connections in formal area (Eskom Areas excluded) (Definition: refers to residential households (RE) and pensioners (PR) as per the Finance department's billed households)	Number of formal household that meet agreed service standards	21 546	21 914	22 475	22 500	0	22 500	22 500	22 500	22 500
MIG										
100% of the Municipal Infrastructure Grant (MIG) spent by 30 June 2024 (Actual MIG expenditure/Allocation received)	% Expenditure of allocated funds	77.0%	100%	100%	100.0%	0.0%	100%	100%	100%	100%
Protection Services										
Director Protection Services										
Protection Services										
Annually arrange public awareness sessions on Protection Services by 30 June	Number of sessions held	103	103	123	110	0	110	110	110	110
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)	R17 347 607	R19 716 064	R15 882 633.99	R 20 000 000	0	R 20 000 000	R 20 000 000	R 20 000 000	R 20 000 000
Review Community Safety Plan in three year cycle by end of June 2025 in conjuction with the Department of Community Safety	Plan reviewed	0	0	1	0	0	0	0	1	0
Disaster and Fire Manangement						0				

Annually review and submit draft Disaster Management Plan to Council by the end of March	Reviewed plan submitted	1	1	1	1	0	1	1	1	1
Local Economic Development, Social										
Director: LED, Social Development and										
LED, Social Development and Tourism										
Submit three progress reports on LED, Social Development and Tourism initiatives to Portfolio Committee ** KPI reworded for 2022/23*	Number of progress reports on LED, Social Development and Tourism initiatives submitted	4	3	3	12	0	3	3	3	3
Support 180 SMME's in terms of the SMME Development Programme by 30 June	Number of SMME's supported	160	172	134	180	0	180	180	180	180
Support 70 Emerging Contractors in terms of the Emerging Contractor Development Programme by 30 June	Number of emerging contractors supported	61	65	72	70	0	70	70	70	70
Report on projects/ initiatives in collaboration with other stakeholders for local economic development and social development	Number of projects / initiatives collaborated on	28	13	38	28	0	28	28	28	28
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 1300 work opportunities)	Number of temporary jobs created	1060	1238	837	1300	0	1300	1300	1300	1300
Managers LED, Social Development and Tourism report on the hosting of at least two joint mobile Thusong outreach during the financial year to the Director Economic, Social Development and Tourism by 30 June	Report on the mobile Thusong outreach programme	no kpi set	no kpi set	1	2	0	2	2	2	2

WC032 Overstrand - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Borrowing Management										
Credit Rating										
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	14.6%	14.1%	13.4%	12.4%	12.2%	12.2%	11.9%	10.4%	16.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	16.6%	18.1%	16.8%	16.3%	16.1%	16.1%	15.3%	13.1%	19.6%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	60.1%	36.6%	49.5%	44.5%	73.3%	73.3%	46.3%	83.3%	100.0%
Safety of Capital										
Gearing	Long Term Borrowing/ Funds & Reserves	13370.1%	13335.9%	13319.7%	13070.1%	13070.1%	13070.1%	13028.5%	10094.0%	10102.1%
Liquidity										
Current Ratio	Current assets/current liabilities	2.7	2.5	2.6	1.7	2.1	2.1	2.0	1.5	1.9
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2.7	2.5	2.6	1.7	2.1	2.1	2.0	1.5	1.9
Liquidity Ratio	Monetary Assets/Current Liabilities	2.5	2.2	2.3	1.5	1.9	1.9	1.8	1.4	1.7
Revenue Management										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		112.9%	122.0%	116.7%	117.3%	117.2%	117.2%	117.9%	120.4%	119.8%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	8.4%	8.7%	8.1%	9.3%	8.8%	8.8%	8.5%	8.4%	8.5%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
Creditors Management										
Creditors System Efficiency	% of Creditors Paid Within Terms (within`MFMA' s 65(e))	99.6%	99.6%	98.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		10.9%	12.3%	12.7%	40.3%	32.4%	32.4%	33.6%	35.5%	36.5%

Description of financial indicator	Basis of calculation	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Other Indicators										
Electricity Distribution Losses (2)	Total Volume Losses (kW)	14 613 426	18 855 038	13 778 144	15 205 299	15 205 299	15 205 299	13 227 018	12 697 938	12 190 020
	Total Volume Losses (kW) non technical									
	Total Cost of Losses (Rand '000)	13 111 083	17 145 565	12 852 425	13 642 108	13 642 108	13 642 108	13 623 571	14 440 985	15 307 444
	% Volume (units purchased and generated less units sold)/units purchased and generated	6.02%	7.35%	7.20%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Water Volumes :System input	Bulk Purchase									
	Water treatment works									
	Natural sources									
	Total Volume Losses (kℓ)	1 836 101	2 077 312	1 768 177	1 910 467	1 910 467	1 910 467	1 662 086	1 562 361	1 468 620
Water Distribution Losses (2)	Total Cost of Losses (Rand '000)	2 428 709	2 616 008	3 062 156	2 527 077	2 527 077	2 527 077	3 245 885	3 440 638	3 647 077
	% Volume (units purchased and generated less units sold)/units purchased and generated	25.91%	28.25%	24.04%	24.50%	24.50%	24.50%	24.00%	24.00%	24.00%
Employee costs	Employee costs/(Total Revenue - capital revenue)	29.5%	33.7%	30.7%	33.7%	33.5%	33.5%	31.8%	30.0%	29.6%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	30.4%	34.6%	31.5%	34.5%	34.3%	34.3%	32.6%	30.7%	30.2%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	14.7%	16.3%	16.7%	17.9%	18.0%	18.0%	17.1%	17.2%	16.7%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	12.3%	11.4%	11.9%	10.7%	11.0%	11.0%	10.0%	9.4%	8.9%
IDP regulation financial viability indicators										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	12.9	11.4	15.8	14.2	14.2	14.2	15.6	7.2	7.7
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	7.5%	7.0%	6.1%	7.1%	6.6%	6.6%	6.1%	5.9%	5.7%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	7.0	5.8	5.4	3.4	4.1	4.1	3.8	3.6	3.8

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

Description of economic indicator	Basis of calculation	2001 Census	2007 Survey	2011 Census	2019/20	2020/21	2021/22	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
					Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Demographics											
Population	0	55 012	74 546	80 432	102	106	111	115	118	122	125
Females aged 5 - 14	0	2 770	5 837	5 228	8	8	7	7	8	8	8
Males aged 5 - 14	0	2 816	5 892	5 278	8	8	7	7	8	8	8
Females aged 15 - 34	0	5 561	11 567	13 139	17	17	18	19	19	20	20
Males aged 15 - 34	0	6 029	11 235	13 648	17	17	19	19	20	21	21
Unemployment	0	5 165	8 099	4 237	11	11	6	6	6	6	7
Monthly household income (no. of households)											
No income	0	2 226	770	4 585	6	6	6	7	7	7	7
R1 - R1 600	0	6 149	5 307	5 326	7	7	8	8	8	8	8
R1 601 - R3 200	0	3 742	3 177	4 878	6	6	7	7	7	8	8
R3 201 - R6 400	0	3 344	3 789	4 362	5	6	6	6	7	7	7
R6 401 - R12 800	0	2 303	2 750	3 830	5	5	5	6	6	6	6
R12 801 - R25 600	0	920	1 947	2 896	4	4	4	4	4	4	5
R25 601 - R51 200	0	227	1 066	1 456	2	2	2	2	2	2	2
R52 201 - R102 400	0	77	184	486	1	1	1	1	1	1	1
R102 401 - R204 800	0	44	176	109	0	0	0	0	0	0	0
R204 801 - R409 600	0			81	0	0	0	0	0	0	0
R409 601 - R819 200	0	–	–	–	–	–	–	–	–	–	–
> R819 200	0	–	–	–	–	–	–	–	–	–	–
Poverty profiles (no. of households)											
< R2 060 per household per month	0	7 053	9 542	11 311	14 218	14 630	15 942	16 475	16 987	17 520	17 932
	0	–	–	–	–	–	–	–	–	–	–
Household/demographics (000)											
Number of people in municipal area	0	55 012	74 546	80 432	102	106	111	115	118	122	125
Number of poor people in municipal area	0										
Number of households in municipal area	0	8 904	3 080	18 340	23	24	30	31	32	33	34
Number of poor households in municipal area	0	2 226	770	4 585	7	8	8				
Definition of poor household (R per month)	0	–	–	–	-	-	-	-	-	-	-
Housing statistics											
Formal	0	–	–	–	31 162	31 710	32 540	32 403	34 347	36 408	38 592
Informal	0	–	–	–	3 620	3 675	3 536	3 536	3 536	3 536	3 536
Total number of households		-	-	-	34 782	35 385	36 076	35 939	37 883	39 944	42 128
Dwellings provided by municipality	0	–	–	–	63	314	350	250	445	339	270
Dwellings provided by province/s	0	–	–	–	-	-	-	-	-	-	-
Dwellings provided by private sector	0	–	–	–	-	-	-	-	-	-	-
Total new housing dwellings		-	-	-	63	314	350	250	445	339	270
Economic											
Inflation/inflation outlook (CPIX)					4.1%	4.5%	4.5%	4.5%	5.3%	4.9%	4.7%
Interest rate - borrowing					9.8%	10.0%	9.8%	9.5%	11.3%	11.3%	11.3%
Interest rate - investment					6.8%	4.5%	4.6%	5.0%	6.8%	6.8%	6.8%
Remuneration increases					6.5%	6.4%	3.5%	4.9%	5.4%	5.4%	5.4%
Consumption growth (electricity)					2.0%	3.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Consumption growth (water)					3.0%	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Collection rates											
Property tax/service charges					97.1%	100.4%	99.4%	99.8%	100.0%	100.0%	100.0%
Rental of facilities & equipment					96.1%	97.1%	97.1%	97.1%	97.1%	97.1%	97.1%
Interest - external investments					100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Interest - debtors					98.5%	97.1%	97.1%	97.1%	97.1%	97.1%	97.1%
Revenue from agency services					100.0%	97.1%	97.1%	97.1%	97.1%	97.1%	97.1%

Detail on the provision of municipal services for A10

Total municipal services		-2019	-2020	-2021	-2022-O	-2022-A	-2022-F	-2023	-2024	-2025
		2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
	Household service targets (000)									
	Water:									
	Piped water inside dwelling	29 946	30 111	30 990	30 412	30 412	30 412	31 324	32 264	33 232
	Piped water inside yard (but n	–	–	–	–	–	–	–	–	–
	Using public tap (at least min.s	3 675	3 779	3 536	3 536	3 536	3 536	4 900	4 900	4 900
	Other water supply (at least m	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		33 621	33 890	34 526	33 948	33 948	33 948	36 224	37 164	38 132
	Using public tap (< min.servic	–	–	–	–	–	–	2 700	2 600	2 500
	Other water supply (< min.ser	–	–	–	–	–	–	–	–	–
	No water supply	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	2 700	2 600	2 500
	Total number of households	**33 621**	**33 890**	**34 526**	**33 948**	**33 948**	**33 948**	**38 924**	**39 764**	**40 632**
	Sanitation/sewerage:									
	Flush toilet (connected to sew	30 060	30 420	31 394	30 724	30 724	30 724	31 646	32 595	33 573
	Flush toilet (with septic tank)	–	–	–	–	–	–	–	–	–

Chemical toilet	–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)	–	–	–	–	–	–	–	–	–
Other toilet provisions (> min.s	3 675	3 779	3 536	3 536	3 536	3 536	4 900	4 900	4 900
Minimum Service Level and Above sub-total	33 735	34 199	34 930	34 260	34 260	34 260	36 546	37 495	38 473
Bucket toilet	–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.s	–	–	–	–	–	–	2 700	2 700	2 700
No toilet provisions	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–	–	–	2 700	2 700	2 700
Total number of households	**33 735**	**34 199**	**34 930**	**34 260**	**34 260**	**34 260**	**39 246**	**40 195**	**41 173**
Energy:									
Electricity (at least min.service	5 946	5 826	5 618	5 586	5 586	5 586	5 554	5 522	5 490
Electricity - prepaid (min.servi	19 731	20 146	20 821	20 976	20 976	20 976	21 651	22 326	23 001
Minimum Service Level and Above sub-total	25 677	25 972	26 439	26 562	26 562	26 562	27 205	27 848	28 491
Electricity (< min.service level)	–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. se	–	–	–	–	–	–	–	–	–
Other energy sources	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	**25 677**	**25 972**	**26 439**	**26 562**	**26 562**	**26 562**	**27 205**	**27 848**	**28 491**
Refuse:									
Removed at least once a weel	33 366	33 895	34 819	34 234	34 234	34 234	35 261	36 319	37 408
Minimum Service Level and Above sub-total	33 366	33 895	34 819	34 234	34 234	34 234	35 261	36 319	37 408
Removed less frequently than	–	–	–	–	–	–	–	–	–
Using communal refuse dump	–	–	–	–	–	–	–	–	–
Using own refuse dump	–	–	–	–	–	–	–	–	–
Other rubbish disposal	–	–	–	–	–	–	–	–	–
No rubbish disposal	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	**33 366**	**33 895**	**34 819**	**34 234**	**34 234**	**34 234**	**35 261**	**36 319**	**37 408**

Municipal in-house services	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Household service targets (000)									
Water:									
Piped water inside dwelling	29 946	30 111	30 990	30 412	30 412	30 412	31 324	32 264	33 232
Piped water inside yard (but n	–	–	–	–	–	–	–	–	–
Using public tap (at least min.s	3 675	3 779	3 536	3 536	3 536	3 536	4 900	4 900	4 900
Other water supply (at least min.service level)									
Minimum Service Level and Above sub-total	33 621	33 890	34 526	33 948	33 948	33 948	36 224	37 164	38 132
Using public tap (< min.service	–	–	–	–	–	–	2 700	2 600	2 500
Other water supply (< min.serv	–	–	–	–	–	–	–	–	–
No water supply	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–	–	–	2 700	2 600	2 500
Total number of households	**33 621**	**33 890**	**34 526**	**33 948**	**33 948**	**33 948**	**38 924**	**39 764**	**40 632**
Sanitation/sewerage:									
Flush toilet (connected to sew	30 060	30 420	31 394	30 724	30 724	30 724	31 646	32 595	33 573
Flush toilet (with septic tank)	–	–	–	–	–	–	–	–	–
Chemical toilet	–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)	–	–	–	–	–	–	–	–	–
Other toilet provisions (> min.s	3 675	3 779	3 536	3 536	3 536	3 536	4 900	4 900	4 900
Minimum Service Level and Above sub-total	33 735	34 199	34 930	34 260	34 260	34 260	36 546	37 495	38 473
Bucket toilet	–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.s	–	–	–	–	–	–	2 700	2 700	2 700
No toilet provisions	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–	–	–	2 700	2 700	2 700
Total number of households	**33 735**	**34 199**	**34 930**	**34 260**	**34 260**	**34 260**	**39 246**	**40 195**	**41 173**
Energy:									
Electricity (at least min.service	5 946	5 826	5 618	5 586	5 586	5 586	5 554	5 522	5 490
Electricity - prepaid (min.servi	19 731	20 146	20 821	20 976	20 976	20 976	21 651	22 326	23 001
Minimum Service Level and Above sub-total	25 677	25 972	26 439	26 562	26 562	26 562	27 205	27 848	28 491
Electricity (< min.service level)	–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. se	–	–	–	–	–	–	–	–	–
Other energy sources	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	**25 677**	**25 972**	**26 439**	**26 562**	**26 562**	**26 562**	**27 205**	**27 848**	**28 491**
Refuse:									
Removed at least once a weel	33 366	33 895	34 819	34 234	34 234	34 234	35 261	36 319	37 408
Minimum Service Level and Above sub-total	33 366	33 895	34 819	34 234	34 234	34 234	35 261	36 319	37 408
Removed less frequently than	–	–	–	–	–	–	–	–	–
Using communal refuse dump	–	–	–	–	–	–	–	–	–
Using own refuse dump	–	–	–	–	–	–	–	–	–
Other rubbish disposal	–	–	–	–	–	–	–	–	–
No rubbish disposal	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	**33 366**	**33 895**	**34 819**	**34 234**	**34 234**	**34 234**	**35 261**	**36 319**	**37 408**

Detail of Free Basic Services (FBS) provided		2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Electricity	***Location of households for each type of FBS***									

List type of FBS service	Formal settlements - (50 kwh per indigent household per month Rands)	5 415 995	5 512 648	6 422 904	6 529 576	6 529 576	6 529 576	7 509 180	7 959 731	8 437 315
	Number of HH receiving this type of FBS	7 595	7 278	7 400	7 300	7 300	7 300	7 000	7 000	7 000
	Informal settlements (Rands)	–	–	–	–	–	–	–	–	–
	Number of HH	–	–	–	–	–	–	–	–	–
	Informal settlements targeted f	–	–	–	–	–	–	–	–	–
	Number of HH	–	–	–	–	–	–	–	–	–
	Living in informal backyard rer	–	–	–	–	–	–	–	–	–
	Number of HH	–	–	–	–	–	–	–	–	–
	Other (Rands)	–	–	–	–	–	–	–	–	–
	Number of HH	–	–	–	–	–	–	–	–	–
	Total cost of FBS - Electricity f	–	–	–	–	–	–	–	–	–
Water	***Location of households for each type of FBS***									
List type of FBS service	Formal settlements - (6 kilolitre per	3 062 304	3 065 494	3 239 424	3 214 472	3 214 472	3 214 472	3 432 240	3 638 174	3 856 465
	Number of HH receiving this type of FBS	7 595	7 278	7 400	7 400	7 400	7 400	7 000	7 000	7 000
	Informal settlements (Rands)	–	–	–	–	–	–	–	–	–
	Number of HH receiving this type of FBS	–	–	–	–	–	–	–	–	–
	Informal settlements targeted f	–	–	–	–	–	–	–	–	–
	Number of HH receiving this type of FBS	–	–	–	–	–	–	–	–	–
	Living in informal backyard rer	–	–	–	–	–	–	–	–	–
	Number of HH receiving this type of FBS	–	–	–	–	–	–	–	–	–
	Other (Rands)	–	–	–	–	–	–	–	–	–
	Number of HH receiving this type of FBS	–	–	–	–	–	–	–	–	–
	Total cost of FBS - Water for i	–	–	–	–	–	–	–	–	–
Sanitation	***Location of households for each type of FBS***									
List type of FBS service	Formal settlements - (free sanitation service to indigent households)	5 244 196	5 252 736	5 553 374	9 131 799	9 131 799	9 131 799	9 813 720	10 402 543	11 026 696
	Number of HH receiving this type of FBS	7 595	7 278	7 400	7 400	7 400	7 400	7 000	7 000	7 000
	Informal settlements (Rands)	–	–	–	–	–	–	–	–	–
	Number of HH receiving this type of FBS	–	–	–	–	–	–	–	–	–
	Informal settlements targeted f	–	–	–	–	–	–	–	–	–
	Number of HH receiving this type of FBS	–	–	–	–	–	–	–	–	–
	Living in informal backyard rer	–	–	–	–	–	–	–	–	–
	Number of HH receiving this type of FBS	–	–	–	–	–	–	–	–	–
	Other (Rands)	–	–	–	–	–	–	–	–	–
	Number of HH receiving this type of FBS	–	–	–	–	–	–	–	–	–
	Total cost of FBS - Sanitation f	–	–	–	–	–	–	–	–	–
Refuse Removal	***Location of households for each type of FBS***									
List type of FBS service	Formal settlements - (removed once a week to indigent households)	16 905 559	16 929 210	17 901 192	17 932 640	17 932 640	17 932 640	19 152 000	20 301 120	21 519 187
	Number of HH receiving this type of FBS	7 595	7 278	7 400	7 400	7 400	7 400	7 000	7 000	7 000
	Informal settlements (Rands)	–	–	–	–	–	–	–	–	–

	Number of HH receiving this type of FBS	–	–	–	–	–	–	–	–	–
	Informal settlements targeted f	–	–	–	–	–	–	–	–	–
	Number of HH receiving this type of FBS	–	–	–	–	–	–	–	–	–
	Living in informal backyard rer	–	–	–	–	–	–	–	–	–
	Number of HH receiving this type of FBS	–	–	–	–	–	–	–	–	–
	Other (Rands)	–	–	–	–	–	–	–	–	–
	Number of HH receiving this type of FBS	–	–	–	–	–	–	–	–	–
	Total cost of FBS - Refuse Rem	–	–	–	–	–	–	–	–	–

WC032 Overstrand Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	653 813	612 723	616 280	431 308	525 264	525 264	–	527 249	534 490	555 317
Cash + investments at the yr end less applications - R'000	18(1)b	2	4 048 835	4 046 156	4 155 634	4 120 877	4 187 316	4 187 316	–	4 232 648	4 253 552	4 276 021
Cash year end/monthly employee/supplier payments	18(1)b	3	7.0	5.8	5.4	3.4	4.1	4.1	–	3.8	3.6	3.8
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	–	–	–	–	–	–	–	–	–	–
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	0.2%	4.7%	(3.0%)	(7.2%)	(6.0%)	(36.8%)	7.1%	4.7%	1.0%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	45.7%	46.1%	44.2%	44.6%	44.5%	44.5%	0.0%	43.1%	44.1%	44.6%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	4.5%	4.5%	4.8%	4.6%	5.7%	5.7%	4.9%	4.9%	4.8%	4.4%
Capital payments % of capital expenditure	18(1)c;19	8	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	0.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	57.7%	31.5%	49.5%	44.5%	73.3%	73.3%	0.0%	46.3%	83.3%	100.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								68.0%	72.5%	72.2%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(5.9%)	0.1%	19.3%	(8.7%)	0.0%	(100.0%)	3.2%	5.0%	5.0%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	16.7%	11.5%	15.7%	0.0%	0.0%	(100.0%)	11.2%	10.3%	9.5%
R&M % of Property Plant & Equipment	20(1)(vi)	13	78460.1%	31228.8%	40254.5%	0.0%	50176.8%	50176.8%	0.0%	60873.9%	77525.5%	96495.5%
Asset renewal % of capital budget	20(1)(vi)	14	1.7%	6.1%	16.1%	8.8%	10.2%	10.2%	0.0%	8.0%	19.3%	16.5%
Supporting indicators												
% incr *total service charges (incl prop rates)*	18(1)a			6.2%	10.7%	3.0%	(1.2%)	0.0%	(30.8%)	13.1%	10.7%	7.0%
% incr Property Tax	18(1)a			9.4%	5.6%	3.5%	0.0%	0.0%	(31.5%)	18.3%	5.0%	5.0%
% incr Service charges - Water	18(1)a			6.7%	15.6%	5.6%	(2.5%)	0.0%	(33.4%)	12.4%	16.7%	8.6%
% incr Service charges - Waste Water Management	18(1)a			(1.6%)	9.2%	(3.3%)	(0.0%)	0.0%	(23.5%)	6.6%	6.3%	5.9%
% incr Service charges - Waste Management	18(1)a			7.5%	7.1%	(2.4%)	0.0%	0.0%	(26.5%)	15.1%	(0.1%)	6.0%
#REF!	18(1)a			5.7%	6.7%	2.5%	0.0%	0.0%	(28.9%)	8.3%	12.3%	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		939 088	997 143	1 103 950	1 137 583	1 123 935	1 123 935	777 639	1 271 565	1 407 572	1 506 222
Service charges			939 088	997 143	1 103 950	1 137 583	1 123 935	1 123 935	777 639	1 271 565	1 407 572	1 506 222
Property rates			240 910	263 442	278 154	287 941	287 941	287 941	197 327	340 506	357 532	375 408
Service charges - electricity revenue			415 960	443 718	512 750	541 692	528 044	528 044	351 709	593 645	692 904	752 413
Service charges - water revenue			133 037	130 885	142 917	138 138	138 138	138 138	105 629	147 269	156 593	165 876
Service charges - sanitation revenue			80 925	86 983	93 177	90 962	90 962	90 962	66 877	104 715	104 595	110 861
Service charges - refuse removal			68 256	72 115	76 951	78 850	78 850	78 850	56 097	85 430	95 948	101 664
Service charges - other												
Interest			4 376	6 164	6 858	7 858	7 858	7 858	5 517	8 319	8 818	9 346
Capital expenditure excluding capital grant funding			93 564	171 310	101 011	112 318	68 222	68 222	23 845	108 059	60 000	60 000
Cash receipts from ratepayers	18(1)a		1 103 016	1 131 375	1 268 512	1 276 404	1 268 719	1 268 719	–	1 414 982	1 543 920	1 651 729
Ratepayer & Other revenue	18(1)a		2 415 869	2 453 195	2 872 527	2 863 070	2 852 422	2 852 422	1 972 463	3 285 002	3 497 174	3 703 422
Change in consumer debtors (current and non-current)			N/A	(7 788)	17 200	7 725	(6 210)	–	(145 409)	165 022	9 429	10 000
Operating and Capital Grant Revenue	18(1)a		160 532	178 114	189 881	251 100	273 079	273 079	186 033	239 246	241 151	254 359
Capital expenditure - total	20(1)(vi)		211 056	254 800	192 377	236 020	206 216	206 216	77 921	203 615	130 325	164 442
Capital expenditure - renewal	20(1)(vi)		3 606	15 499	30 964	20 730	20 936	20 936		16 300	25 100	27 200
Supporting benchmarks												
Growth guideline maximum			6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
CPI guideline			4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%
DoRA operating grants total MFY										168 528	183 668	194 726
DoRA capital grants total MFY										53 667	40 235	41 222
Provincial operating grants										87 519	78 710	53 329
Provincial capital grants										41 890	30 090	63 220
District Municipality grants										–	–	–
Total gazetted/advised national, provincial and district grants										351 604	332 703	352 497
Average annual collection rate (arrears inclusive)												
DoRA operating												
Operational Revenue:General Revenue:Equitable Share										157 935	174 790	191 658
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]										4 200	6 000	–
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]										3 565	–	–
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	1 688
Mitchell's Plain Urban Renewal										–	–	–
Municipal Demarcation and Transition Grant [Schedule 5B]										–	–	–
Municipal Disaster Grant [Schedule 5B]										–	–	–
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]										1 278	1 328	1 380
Water Services Infrastructure Grant										–	–	–
Public Transport Network Grant [Schedule 5B]										–	–	–
Smart Connect Grant										–	–	–
Urban Settlement Development Grant										–	–	–

Description	MFMA section	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
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										–	–	–
										168 528	183 668	194 726
DoRA Capital												
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]										24 380	15 000	15 000
Municipal Infrastructure Grant [Schedule 5B]										24 287	25 235	26 222
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										–	–	–
Energy Efficiency and Demand Side Management Grant										–	–	–
Khayelitsha Urban Renewal										–	–	–
Local Government Financial Management Grant [Schedule 5B]										–	–	–
Municipal Systems Improvement Grant [Schedule 5B]										–	–	–
Public Transport Network Grant [Schedule 5B]										–	–	–
Public Transport Network Operations Grant [Schedule 5B]										–	–	–
Regional Bulk Infrastructure Grant (Schedule 5B)										–	–	–
Water Services Infrastructure Grant [Schedule 5B]										5 000	–	–
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										–	–	–
Municipal Emergency Housing Grant										–	–	–
Metro Informal Settlements Partnership Grant										–	–	–
Integrated Urban Development Grant										–	–	–
										53 667	40 235	41 222
Trend												
Change in consumer debtors (current and non-current)			(2 044)	(7 788)	17 200	7 725	(6 210)	–	(145 409)	165 022	9 429	10 000
Total Operating Revenue			1 288 611	1 294 494	1 473 713	1 498 153	1 511 017	1 511 017	1 076 056	1 691 906	1 829 319	1 953 508
Total Operating Expenditure			1 191 084	1 321 810	1 495 800	1 594 971	1 610 448	1 610 448	1 012 425	1 748 972	1 855 792	1 931 500
Operating Performance Surplus/(Deficit)			97 527	(27 316)	(22 087)	(96 819)	(99 431)	(99 431)	63 631	(57 066)	(26 473)	22 008
Cash and Cash Equivalents (30 June 2012)										525 264		
Revenue												
% Increase in Total Operating Revenue				0.5%	13.8%	1.7%	0.9%	0.0%	0.0%	12.0%	8.1%	6.8%
% Increase in Property Rates Revenue				9.4%	5.6%	3.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% Increase in Electricity Revenue				6.7%	15.6%	5.6%	(2.5%)	0.0%	0.0%	12.4%	16.7%	8.6%
% Increase in Property Rates & Services Charges				6.2%	10.7%	3.0%	(1.2%)	0.0%	0.0%	13.1%	10.7%	7.0%
Expenditure												
% Increase in Total Operating Expenditure				11.0%	13.2%	6.6%	1.0%	0.0%	0.0%	8.6%	6.1%	4.1%
% Increase in Employee Costs				14.6%	3.8%	11.4%	0.2%	0.0%	0.0%	6.5%	2.0%	5.1%
% Increase in Electricity Bulk Purchases				7.1%	17.9%	9.3%	(3.3%)	0.0%	0.0%	18.7%	12.7%	10.0%
Average Cost Per Budgeted Employee Position (Remuneration)					0	0				0		
Average Cost Per Councillor (Remuneration)					0	0				0		
R&M % of PPE			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
Asset Renewal and R&M as a % of PPE			6.0%	7.0%	8.0%	9.0%	8.0%	8.0%		9.0%	9.0%	10.0%
Debt Impairment % of Total Billable Revenue			4.5%	4.5%	4.8%	4.6%	5.7%	5.7%	0.0%	4.9%	4.8%	4.4%
Capital Revenue												
Internally Funded & Other (R'000)			39 358	101 949	35 775	32 143	29 811	29 811	8 685	12 845	–	–
Borrowing (R'000)			50 476	45 443	65 237	80 175	38 411	38 411	–	95 214	60 000	60 000
Grant Funding and Other (R'000)			117 493	83 490	91 365	123 702	137 994	137 994	–	95 557	70 325	104 442
Internally Generated funds % of Non Grant Funding			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing % of Non Grant Funding			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grant Funding % of Total Funding			0.0%	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)			211 056	254 800	192 377	236 020	206 216	206 216	77 921	203 615	130 325	164 442
Asset Renewal			22 252	55 281	72 662	94 065	60 298	60 298	–	67 968	59 635	66 041
Asset Renewal % of Total Capital Expenditure			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash												
Cash Receipts % of Rate Payer & Other			45.7%	46.1%	44.2%	44.6%	44.5%	44.5%	0.0%	43.1%	44.1%	44.6%
Cash Coverage Ratio			7.0	5.8	5.4	3.4	4.1	4.1	0.0	3.8	3.6	3.8
Borrowing												
Credit Rating (2009/10)										0		
Capital Charges to Operating			14.6%	14.1%	13.4%	12.4%	12.2%	12.2%	0.0%	11.9%	10.4%	16.0%
Borrowing Receipts % of Capital Expenditure			57.7%	31.5%	49.5%	44.5%	73.3%	73.3%	0.0%	46.3%	83.3%	100.0%
Reserves												
Surplus/(Deficit)			–	–	–	–	–	–	–	–	–	–
Free Services												
Free Basic Services as a % of Equitable Share			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
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%
High Level Outcome of Funding Compliance												
Total Operating Revenue			1 288 611	1 294 494	1 473 713	1 498 153	1 511 017	1 511 017	1 076 056	1 691 906	1 829 319	1 953 508
Total Operating Expenditure			1 191 084	1 321 810	1 495 800	1 594 971	1 610 448	1 610 448	1 012 425	1 748 972	1 855 792	1 931 500
Surplus/(Deficit) Budgeted Operating Statement			97 527	(27 316)	(22 087)	(96 819)	(99 431)	(99 431)	63 631	(57 066)	(26 473)	22 008
Surplus/(Deficit) Considering Reserves and Cash Backing			4 048 835	4 046 156	4 155 634	4 120 877	4 187 316	4 187 316	–	4 232 648	4 253 552	4 276 021
MTREF Funded (1) / Unfunded (0)		15	1	1	1	1	1	1	1	1	1	1

Description	MFMA section	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
MTREF Funded ✓ / Unfunded ✱		15	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

WC032 Overstrand - Supporting Table SA11 Property rates summary

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Valuation:	1									
Date of valuation:		02/07/2015	02/07/2015	02/07/2015						
Financial year valuation used		**2016/2017**	**2016/2017**	**2016/2017**	**2016/2017**			**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	No	No	No			No		
No. of assistant valuers (FTE)	3	**2**	**2**	**2**	2			2		
No. of data collectors (FTE)	3	6	6	6	6			6		
No. of internal valuers (FTE)	3	-	-	-	-			-		
No. of external valuers (FTE)	3	3	3	3	3			3		
No. of additional valuers (FTE)	4	-	-	-	-			-		
Valuation appeal board established? (Y/N)		Yes	Yes	Yes	Yes			Yes		
Implementation time of new valuation roll (mths)		36	24	12	60			60		
No. of properties	5	42 895	43 170	43 655	43 655			44 259		
No. of sectional title values	5	2 210	2 577	2 752	2 752			2 918		
No. of unreasonably difficult properties s7(2)		-	-	-	-			-		
No. of supplementary valuations		2	2	1	1			1		
No. of valuation roll amendments		10	10	-	15			15		
No. of objections by rate payers		14	14	-	-			1 000		
No. of appeals by rate payers		12	12	–	-			15		
No. of successful objections	8	14	14	5	-			5		
No. of successful objections > 10%	8	1	1	-	-			-		
Supplementary valuation		3 099	1 987	2 552	2 552			2 000		
Public service infrastructure value (Rm)	5	92	77	289	306			490		
Municipality owned property value (Rm)		894	902	876	928			246		
Valuation reductions:										
Valuation reductions-public infrastructure (Rm)		92	770	289	306	462	462	490	519	550
Valuation reductions-nature reserves/park (Rm)		339	359	411	436	411	411	436	462	490
Valuation reductions-mineral rights (Rm)		-	-	-	-	-	-			
Valuation reductions-R15,000 threshold (Rm)		475	476	477	505	510	510	541	573	608
Valuation reductions-public worship (Rm)		183	192	183	194	368	368	390	413	438
Valuation reductions-other (Rm)		1 107	1 103	1 103	1 169	1 169	1 306	1 384	1 468	1 556
Total valuation reductions:		**2 196**	**2 900**	**2 462**	**2 610**	**2 921**	**3 057**	**3 241**	**3 435**	**3 642**
Total value used for rating (Rm)	5	48 668	50 432	50 077	53 082	50 880	50 880	56 267	59 643	63 221
Total land value (Rm)	5	23 042	23 241	23 037	24 419	23 050	23 050	25 884	27 437	29 083
Total value of improvements (Rm)	5	28 743	28 930	29 338	31 099	29 692	29 692	32 965	34 942	37 039
Total market value (Rm)	5	51 785	52 171	52 375	53 458	52 741	52 741	56 666	60 066	63 669
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	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	243 999	261 559	263 562	275 384	275 384	275 384	291 907	309 421	327 986
Rate revenue expected to collect (R'000)	6	243 999	261 559	263 562	275 384	275 384	275 384	291 907	309 421	327 986
Expected cash collection rate (%)		97.1%	100.5%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Special rating areas (R'000)	7	–	8 309	12 074	12 590	12 590	12 590	13 345	14 146	14 995
Rebates, exemptions - indigent (R'000)		–	–	–	–	–	–	–	–	–
Rebates, exemptions - pensioners (R'000)		–	–	–	–	–	–	–	–	–
Rebates, exemptions - bona fide farm. (R'000)		–	–	–	–	–	–	–	–	–
Rebates, exemptions - other (R'000)		–	–	–	–	–	–	–	–	–
Phase-in reductions/discounts (R'000)		–	–	–	–	–	–	–	–	–
Total rebates,exemptns,reductns,discs (R'000)		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

WC032 Overstrand - Supporting Table 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	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.	Small Holdings	Special Rating Areas	Agricultural	Multiple Purposes	Other Categories	Sum
Current Year 2022/23																							
Valuation:																							
No. of properties		1 948			35 589	1 065		351		5 306	–	–	–	–	–	–	–	–	–	–	–	–	44
No. of sectional title property values		410			2 360						–	–	–	–	–	–	–	–	–	–	–	–	3
No. of unreasonably difficult properties s7(2)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of supplementary valuations		1			1	1		1		1	–	–	–	–	–	–	–	–	–	–	–	–	0
Supplementary valuation (Rm)		Total 613									–	–	–	–	–	–	–	–	–	–	–	–	–
No. of valuation roll amendments		In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of objections by rate-payers		In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers		In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers finalised		In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections	5	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections > 10%	5	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	–	–	–	–	–	–	–	–	–	–	–	–	–
Estimated no. of properties not valued		Total 100									–	–	–	–	–	–	–	–	–	–	–	–	–
Years since last valuation **(select)**		7	7	7	7	7	7	7	7	7													
Frequency of valuation **(select)**		5	5	5	5	5	5	5	5	5													
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)		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes													
Flat rate used? (Y/N)		No	No	No	No	No	No	No	No	No													
Is balance rated by uniform rate/variable rate?		Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable													
Valuation reductions:																							
Valuation reductions-public infrastructure (Rm)								490			–	–	–	–	–	–	–	–	–	–	–	–	489 935
Valuation reductions-nature reserves/park (Rm)		436									–	–	–	–	–	–	–	–	–	–	–	–	435 690
Valuation reductions-mineral rights (Rm)											–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)					541						–	–	–	–	–	–	–	–	–	–	–	–	540 998
Valuation reductions-public worship (Rm)					390						–	–	–	–	–	–	–	–	–	–	–	–	389 874
Valuation reductions-other (Rm)	2				1 384						–	–	–	–	–	–	–	–	–	–	–	–	1 384 444
Total valuation reductions:																							
Total value used for rating (Rm)	6	3 775			46 241	3 215		448		2 588	–	–	–	–	–	–	–	–	–	–	–	–	56 266 893
Total land value (Rm)	6	1 579			19 653	1 826		238		2 588	–	–	–	–	–	–	–	–	–	–	–	–	25 884 000
Total value of improvements (Rm)	6	2 603			28 669	1 453		239		–	–	–	–	–	–	–	–	–	–	–	–	–	32 964 538
Total market value (Rm)	6	4 183			46 138	3 279		478		2 588	–	–	–	–	–	–	–	–	–	–	–	–	56 665 608
Rating:																							
Average rate	3	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Rate revenue budget (R '000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rate revenue expected to collect (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Expected cash collection rate (%)	4	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	–
Special rating areas (R'000)																			–				–
Rebates, exemptions - indigent (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - pensioners (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - bona fide farm. (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - other (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Phase-in reductions/discounts (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total rebates,exemptns,reductns,discs (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

WC032 Overstrand - Supporting Table 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	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.	Small Holdings	Special Rating Areas	Agricultural	Multiple Purposes	Other Categories	Sum
Budget Year 2023/24																							
Valuation:																							
No. of properties		1 532	154	2	33 939	495	221	71	859	6 372	–	–	–	–	–	–	–	–	–	–	–	–	44
No. of sectional title property values		410	30		2 360		1				–	–	–	–	–	–	–	–	–	–	–	–	3
No. of unreasonably difficult properties s7(2)		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of supplementary valuations		1	1	1	1	1	1	1	1	1	–	–	–	–	–	–	–	–	–	–	–	–	0
Supplementary valuation (Rm)		In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of valuation roll amendments		In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of objections by rate-payers		In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers		In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers finalised		In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections	5	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections > 10%	5	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	–	–	–	–	–	–	–	–	–	–	–	–	–
Estimated no. of properties not valued		Total 100	Total 100	Total 100	Total 100	Total 100	Total 100	Total 100	Total 100	Total 100	–	–	–	–	–	–	–	–	–	–	–	–	–
Years since last valuation **(select)**		Imp New Roll	Imp New Roll	Imp New Roll	Imp New Roll	Imp New Roll	Imp New Roll	Imp New Roll	Imp New Roll	Imp New Roll													
Frequency of valuation **(select)**		5	5	5	5	5	5	5	5	5													
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)		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	–	–	–	–	–	–	–	–	–	–	–	–	–
Combination of rating types used? (Y/N)		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes													
Flat rate used? (Y/N)		No	No	No	No	No	No	No	No	No													
Is balance rated by uniform rate/variable rate?		Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable													
Valuation reductions:																							
Valuation reductions-public infrastructure (Rm)									519		–	–	–	–	–	–	–	–	–	–	–	–	519 331
Valuation reductions-nature reserves/park (Rm)		462									–	–	–	–	–	–	–	–	–	–	–	–	461 832
Valuation reductions-mineral rights (Rm)											–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)					474						–	–	–	–	–	–	–	–	–	–	–	–	473 685
Valuation reductions-public worship (Rm)					413						–	–	–	–	–	–	–	–	–	–	–	–	413 266
Valuation reductions-other (Rm)	2				1 105						–	–	–	–	–	–	–	–	–	–	–	–	1 105 265
Total valuation reductions:																							
Total value used for rating (Rm)	6	5 766	363	2	69 013	2 234	282	424		4 925	–	–	–	–	–	–	–	–	–	–	–	–	83 010 401
Total land value (Rm)	6	1 932	125	2	25 132	1 806	186	113	12	4 925	–	–	–	–	–	–	–	–	–	–	–	–	34 233 303
Total value of improvements (Rm)	6	4 122	279	–	48 292	823	102	312	8		–	–	–	–	–	–	–	–	–	–	–	–	53 937 397
Total market value (Rm)	6	6 054	404	2	73 424	2 628	288	424	20	4 925	–	–	–	–	–	–	–	–	–	–	–	–	88 170 700
Rating:																							
Average rate	3	0.007368	0.007368	0.007368	0.004210	0.001053	0.007368	0.007368	–	0.006315	–	–	–	–	–	–	–	–	–	–	–	–	
Rate revenue budget (R '000)		38 237	2 957	13	224 963	904	2 300	3 457	–	25 511	–	–	–	–	–	–	–	–	–	–	–	–	298 343
Rate revenue expected to collect (R'000)		38 237	2 957	13	224 963	904	2 300	3 457	–	25 511	–	–	–	–	–	–	–	–	–	–	–	–	298 343
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%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0
Special rating areas (R'000)																			–				–
Rebates, exemptions - indigent (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - pensioners (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - bona fide farm. (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - other (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Phase-in reductions/discounts (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total rebates,exemptns,reductns,discs (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

WC032 Overstrand - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2019/20	2020/21	2021/22	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
							Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Property rates *(rate in the Rand)*	1								
Residential properties			0.0057	0.0060	-	-	-	-	-
Residential properties - vacant land			0.0078	0.0082	-	-	-	-	-
Formal/informal settlements					-	-	-	-	-
Small holdings					-	-	-	-	-
Farm properties - used			0.0014	0.0015	-	-	-	-	-
Farm properties - not used					-	-	-	-	-
Industrial properties					-	-	-	-	-
Business and commercial properties			0.0086	0.0090	-	-	-	-	-
Communal land - residential					-	-	-	-	-
Communal land - small holdings					-	-	-	-	-
Communal land - farm property					-	-	-	-	-
Communal land - business and commercial					-	-	-	-	-
Communal land - other					-	-	-	-	-
State-owned properties			0.0086	0.0090	-	-	-	-	-
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							0.0074	0.0078	0.0083
Industrial properties							0.0074	0.0078	0.0083
Mining properties							0.0074	0.0078	0.0083
Residential properties							0.0042	0.0045	0.0047
Agricultural properties							0.0011	0.0011	0.0012
Public benefit organisations							0.0074	0.0078	0.0083
Public service purpose properties							0.0074	0.0078	0.0083
Public service infrastructure properties							-	-	-
Vacant land							0.0063	0.0067	0.0071
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			220 000	220 000	220 000	220 000	40 - 100%	40 - 100%	40 - 100%
Pensioners/social grants rebate or exemption			220 000	220 000	220 000	220 000	-	-	
Temporary relief rebate or exemption			40-100%	40-100%	40-100%	40-100%	40 - 100%	40 - 100%	40 - 100%
Bona fide farmers rebate or exemption			75%	75%	75%	75%	75%	75%	75%
Other rebates or exemptions	2								
Water tariffs									
Domestic									
Basic charge/fixed fee *(Rands/month)*			137	143	148	156	166	176	186
Service point - vacant land *(Rands/month)*			137	143	148	156	166	176	186
Water usage - flat rate tariff *(c/kl)*									
Water usage - life line tariff									
Water usage - Block 1 (c/kl)		0 - 6 kl	560	585	608	638	681	721	764
Water usage - Block 2 (c/kl)		7 - 18 kl	1 147	1 199	1 247	1 308	1 397	1 480	1 569
Water usage - Block 3 (c/kl)		19 - 30 kl	1 861	1 945	2 023	2 122	-	-	-
Water usage - Block 4 (c/kl)		19 - 45 kl	2 866	2 995	3 115	3 268	3 490	3 699	3 921
Water usage - Block 5 (c/kl)		46 - 60 kl	3 722	3 889	4 045	4 243	4 532	4 804	5 092
Water usage - Block 6 (c/kl)		> 60 kl	4 964	5 187	5 394	5 658	6 043	6 406	6 790
Other	2								

Description	Ref	Provide description of tariff structure where appropriate	2019/20	2020/21	2021/22	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
							Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Waste water tariffs									
Domestic									
Basic charge/fixed fee *(Rands/month)*			122	127	132	138	147	156	166
Service point - vacant land *(Rands/month)*			122	127	132	138	147	156	166
Waste water - flat rate tariff *(c/kl)*			1 370	1 432	1 489	1 556	1 669	1 769	1 875
Volumetric charge - Block 1 (c/kl)		Basic charge pumps	82	86	89	93			
Volumetric charge - Block 2 (c/kl)		Service per pump	560	585	608	636	677	718	761
Volumetric charge - Block 3 (c/kl)									
Volumetric charge - Block 4 (c/kl)									
Other	2		-	-	-	-	-	-	-
Electricity tariffs									
Domestic									
Basic charge/fixed fee *(Rands/month)*			335	356	408	439	504	535	567
Service point - vacant land *(Rands/month)*			335	356	408	439	504	535	567
FBE		(how is this targeted?)							
Life-line tariff - meter		(describe structure)							
Life-line tariff - prepaid		one-part	120	128	146	157	181	192	203
Flat rate tariff - meter *(c/kwh)*									
Flat rate tariff - prepaid *(c/kwh)*									
Meter - IBT Block 1 (c/kwh)		Credit Meter							
Meter - IBT Block 2 (c/kwh)		0 - 350 kWh	129	137	157	168	193	205	217
Meter - IBT Block 3 (c/kwh)		351 - 600 kWh	189	201	230	247	284	301	319
Meter - IBT Block 4 (c/kwh)		> 600 kWh	232	247	283	304	349	370	392
Meter - IBT Block 5 (c/kwh)		Prepaid Meter							
Prepaid - IBT Block 1 (c/kwh)		0 - 350 kWh	119	126	145	155	178	189	200
Prepaid - IBT Block 2 (c/kwh)		351 - 600 kWh	178	189	217	233	268	284	301
Prepaid - IBT Block 3 (c/kwh)		> 600 kWh	223	237	272	292	349	370	392
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			185	194	202	213	228	242	256
80l bin - once a week									
250l bin - once a week			185	194	202	213	228	242	256

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

Description	Ref	Provide description of tariff structure where appropriate	2019/20	2020/21	2021/22	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
							Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
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			220 000	220 000	220 000	220 000	40 - 100%	40 - 100%	40 - 100%
Pensioners/social grants rebate or exemption			220 000	220 000	220 000	220 000	-	-	
Temporary relief rebate or exemption			40-100%	40-100%	40-100%	40-100%	40 - 100%	40 - 100%	40 - 100%
Bona fide farmers rebate or exemption			75%	75%	75%	75%	75%	75%	75%
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
Water tariffs									
			137	143	148	156	166	176	186
			137	143	148	156	166	176	186
		0 - 6 kl	560	585	608	638	681	721	764
		7 - 18 kl	1 147	1 199	1 247	1 308	1 397	1 480	1 569
		19 - 30 kl	1 861	1 945	2 023	2 122	-	-	-
		19 - 45 kl	2 866	2 995	3 115	3 268	3 490	3 699	3 921
		46 - 60 kl	3 722	3 889	4 045	4 243	4 532	4 804	5 092
		> 60 kl	4 964	5 187	5 394	5 658	6 043	6 406	6 790
		(fill in thresholds)							
		(fill in thresholds)							
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
Waste water tariffs									
			122	127	132	138	147	156	166
			122	127	132	138	147	156	166
			1 370	1 432	1 489	1 556	1 669	1 769	1 875
		Basic charge pumps	82	86	89	93			
		Service per pump	560	585	608	636	677	718	761
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
Electricity tariffs									
Basic charge/fixed fee (Rands/month)			335	356	408	439	504	535	567
Service point - vacant land (Rands/month)			335	356	408	439	504	535	567
FBE		(how is this targeted?)							
Life-line tariff - meter		(describe structure)							
Life-line tariff - prepaid		one-part	120	128	146	157	181	192	203
Flat rate tariff - meter (c/kwh)									
Flat rate tariff - prepaid(c/kwh)									
Meter - IBT Block 1 (c/kwh)		Credit Meter							
Meter - IBT Block 2 (c/kwh)		0 - 350 kWh	129	137	157	168	193	205	217
Meter - IBT Block 3 (c/kwh)		351 - 600 kWh	189	201	230	247	284	301	319
Meter - IBT Block 4 (c/kwh)		> 600 kWh	232	247	283	304	349	370	392
Meter - IBT Block 5 (c/kwh)		Prepaid Meter							
Prepaid - IBT Block 1 (c/kwh)		0 - 350 kWh	119	126	145	155	178	189	200
Prepaid - IBT Block 2 (c/kwh)		351 - 600 kWh	178	189	217	233	268	284	301
Prepaid - IBT Block 3 (c/kwh)		> 600 kWh	223	237	272	292	349	370	392

WC032 Overstrand - Supporting Table SA14 Household bills

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
Rand/cent		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24 % incr.	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		247.14	258.27	268.67	284.70	284.70	284.70	(36.0%)	182.43	193.38	204.98
Electricity: Basic levy		335.34	356.20	408.17	438.66	438.66	438.66	15.0%	504.46	534.73	566.81
Electricity: Consumption		1 753.87	1 862.96	2 134.79	2 294.26	2 294.26	2 294.26	15.0%	2 638.39	2 796.69	2 964.49
Water: Basic levy		136.50	142.64	148.35	155.62	155.62	155.62	6.5%	165.74	175.68	186.22
Water: Consumption		400.93	419.04	435.81	449.88	449.88	449.88	6.8%	627.30	664.94	704.84
Sanitation		409.35	427.84	444.89	464.01	464.01	464.01	7.3%	497.89	527.76	559.43
Refuse removal		185.49	193.84	201.59	213.48	213.48	213.48	6.8%	228.00	241.68	256.18
Other		53.54	53.54	53.54	53.54	53.54	53.54	–	53.54	53.54	53.54
sub-total		**3 522.16**	**3 714.33**	**4 095.81**	**4 354.15**	**4 354.15**	**4 354.15**	**12.5%**	**4 897.75**	**5 188.40**	**5 496.49**
VAT on Services		491.25	518.41	574.07	610.42	610.42	610.42	8.6%	707.30	749.25	793.73
Total large household bill:		**4 013.41**	**4 232.74**	**4 669.88**	**4 964.57**	**4 964.57**	**4 964.57**	**12.9%**	**5 605.05**	**5 937.65**	**6 290.22**
% increase/-decrease			**5.5%**	**10.3%**	**6.3%**	**–**	**–**		**12.9%**	**5.9%**	**5.9%**
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		171.10	178.80	186.00	197.10	197.10	197.10	(36.0%)	126.30	133.88	141.91
Electricity: Basic levy		335.34	356.20	408.17	438.66	438.66	438.66	15.0%	504.46	534.73	566.81
Electricity: Consumption		683.08	725.57	831.44	893.56	893.56	893.56	15.0%	1 027.59	1 089.25	1 154.61
Water: Basic levy		136.50	142.64	148.35	155.62	155.62	155.62	6.5%	165.74	175.68	186.22
Water: Consumption		303.75	317.47	330.17	343.78	343.78	343.78	6.8%	452.80	479.97	508.77
Sanitation		361.40	377.72	392.78	409.66	409.66	409.66	7.3%	439.48	465.85	493.80
Refuse removal		185.49	193.84	201.59	213.48	213.48	213.48	6.8%	228.00	241.68	256.18
Other		53.54	53.54	53.54	53.54	53.54	53.54	–	53.54	53.54	53.54
sub-total		**2 230.20**	**2 345.78**	**2 552.04**	**2 705.40**	**2 705.40**	**2 705.40**	**10.8%**	**2 997.91**	**3 174.58**	**3 361.84**
VAT on Services		308.87	325.05	354.91	376.25	376.25	376.25	8.6%	430.74	456.11	482.99
Total small household bill:		**2 539.07**	**2 670.83**	**2 906.95**	**3 081.65**	**3 081.65**	**3 081.65**	**11.3%**	**3 428.65**	**3 630.69**	**3 844.83**
% increase/-decrease			**5.2%**	**8.8%**	**6.0%**	**–**	**–**		**11.3%**	**5.9%**	**5.9%**
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		95.06	99.33	103.34	109.50	109.50	109.50	(36.0%)	70.17	74.38	78.84
Electricity: Basic levy		335.34	356.20	408.17	438.66	438.66	438.66	15.0%	504.46	534.73	566.81
Electricity: Consumption		415.98	441.84	506.31	544.15	544.15	544.15	15.0%	625.77	663.32	703.12
Water: Basic levy		136.50	142.64	148.35	155.62	155.62	155.62	6.5%	165.74	175.68	186.22
Water: Consumption		210.70	220.22	229.02	210.88	210.88	210.88	6.8%	249.66	264.64	280.52
Sanitation		313.45	327.60	340.66	355.99	355.99	355.99	7.3%	381.06	403.92	428.16
Refuse removal		185.49	193.84	201.59	213.48	213.48	213.48	6.8%	228.00	241.68	256.18
Other		(884.44)	(935.13)	(1 016.56)	(1 154.19)	(1 154.19)	(1 154.19)	–	(1 278.23)	(1 354.92)	(1 436.22)
sub-total		**808.08**	**846.54**	**920.88**	**874.09**	**874.09**	**874.09**	**8.3%**	**946.63**	**1 003.43**	**1 063.63**
VAT on Services		106.95	112.08	122.63	114.69	114.69	114.69	8.6%	131.47	139.36	147.72
Total small household bill:		**915.03**	**958.62**	**1 043.51**	**988.78**	**988.78**	**988.78**	**9.0%**	**1 078.10**	**1 142.79**	**1 211.35**
% increase/-decrease			**4.8%**	**8.9%**	**(5.2%)**	**–**	**–**		**9.0%**	**6.0%**	**6.0%**

WC032 Overstrand - Supporting Table SA15 Investment particulars by type

Investment type R thousand	Ref	2019/20 Audited Outcome	2020/21 Audited Outcome	2021/22 Audited Outcome	Current Year 2022/23 Original Budget	 Adjusted Budget	 Full Year Forecast	2023/24 Medium Term Revenue & Expenditure Framework Budget Year 2023/24	 Budget Year +1 2024/25	 Budget Year +2 2025/26
Parent municipality										
Securities - National Government		–	–	–	–	–	–	–	–	–
Listed Corporate Bonds		–	–	–	–	–	–	–	–	–
Deposits - Bank		510 243	410 241	410 251	400 000	400 000	400 000	400 000	400 000	400 000
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)		46 515	54 278	60 512	70 005	70 005	70 005	77 846	85 830	93 964
Repurchase Agreements - Banks		–	–	–	–	–	–	–	–	–
Municipal Bonds		–	–	–	–	–	–	–	–	–
Municipality sub-total	1	**556 758**	**464 519**	**470 763**	**470 005**	**470 005**	**470 005**	**477 846**	**485 830**	**493 964**
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		–	–	–	–	–	–	–	–	–
Consolidated total:		**556 758**	**464 519**	**470 763**	**470 005**	**470 005**	**470 005**	**477 846**	**485 830**	**493 964**

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	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Parent municipality													
LIBERTY 15934476	15 Years	Policy	Yes	Variable	Fair Value Adjustment		#N/A	01/09/2025	21 873 267.32	1 300 259.93		1 500 000.00	**24 673 527.25**
LIBERTY 21196964	14 Years	Policy	Yes	Variable	Fair Value Adjustment		#N/A	01/09/2025	36 211 822.60	1 516 769.67		3 120 000.00	**40 848 592.27**
MOMENTUM 3853776	15 Years	Policy	Yes	Variable	Fair Value Adjustment		#N/A	01/07/2026	4 079 467.87	43 745.45		360 000.00	**4 483 213.32**
Deposits - Bank		Bank investments	Yes	Fixed			#N/A	30/06/2023	410 251 102.00	36 624 754.44	-1 046 875 856.44	1 000 000 000.00	**400 000 000.00**
-													
-													
-													
-													
-													
-													
-													
-													
-													
-													
-													
TOTAL INVESTMENTS AND INTEREST									**472 415 659.79**		**-1 046 875 856.44**	**1 004 980 000.00**	**470 005 332.84**

WC032 Overstrand - Supporting Table SA17 Borrowing

Borrowing - Categorised by type R thousand	Ref	2019/20 Audited Outcome	2020/21 Audited Outcome	2021/22 Audited Outcome	Current Year 2022/23 Original Budget	 Adjusted Budget	 Full Year Forecast	2023/24 Medium Term Revenue & Expenditure Framework Budget Year 2023/24	 Budget Year +1 2024/25	 Budget Year +2 2025/26
Parent municipality										
Annuity and Bullet Loans		331 475	330 400	380 400	321 531	321 531	321 531	320 625	225 885	226 146
Long-Term Loans (non-annuity)		100 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000
Local registered stock										
Instalment Credit		–	–	–	–	–	–	–	–	–
Financial Leases		–	–	–	–	–	–	–	–	–
PPP liabilities		–	–	–	–	–	–	–	–	–
Finance Granted By Cap Equipment Supplier		–	–	–	–	–	–	–	–	–
Marketable Bonds		–	–	–	–	–	–	–	–	–
Non-Marketable Bonds		–	–	–	–	–	–	–	–	–
Bankers Acceptances		–	–	–	–	–	–	–	–	–
Financial derivatives		–	–	–	–	–	–	–	–	–
Other Securities		–	–	–	–	–	–	–	–	–
Total Borrowing	1	**431 475**	**430 400**	**480 400**	**421 531**	**421 531**	**421 531**	**420 625**	**325 885**	**326 146**

Unspent Borrowing - Categorised by type										
Parent municipality										
Long-Term Loans (annuity/reducing balance)		–	44 066	–	22 033	22 033	22 033	45 214	–	–
Long-Term Loans (non-annuity)		–	–	–	–	–	–	–	–	–
Local registered stock		–	–	–	–	–	–	–	–	–
Instalment Credit		–	–	–	–	–	–	–	–	–
Financial Leases		–	–	–	–	–	–	–	–	–
PPP liabilities		–	–	–	–	–	–	–	–	–
Finance Granted By Cap Equipment Supplier		–	–	–	–	–	–	–	–	–
Marketable Bonds		–	–	–	–	–	–	–	–	–
Non-Marketable Bonds		–	–	–	–	–	–	–	–	–
Bankers Acceptances		–	–	–	–	–	–	–	–	–
Financial derivatives		–	–	–	–	–	–	–	–	–
Other Securities		–	–	–	–	–	–	–	–	–
Total Unspent Borrowing	1	**–**	**44 066**	**–**	**22 033**	**22 033**	**22 033**	**45 214**	**–**	**–**

WC032 Overstrand - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		**110 994**	**138 372**	**127 977**	**152 183**	**155 762**	**155 762**	**168 528**	**183 668**	**194 726**
Operational Revenue:General Revenue:Equitable Share		106 697	134 322	123 897	141 896	141 896	141 896	157 935	174 790	191 658
Operational:Revenue:General Revenue:Fuel Levy		–		–				–	–	–
2014 African Nations Championship Host City Operating Grant [Schedule 5B]		–		–				–	–	–
Agriculture Research and Technology		–		–				–	–	–
Agriculture, Conservation and Environmental		–		–				–	–	–
Arts and Culture Sustainable Resource Management		–		–				–	–	–
Community Library		–		–				–	–	–
Department of Environmental Affairs		–		–				–	–	–
Department of Tourism		–		–				–	–	–
Department of Water Affairs and Sanitation Masibambane		–		–				–	–	–
Emergency Medical Service		–		–				–	–	–
Energy Efficiency and Demand-side [Schedule 5B]		–		–	5 000	5 000	5 000	4 200	6 000	–
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		2 635	2 500	2 530	2 593	2 593	2 593	3 565	–	–
HIV and Aids		–		–				–	–	–
Housing Accreditation		–		–				–	–	–
Housing Top structure		–		–				–	–	–
Infrastructure Skills Development Grant [Schedule 5B]		–		–				–	–	–
Integrated City Development Grant		–		–				–	–	–
Khayelitsha Urban Renewal		–		–				–	–	–
Local Government Financial Management Grant [Schedule 5B]		1 550	1 550	1 550	1 550	1 550	1 550	1 550	1 550	1 688
Mitchell's Plain Urban Renewal				–	–	–	–	–	–	–
Municipal Demarcation and Transition Grant [Schedule 5B]				–	–	–	–	–	–	–
Municipal Disaster Grant [Schedule 5B]		112		–	–	–	–	–	–	–
Municipal Human Settlement Capacity Grant [Schedule 5B]				–	–	–	–	–	–	–
Municipal Systems Improvement Grant				–	–	–	–	–	–	–
Natural Resource Management Project		–	–	–	–	–	–	–	–	–
Neighbourhood Development Partnership Grant		–	–	–	–	–	–	–	–	–
Operation Clean Audit		–	–	–	–	–	–	–	–	–
Municipal Disaster Recovery Grant		–	–	–	–	–	–	–	–	–
Public Service Improvement Facility		–	–	–	–	–	–	–	–	–
Public Transport Network Operations Grant [Schedule 5B]		–	–	–	–	–	–	–	–	–
Restructuring - Seed Funding		–	–	–	–	–	–	–	–	–
Revenue Enhancement Grant Debtors Book		–	–	–	–	–	–	–	–	–
Rural Road Asset Management Systems Grant		–	–	–	–	–	–	–	–	–
Sport and Recreation		–	–	–	–	–	–	–	–	–
Terrestrial Invasive Alien Plants		–	–	–	–	–	–	–	–	–
Water Services Operating Subsidy Grant [Schedule 5B]		–	–	–	–	–	–	–	–	–
Health Hygiene in Informal Settlements		–	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant [Schedule 5B]		–	–	–	1 144	1 144	1 144	1 278	1 328	1 380
Water Services Infrastructure Grant		–	–	–	–	3 579	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		–	–	–	–	–	–	–	–	–
Metro Informal Settlements Partnership Grant		–	–	–	–	–	–	–	–	–
Provincial Government:		**10 691**	**10 371**	**57 967**	**71 715**	**79 365**	**79 365**	**87 519**	**78 710**	**53 329**
Capacity Building		2 898	2 575		–	–	–	–	–	–
Capacity Building and Other		380						–	–	–
Disaster and Emergency Services		–						–	–	–
Health		–						–	–	–
Housing		–						766	–	–
Infrastructure		–						–	–	–
Libraries, Archives and Museums		7 287	7 651	6 580	8 258	8 258	8 258	8 399	8 727	9 118
Library Support Grant				2 222						
Thusong Services Centres Grant					150	150	150			
Resource funding for the establish & support of K9 Unit				2 420	2 420	2 420	2 420	3 345	3 772	4 400
Municipal Electricity Masterplan Grant				1 000						
Financial Management Capacity Building Grant				400						
Community Development Workers				76	75	75	75	76	76	76
Municipal Energy Resilience Grant				650						
LG Public Employment Grant				1 300						
Maintenance & Construction of Transport Infrastructure				145	140	140	140	400	450	500
Financial Management Capability Grant						450	450			
Municipal Service Delivery & Capacity Building Grant				244		300	300			
Municipal Intervention Grant						200	200			
Resource funding for the est of Law Enforcement Reaction Unit				6 307	2 958	2 958	2 958	4 065	4 223	4 317
Emergency Municipal Load-shedding relief grant						6 700	6 700			
Human Settlements (Housing - Construction Contracts)		–		36 623	57 714	57 714	57 714	70 468	61 462	34 918
Public Transport		–		–	–	–	–	–	–	–
Road Infrastructure - Maintenance		126	145	–	–	–	–	–	–	–
Sports and Recreation		–	–	–	–	–	–	–	–	–
Waste Water Infrastructure - Maintenance		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure - Maintenance		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
District Municipality:		**–**	**–**	**90**	**–**	**35**	**35**	**–**	**–**	**–**
All Grants		–	–	90	–	35	35	–	–	–

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Other Grant Providers:		–	66 268	–	–	400	400	–	–	–
Departmental Agencies and Accounts		–	–	–	–	400	400	–	–	–
Foreign Government and International Organisations		–	–	–	–	–	–	–	–	–
Households			66 268	–	–	–	–	–	–	–
Non-profit Institutions		–	–	–	–	–	–	–	–	–
Private Enterprises		–	–	–				–	–	–
Public Corporations		–	–	–	–	–	–	–	–	–
Higher Educational Institutions		–	–	–	–	–	–	–	–	–
Parent Municipality / Entity		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	**121 685**	**215 011**	**186 034**	**223 898**	**235 562**	**235 562**	**256 047**	**262 378**	**248 055**
Capital Transfers and Grants										
National Government:		**39 077**	**27 618**	**44 754**	**72 254**	**68 675**	**68 675**	**53 667**	**40 235**	**41 222**
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		7 000	6 000	18 519	21 331	21 331	21 331	24 380	15 000	15 000
Municipal Infrastructure Grant [Schedule 5B]		32 010	21 618	21 053	23 484	23 484	23 484	24 287	25 235	26 222
Municipal Water Infrastructure Grant [Schedule 5B]		–		–	–	–	–	–	–	–
Neighbourhood Development Partnership Grant [Schedule 5B]		–		–	–	–	–	–	–	–
Public Transport Infrastructure Grant [Schedule 5B]		–		–	–	–	–	–	–	–
Rural Household Infrastructure Grant [Schedule 5B]		–		–	–	–	–	–	–	–
Rural Road Asset Management Systems Grant [Schedule 5B]		–	–	–	–	–	–	–	–	–
Urban Settlement Development Grant [Schedule 4B]		–	–	–	–	–	–	–	–	–
Municipal Human Settlement		–	–	–	–	–	–	–	–	–
Community Library		–	–	–	–	–	–	–	–	–
Integrated City Development Grant [Schedule 4B]		–	–	–	–	–	–	–	–	–
Municipal Disaster Recovery Grant [Schedule 4B]		–	–	–	–	–	–	–	–	–
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–	–	–
Khayelitsha Urban Renewal		–	–	–	–	–	–	–	–	–
Local Government Financial Management Grant [Schedule 5B]		–	–	–	–	–	–	–	–	–
Municipal Systems Improvement Grant [Schedule 5B]		–	–	–	–	–	–	–	–	–
Public Transport Network Grant [Schedule 5B]		–	–	–	–	–	–	–	–	–
Public Transport Network Operations Grant [Schedule 5B]		–	–	–	–	–	–	–	–	–
Regional Bulk Infrastructure Grant (Schedule 5B)		–	–	–	–	–	–	–	–	–
Water Services Infrastructure Grant [Schedule 5B]		–	–	5 182	27 439	23 860	23 860	5 000	–	–
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		67		–	–	–	–	–	–	–
Municipal Emergency Housing Grant		–	–	–	–	–	–	–	–	–
Metro Informal Settlements Partnership Grant		–	–	–	–	–	–	–	–	–
Integrated Urban Development Grant		–	–	–	–	–	–	–	–	–
Provincial Government:		**1 500**	**732**	**48 419**	**38 785**	**43 285**	**43 285**	**41 890**	**30 090**	**63 220**
Capacity Building			–	–	–	–	–	–	–	–
Capacity Building and Other			732	–				–	–	–
Disaster and Emergency Services				–				–	–	–
Health				–				–	–	–
Housing				47 819	38 785	41 785	41 785	41 890	30 090	63 220
Infrastructure				–				–	–	–
Libraries, Archives and Museums				–	–	–	–	–	–	–
RESOURCE FUNDING FOR THE EST OF LAW ENFORCEMENT REACTION UNIT				–	–	–	–	–	–	–
Resource funding for the establish & support of K9 Unit				–	–	–	–	–	–	–
Road Infrastructure		1 500		–	–	–	–	–	–	–
Sports and Recreation		–	–	600	–	–	–	–	–	–
Municipal Service Delivery & Capacity Building Grant		–	–	–	–	1 250	1 250	–	–	–
Municipal Intervention Grant		–	–	–	–	250	250	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
All Grants		–	–	–	–	–	–	–	–	–
Other Grant Providers:		–	–	–	–	–	–	–	–	–
Departmental Agencies and Accounts		–	–	–	–	–	–	–	–	–
Foreign Government and International Organisations		–	–	–	–	–	–	–	–	–
Households		–	–	–	–	–	–	–	–	–
Non-Profit Institutions		–	–	–	–	–	–	–	–	–
Private Enterprises		–	–	–	–	–	–	–	–	–
Public Corporations		–	–	–	–	–	–	–	–	–
Higher Educational Institutions		–	–	–	–	–	–	–	–	–
Parent Municipality / Entity		–	–	–	–	–	–	–	–	–
Transfer from Operational Revenue		–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	**40 577**	**28 350**	**93 173**	**111 039**	**111 960**	**111 960**	**95 557**	**70 325**	**104 442**
TOTAL RECEIPTS OF TRANSFERS & GRANTS		**162 262**	**243 361**	**279 207**	**334 937**	**347 522**	**347 522**	**351 604**	**332 703**	**352 497**

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

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		**4 297**	**14 184**	**135 524**	**10 287**	**13 866**	**13 866**	**10 593**	**8 878**	**3 068**
Operational Revenue:General Revenue:Equitable Share		–	10 134	130 444						
Operational:Revenue:General Revenue:Fuel Levy		–	–	–	–	–	–	–	–	–
2014 African Nations Championship Host City Operating Grant [Schedule 5B]		–	–	–	–	–	–	–	–	–
Agriculture Research and Technology		–	–	–	–	–	–	–	–	–
Agriculture, Conservation and Environmental		–	–	–	–	–	–	–	–	–
Arts and Culture Sustainable Resource Management		–	–	–	–	–	–	–	–	–
Community Library		–	–	–	–	–	–	–	–	–
Department of Environmental Affairs		–	–	–	–	–	–	–	–	–
Department of Tourism		–	–	–	–	–	–	–	–	–
Department of Water Affairs and Sanitation Masibambane		–	–	–	–	–	–	–	–	–
Emergency Medical Service		–	–	–	–	–	–	–	–	–
Energy Efficiency and Demand-side [Schedule 5B]		–	–	–	5 000	5 000	5 000	4 200	6 000	–
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		2 635	2 500	2 530	2 593	2 593	2 593	3 565	–	–
HIV and Aids		–	–	–	–	–	–	–	–	–
Housing Accreditation		–	–	–	–	–	–	–	–	–
Housing Top structure		–	–	–	–	–	–	–	–	–
Infrastructure Skills Development Grant [Schedule 5B]		–	–	–	–	–	–	–	–	–
Integrated City Development Grant		–	–	–	–	–	–	–	–	–
Khayelitsha Urban Renewal		–	–	–	–	–	–	–	–	–
Local Government Financial Management Grant [Schedule 5B]		1 550	1 550	1 550	1 550	1 550	1 550	1 550	1 550	1 688
Mitchell's Plain Urban Renewal		–	–					–	–	–
Municipal Demarcation and Transition Grant [Schedule 5B]		–	–	–	–	–	–			
Municipal Disaster Grant [Schedule 5B]		112		–	–	–	–	–	–	–
Municipal Human Settlement Capacity Grant [Schedule 5B]		–	–	–	–	–	–	–	–	–
Municipal Systems Improvement Grant		–	–	–	–	–	–	–	–	–
Natural Resource Management Project		–	–	–	–	–	–	–	–	–
Neighbourhood Development Partnership Grant		–	–	–	–	–	–	–	–	–
Operation Clean Audit		–	–	–	–	–	–	–	–	–
Municipal Disaster Recovery Grant		–	–	–	–	–	–	–	–	–
Public Service Improvement Facility		–	–	–	–	–	–	–	–	–
Public Transport Network Operations Grant [Schedule 5B]		–	–	–	–	–	–	–	–	–
Restructuring - Seed Funding		–	–	–	–	–	–	–	–	–
Revenue Enhancement Grant Debtors Book		–	–	–	–	–	–	–	–	–
Rural Road Asset Management Systems Grant		–	–	–	–	–	–	–	–	–
Sport and Recreation		–	–	–	–	–	–	–	–	–
Terrestrial Invasive Alien Plants		–	–	–	–	–	–	–	–	–
Water Services Operating Subsidy Grant [Schedule 5B]		–	–	–	–	–	–	–	–	–
Health Hygiene in Informal Settlements		–	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant [Schedule 5B]		–	–	1 000	1 144	1 144	1 144	1 278	1 328	1 380
Water Services Infrastructure Grant		–	–	–		3 579	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		–	–	–	–	–	–	–	–	–
Provincial Government:		**12 147**	**33 402**	**16 288**	**71 715**	**79 365**	**79 365**	**87 519**	**78 710**	**53 329**
Capacity Building		18		–	–	–	–	–	–	–
Capacity Building and Other		4 716	1 597							
Disaster and Emergency Services										
Health										
Housing			24 009					766		
Infrastructure		126	145							
Libraries, Archives and Museums		7 287	7 651	6 580	8 258	8 258	8 258	8 399	8 727	9 118
Library Support Grant				2 222						
Thusong Services Centres Grant					150	150	150			
Resource funding for the establish & support of K9 Unit				3 059	2 420	2 420	2 420	3 345	3 772	4 400
Municipal Electricity Masterplan Grant				1 000						
Financial Management Capacity Building Grant				676						
Community Development Workers				76	75	75	75	76	76	76
Municipal Energy Resilience Grant				650						
LG Public Employment Grant				1 300						
Maintenance & Construction of Transport Infrastructure				145	140	140	140	400	450	500
Financial Management Capability Grant						450	450			
Municipal Service Delivery & Capacity Building Grant				181		300	300			
Municipal Intervention Grant						200	200			
Resource funding for the est of Law Enforcement Reaction Unit				400	2 958	2 958	2 958	4 065	4 223	4 317
Emergency Municipal Load-shedding relief grant						6 700	6 700			
Human Settlements (Housing - Construction Contracts)		–	–		57 714	57 714	57 714	70 468	61 462	34 918
Public Transport		–	–				–	–	–	–
Road Infrastructure - Maintenance		–	–					–	–	–
Sports and Recreation		–	–	–	–	–	–	–	–	–
Waste Water Infrastructure - Maintenance		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure - Maintenance		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
District Municipality:		**–**	**–**	**90**	**–**	**35**	**35**	**–**	**–**	**–**

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
All Grants		–	–	90	–	35	35	–	–	–
Other Grant Providers:		–	–	–	–	420	420	–	–	–
Departmental Agencies and Accounts		–	–	–	–	420	420	–	–	–
Foreign Government and International Organisations		–	–					–	–	–
Households		–								
Non-profit Institutions		–	–					–	–	–
Private Enterprises		–	–					–	–	–
Public Corporations		–	–					–	–	–
Higher Educational Institutions										
Parent Municipality / Entity		–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:		**16 443**	**47 586**	**151 903**	**82 002**	**93 686**	**93 686**	**98 112**	**87 588**	**56 397**
Capital expenditure of Transfers and Grants										
National Government:		**31 595**	**35 100**	**36 688**	**72 254**	**68 675**	**68 675**	**53 667**	**40 235**	**41 222**
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		7 000	6 000	11 453	21 331	21 331	21 331	24 380	15 000	15 000
Municipal Infrastructure Grant [Schedule 5B]		24 528	29 100	20 053	23 484	23 484	23 484	24 287	25 235	26 222
Municipal Water Infrastructure Grant [Schedule 5B]		–	–	–	–	–	–			
Neighbourhood Development Partnership Grant [Schedule 5B]		–	–	–	–	–	–			
Public Transport Infrastructure Grant [Schedule 5B]		–	–	–	–	–	–			
Rural Household Infrastructure Grant [Schedule 5B]		–	–	–	–	–	–			
Rural Road Asset Management Systems Grant [Schedule 5B]		–	–	–	–	–	–			
Urban Settlement Development Grant [Schedule 4B]		–	–	–	–	–	–			
Municipal Human Settlement		–	–	–	–	–	–			
Community Library		–	–	–	–	–	–			
Integrated City Development Grant [Schedule 4B]		–	–	–	–	–	–			
Municipal Disaster Recovery Grant [Schedule 4B]		–	–	–	–	–	–			
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–			
Khayelitsha Urban Renewal		–	–	–	–	–	–			
Local Government Financial Management Grant [Schedule 5B]		–	–	–	–	–	–			
Municipal Systems Improvement Grant [Schedule 5B]		–	–	–	–	–	–			
Public Transport Network Grant [Schedule 5B]		–	–	–	–	–	–			
Public Transport Network Operations Grant [Schedule 5B]		–	–	–	–	–	–			
Regional Bulk Infrastructure Grant (Schedule 5B)		–	–	–	–	–	–			
Water Services Infrastructure Grant [Schedule 5B]		–	–	5 182	27 439	23 860	23 860	5 000		
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		67		–	–	–	–	–	–	–
Municipal Emergency Housing Grant		–	–	–	–	–	–	–	–	–
Metro Informal Settlements Partnership Grant		–	–	–	–	–	–	–	–	–
Integrated Urban Development Grant		–	–	–	–	–	–	–	–	–
Provincial Government:		**5 797**	**48 390**	**1 290**	**38 785**	**43 285**	**43 285**	**41 890**	**30 090**	**63 220**
Capacity Building				–	–	–	–	–	–	–
Capacity Building and Other		1 843		–	–			–	–	–
Disaster and Emergency Services				–	–			–	–	–
Health				–	–			–	–	–
Housing			46 271	–	38 785	41 785	41 785	41 890	30 090	63 220
Infrastructure			2 119	–	–			–	–	–
Libraries, Archives and Museums				–	–	–	–	–	–	–
RESOURCE FUNDING FOR THE EST OF LAW ENFORCEMENT REACTION UNIT		3 204		603	–	–	–	–	–	–
Resource funding for the establish & support of K9 Unit				624	–	–	–	–	–	–
Road Infrastructure		750		–	–	–	–	–	–	–
Sports and Recreation		–	–	–	–	–	–	–	–	–
Municipal Service Delivery & Capacity Building Grant		–	–	63	–	1 250	1 250	–	–	–
Municipal Intervention Grant		–	–	–	–	250	250	–	–	–
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
All Grants		–	–	–	–	–	–	–	–	–
Other Grant Providers:		**–**	**–**	**–**	**12 662**	**15 068**	**15 068**	**–**	**–**	**–**
Departmental Agencies and Accounts		–	–	–	–	2 626	2 626	–	–	–
Foreign Government and International Organisations		–	–	–	–	–	–	–	–	–
Households		–	–	–	–	–	–			
Non-Profit Institutions		–	–	–	–	–	–	–	–	–
Private Enterprises		–	–	–	–	–	–	–	–	–
Public Corporations		–	–	–	12 662	12 442	12 442	–	–	–
Higher Educational Institutions		–	–	–	–	–	–	–	–	–
Parent Municipality / Entity		–	–	–	–	–	–	–	–	–
Transfer from Operational Revenue		–	–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants		**37 392**	**83 490**	**37 978**	**123 702**	**127 029**	**127 029**	**95 557**	**70 325**	**104 442**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		**53 835**	**131 076**	**189 881**	**205 703**	**220 714**	**220 714**	**193 669**	**157 913**	**160 839**

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

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		–	–	(6 870)	–	–	–	–	–	–
Current year receipts		110 994	138 372	127 977	152 183	155 762	155 762	168 528	183 668	194 726
Conditions met - transferred to revenue		**110 994**	**138 372**	**121 107**	**152 183**	**155 762**	**155 762**	**168 528**	**183 668**	**194 726**
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Provincial Government:										
Balance unspent at beginning of the year		(10 842)	(2 814)	(2 235)	–	–	–	–	–	–
Current year receipts		10 691	10 371	57 967	71 715	79 365	79 365	87 519	78 710	53 329
Conditions met - transferred to revenue		**(18 043)**	**(4 125)**	**37 843**	**71 715**	**79 365**	**79 365**	**87 519**	**78 710**	**53 329**
Conditions still to be met - transferred to liabilities		17 893	11 682	17 888	–	–	–	–	–	–
District Municipality:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	35	35	–	–	–
Conditions met - transferred to revenue		**–**	**–**	**–**	**–**	**35**	**35**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Other grant providers:										
Balance unspent at beginning of the year		(187)	(187)	(187)	–	–	–	–	–	–
Current year receipts		–	–	–	–	400	400	–	–	–
Conditions met - transferred to revenue		**(187)**	**(187)**	**(187)**	**–**	**400**	**400**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Total operating transfers and grants revenue		**92 764**	**134 061**	**158 764**	**223 898**	**235 562**	**235 562**	**256 047**	**262 378**	**248 055**
Total operating transfers and grants - CTBM	2	**17 893**	**11 682**	**17 888**	**–**	**–**	**–**	**–**	**–**	**–**
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		–	(7 482)	–	–	–	–	–	–	–
Current year receipts		39 077	27 618	44 754	72 254	68 675	68 675	53 667	40 235	41 222
Conditions met - transferred to revenue		**39 077**	**20 136**	**44 754**	**72 254**	**68 675**	**68 675**	**53 667**	**40 235**	**41 222**
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Provincial Government:										
Balance unspent at beginning of the year		(1 562)	(750)	–	–	–	–	–	–	–
Current year receipts		1 500	732	48 419	38 785	43 285	43 285	41 890	30 090	63 220
Conditions met - transferred to revenue		**(812)**	**(768)**	**48 419**	**38 785**	**43 285**	**43 285**	**41 890**	**30 090**	**63 220**
Conditions still to be met - transferred to liabilities		750	750	–	–	–	–	–	–	–
District Municipality:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Other grant providers:										
Balance unspent at beginning of the year		–	(19 900)	(14 738)				–	–	–
Current year receipts		(19 900)	–	–				–	–	–
Conditions met - transferred to revenue		**(19 900)**	**(19 900)**	**(14 738)**	**–**	**–**	**–**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Total capital transfers and grants revenue		**18 366**	**(532)**	**78 435**	**111 039**	**111 960**	**111 960**	**95 557**	**70 325**	**104 442**
Total capital transfers and grants - CTBM	2	**750**	**750**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL TRANSFERS AND GRANTS REVENUE		**111 130**	**133 528**	**237 199**	**334 937**	**347 522**	**347 522**	**351 604**	**332 703**	**352 497**
TOTAL TRANSFERS AND GRANTS - CTBM		**18 643**	**12 432**	**17 888**	**–**	**–**	**–**	**–**	**–**	**–**

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

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
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										
Grant in Aid (Animal Welfare)		460	–	–	500	500	500	538	578	621
Capital		–	–	–	–	–	–	–	–	–
Total Cash Transfers To Organisations		**460**	**–**	**–**	**500**	**500**	**500**	**538**	**578**	**621**
Cash Transfers to Groups of Individuals										
Operational		100	8 710	12 813	12 557	14 286	14 286	15 843	16 565	17 323
Capital		–	–	–	–	–	–	–	–	–
Total Cash Transfers To Groups Of Individuals:		**100**	**8 710**	**12 813**	**12 557**	**14 286**	**14 286**	**15 843**	**16 565**	**17 323**
TOTAL CASH TRANSFERS AND GRANTS	6	**560**	**8 710**	**12 813**	**13 057**	**14 786**	**14 786**	**16 380**	**17 143**	**17 944**
Non-Cash Transfers to other municipalities										
Operational	1	–	–	–	–	–	–	–	–	–
Capital		–	–	–	–	–	–	–	–	–
Total Non-Cash Transfers To Municipalities:		–	–	–	–	–	–	–	–	–
Non-Cash Transfers to Entities/Other External Mechanisms										
Operational	2	–	–	–	–	–	–	–	–	–
Capital		–	–	–	–	–	–	–	–	–
Total Non-Cash Transfers To Entities/Ems'		–	–	–	–	–	–	–	–	–
Non-Cash Transfers to other Organs of State										
Operational	3	–	–	–	–	–	–	–	–	–
Capital		–	–	–	–	–	–	–	–	–
Total Non-Cash Transfers To Other Organs Of State:		–	–	–	–	–	–	–	–	–
Non-Cash Grants to Organisations										
Operational	4	–	–	–	–	–	–	–	–	–
Capital		–	–	–	–	–	–	–	–	–
Total Non-Cash Grants To Organisations		–	–	–	–	–	–	–	–	–
Non-Cash Transfers to Groups of Individuals										
Operational	5	–	–	–	–	–	–	–	–	–
Capital		–	–	–	–	–	–	–	–	–
Total Non-Cash Grants To Groups Of Individuals:		–	–	–	–	–	–	–	–	–
TOTAL NON-CASH TRANSFERS AND GRANTS		–	–	–	–	–	–	–	–	–
TOTAL TRANSFERS AND GRANTS	6	**560**	**8 710**	**12 813**	**13 057**	**14 786**	**14 786**	**16 380**	**17 143**	**17 944**

WC032 Overstrand - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		10 174	10 116	10 454	11 137	11 137	11 137	11 360	11 859	12 386
Pension and UIF Contributions		–	–	–	–	–	–	–	–	–
Medical Aid Contributions		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		–	–	–	–	–	–	–	–	–
Cellphone Allowance		1 108	1 102	1 085	1 199	1 199	1 199	1 154	1 154	1 154
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		–	–	–	–	–	–	–	–	–
Sub Total - Councillors		**11 282**	**11 219**	**11 538**	**12 335**	**12 335**	**12 335**	**12 514**	**13 014**	**13 540**
% increase	4		**(0.6%)**	**2.8%**	**6.9%**	**–**	**–**	**1.4%**	**4.0%**	**4.0%**
Senior Managers of the Municipality	2									
Basic Salaries and Wages		11 569	12 036	12 317	12 871	12 859	12 859	13 498	14 189	14 918
Pension and UIF Contributions		–	–	–	–	–	–	–	–	–
Medical Aid Contributions		–	–	–	–	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		136	139	96	149	149	149	101	106	112
Motor Vehicle Allowance	3	–	–	–	–	–	–	–	–	–
Cellphone Allowance	3	187	183	182	181	181	181	194	194	194
Housing Allowances	3	–	–	–	–	–	–	–	–	–
Other benefits and allowances	3	–	–	–	–	–	–	–	–	–
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		**11 891**	**12 358**	**12 595**	**13 201**	**13 188**	**13 188**	**13 793**	**14 490**	**15 224**
% increase	4		**3.9%**	**1.9%**	**4.8%**	**(0.1%)**	**–**	**4.6%**	**5.0%**	**5.1%**
Other Municipal Staff										
Basic Salaries and Wages		235 816	256 751	268 839	304 025	300 590	300 590	321 278	334 711	352 664
Pension and UIF Contributions		39 697	42 603	45 123	52 863	53 243	53 243	55 940	58 909	62 078
Medical Aid Contributions		13 141	13 951	14 510	17 116	17 168	17 168	18 074	19 041	20 060
Overtime		28 523	30 532	35 197	29 501	30 601	30 601	33 331	35 138	37 031
Performance Bonus		19 083	19 090	20 532	23 818	24 018	24 018	25 233	26 573	27 987
Motor Vehicle Allowance	3	7 923	8 115	8 136	8 321	8 321	8 321	8 869	9 346	9 847
Cellphone Allowance	3	1 942	1 967	2 003	2 184	2 215	2 215	2 300	2 424	2 554
Housing Allowances	3	2 507	2 741	1 707	1 829	1 884	1 884	1 985	2 091	2 204
Other benefits and allowances	3	19 975	22 610	27 708	29 730	30 443	30 443	31 926	33 648	35 452
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		4 855	3 047	3 689	3 945	4 205	4 205	3 945	3 310	3 739
Post-retirement benefit obligations	6	(4 578)	22 448	12 613	17 946	19 771	19 771	21 862	9 771	8 464
Sub Total - Other Municipal Staff		**368 883**	**423 855**	**440 056**	**491 277**	**492 459**	**492 459**	**524 742**	**534 962**	**562 080**
% increase	4		**14.9%**	**3.8%**	**11.6%**	**0.2%**	**–**	**6.6%**	**1.9%**	**5.1%**
Total Parent Municipality		**392 057**	**447 432**	**464 190**	**516 813**	**517 983**	**517 983**	**551 049**	**562 466**	**590 844**
			14.1%	**3.7%**	**11.3%**	**0.2%**	**–**	**6.4%**	**2.1%**	**5.0%**
TOTAL SALARY, ALLOWANCES & BENEFITS		**392 057**	**447 432**	**464 190**	**516 813**	**517 983**	**517 983**	**551 049**	**562 466**	**590 844**
% increase	4		**14.1%**	**3.7%**	**11.3%**	**0.2%**	**–**	**6.4%**	**2.1%**	**5.0%**
TOTAL MANAGERS AND STAFF	5,7	**380 774**	**436 214**	**452 651**	**504 478**	**505 647**	**505 647**	**538 535**	**549 452**	**577 304**

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	783 545	–	44 400	–	–	827 945
Chief Whip		–	–	–	–	–	–	–
Executive Mayor		1	967 105	–	44 400	–	–	1 011 505
Deputy Executive Mayor		1	774 152	–	44 400	–	–	818 552
Executive Committee		–	2 901 321	–	177 600	–	–	3 078 921
Total for all other councillors		–	5 933 390	–	843 600	–	–	6 776 990
Total Councillors	8	**3**	**11 359 513**	**–**	**1 154 400**			**12 513 913**
Senior Managers of the Municipality	5							
Municipal Manager (MM)		1	1 752 395	–	40 800	101 110	–	1 894 305
Chief Finance Officer		1	2 040 669	–	24 480	–	–	2 065 149
Management Services		1	1 944 037	–	24 480	–	–	1 968 517
Infrastructure and Planning		1	2 045 784	–	27 540	–	–	2 073 324
Protection Service		1	1 864 037	–	27 540	–	–	1 891 577
LED		1	1 899 118	–	24 480	–	–	1 923 598
List of each offical with packages >= senior manager								
Community Services		1	1 952 264	–	24 480	–	–	1 976 744
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
Total Senior Managers of the Municipality	8,10	**7**	**13 498 304**	**–**	**193 800**	**101 110**		**13 793 214**
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	**10**	**24 857 817**	**–**	**1 348 200**	**101 110**		**26 307 127**

WC032 Overstrand - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2021/22			Current Year 2022/23			Budget Year 2023/24		
Number	1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		25	7	–	27	7	–	27	7	–
Board Members of municipal entities	4			–			–			–
Municipal employees	5			–						
Municipal Manager and Senior Managers	3	7	7	–	7	7	–	7	6	–
Other Managers	7	51	51	–	52	49	–	52	47	–
Professionals		*29*	*23*	–	*30*	*22*	–	*30*	*24*	–
Finance		24	18	–	24	17	–	24	19	–
Spatial/town planning		2	2	–	2	2	–	2	2	–
Information Technology		1	1	–	1	1	–	1	1	–
Roads				–			–			
Electricity				–			–			
Water				–			–			
Sanitation				–			–			
Refuse				–			–			
Other		2	2	–	3	2	–	3	2	–
Technicians		*200*	*170*	*1*	*198*	*176*	*6*	*186*	*177*	–
Finance				–			–			
Spatial/town planning		11	10	–	11	11	5	11	10	–
Information Technology		5	4	1	6	5	1	6	5	–
Roads		10	7	–	10	10	–	10	10	–
Electricity		31	27	–	30	26	–	30	27	–
Water		21	19	–	21	18	–	21	18	–
Sanitation		2	2	–	2	2	–	2	2	–
Refuse		6	5	–	5	5	–	5	4	–
Other		114	96	–	113	99	–	101	101	–
Clerks (Clerical and administrative)		273	244	60	279	243	54	277	245	–
Service and sales workers		140	108	–	143	125	–	150	129	–
Skilled agricultural and fishery workers				–			8			
Craft and related trades				–			–			
Plant and Machine Operators		60	56	–	60	60	–	62	54	–
Elementary Occupations		426	416	122	428	406	32	424	403	–
TOTAL PERSONNEL NUMBERS	9	**1 211**	**1 082**	**183**	**1 224**	**1 095**	**100**	**1 215**	**1 092**	**–**
% increase					1.1%	1.2%	(45.4%)	(0.7%)	(0.3%)	(100.0%)
Total municipal employees headcount	6, 10	**1 186**	**1 082**		**1 199**	**1 095**		**1 200**	**1 085**	
Finance personnel headcount	8, 10	**114**	**104**		**114**	**101**		**114**	**101**	
Human Resources personnel headcount	8, 10	**18**	**17**		**22**	**17**		**20**	**17**	

WC032 Overstrand - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue																
Exchange Revenue																
Service charges - Electricity		49 470	49 470	49 470	49 470	49 470	49 470	49 470	49 470	49 470	49 470	49 470	49 470	593 645	692 904	752 413
Service charges - Water		12 272	12 272	12 272	12 272	12 272	12 272	12 272	12 272	12 272	12 272	12 272	12 272	147 269	156 593	165 876
Service charges - Waste Water Management		8 726	8 726	8 726	8 726	8 726	8 726	8 726	8 726	8 726	8 726	8 726	8 726	104 715	104 595	110 861
Service charges - Waste Management		7 119	7 119	7 119	7 119	7 119	7 119	7 119	7 119	7 119	7 119	7 119	7 119	85 430	95 948	101 664
Sale of Goods and Rendering of Services		10 973	10 973	10 973	10 973	10 973	10 973	10 973	10 973	10 973	10 973	10 973	10 973	131 673	112 040	119 146
Agency services		693	693	693	693	693	693	693	693	693	693	693	693	8 319	8 818	9 346
Interest		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest earned from Receivables		533	533	533	533	533	533	533	533	533	533	533	533	6 400	6 700	7 100
Interest earned from Current and Non Current Assets		3 483	3 483	3 483	3 483	3 483	3 483	3 483	3 483	3 483	3 483	3 483	3 483	41 800	44 600	47 700
Dividends		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rent on Land		94	94	94	94	94	94	94	94	94	94	94	94	1 127	1 149	1 173
Rental from Fixed Assets		470	470	470	470	470	470	470	470	470	470	470	471	5 646	5 975	6 290
Licence and permits		80	80	80	80	80	80	80	80	80	80	80	80	964	1 016	1 071
Operational Revenue		674	674	674	674	674	674	674	674	674	674	674	675	8 093	8 328	8 568
Non-Exchange Revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Property rates		28 376	28 376	28 376	28 376	28 376	28 376	28 376	28 376	28 376	28 376	28 376	28 376	340 506	357 532	375 408
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		1 633	1 633	1 633	1 633	1 633	1 633	1 633	1 633	1 633	1 633	1 633	1 633	19 597	20 768	22 009
Licences or permits		162	162	162	162	162	162	162	162	162	162	162	162	1 943	2 060	2 184
Transfer and subsidies - Operational		15 465	15 465	15 465	15 465	15 465	15 465	15 465	15 465	15 465	15 465	15 465	15 465	185 579	200 916	213 137
Interest		108	108	108	108	108	108	108	108	108	108	108	108	1 300	1 378	1 461
Fuel Levy		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Gains		–	–	–	–	–	–	–	–	–	–	–	7 900	7 900	8 000	8 100
Discontinued Operations		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		**140 334**	**140 334**	**140 334**	**140 334**	**140 334**	**140 334**	**140 334**	**140 334**	**140 334**	**140 334**	**140 334**	**148 235**	**1 691 906**	**1 829 319**	**1 953 508**
Expenditure																
Employee related costs		44 878	44 878	44 878	44 878	44 878	44 878	44 878	44 878	44 878	44 878	44 878	44 878	538 535	549 452	577 304
Remuneration of councillors		1 043	1 043	1 043	1 043	1 043	1 043	1 043	1 043	1 043	1 043	1 043	1 043	12 514	13 014	13 540
Inventory consumed		5 208	5 208	5 208	5 208	5 208	5 208	5 208	5 208	5 208	5 208	5 208	5 208	62 499	68 235	66 340
Debt impairment		1 618	1 618	1 618	1 618	1 618	1 618	1 618	1 618	1 618	1 618	1 618	1 618	19 414	19 608	19 804
Depreciation and amortisation		12 430	12 430	12 430	12 430	12 430	12 430	12 430	12 430	12 430	12 430	12 430	12 430	149 154	151 672	154 226
Bulk purchases - electricity		36 735	36 735	36 735	36 735	36 735	36 735	36 735	36 735	36 735	36 735	36 735	36 735	440 824	496 986	546 684
Interest		4 138	4 138	4 138	4 138	4 138	4 138	4 138	4 138	4 138	4 138	4 138	4 138	49 658	51 817	49 865
Contracted services		24 645	24 645	24 645	24 645	24 645	24 645	24 645	24 645	24 645	24 645	24 645	24 645	295 738	323 452	341 534
Transfers and subsidies		1 365	1 365	1 365	1 365	1 365	1 365	1 365	1 365	1 365	1 365	1 365	1 365	16 380	17 143	17 944
Irrecoverable debts written off		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational costs		13 688	13 688	13 688	13 688	13 688	13 688	13 688	13 688	13 688	13 688	13 688	13 688	164 254	164 414	144 258
Losses on disposal of Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Losses													–	–	–	–
Total Expenditure		**145 748**	**145 748**	**145 748**	**145 748**	**145 748**	**145 748**	**145 748**	**145 748**	**145 748**	**145 748**	**145 748**	**145 747**	**1 748 972**	**1 855 792**	**1 931 500**
Surplus/(Deficit)		**(5 414)**	**(5 414)**	**(5 414)**	**(5 414)**	**(5 414)**	**(5 414)**	**(5 414)**	**(5 414)**	**(5 414)**	**(5 414)**	**(5 414)**	**2 487**	**(57 066)**	**(26 473)**	**22 008**
Transfers and subsidies - capital (monetary allocations)		4 472	4 472	4 472	4 472	4 472	4 472	4 472	4 472	4 472	4 472	4 472	4 472	53 667	40 235	41 222
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		–	–	–	–	–	–	–	–	–	–	–	(3 399)	(3 399)	13 762	63 230
Income Tax		**(942)**	**(942)**	**(942)**	**(942)**	**(942)**	**(942)**	**(942)**	**(942)**	**(942)**	**(942)**	**(942)**	**3 561**	**(6 798)**	**27 523**	**126 460**
Surplus/(Deficit) after income tax		–	–	–	–	–	–	–	–	–	–	–	(3 399)	(3 399)	13 762	63 230
Surplus/(Deficit) attributable to municipality		–	–	–	–	–	–	–	–	–	–	–				
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	**(942)**	**(942)**	**(942)**	**(942)**	**(942)**	**(942)**	**(942)**	**(942)**	**(942)**	**(942)**	**(942)**	**6 960**	**(3 399)**	**13 762**	**63 230**

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

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue by Vote																
Vote 1 - Council & Mayor's Office		4 391	4 391	4 391	4 391	4 391	4 391	4 391	4 391	4 391	4 391	4 391	4 391	52 697	58 511	65 462
Vote 2 - Municipal Manager & Internal Audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 3 - Management Services		80	80	80	80	80	80	80	80	80	80	80	80	956	974	993
Vote 4 - Finance		33 378	33 378	33 378	33 378	33 378	33 378	33 378	33 378	33 378	33 378	33 378	33 378	400 540	421 055	442 968
Vote 5 - Infrastructure & Planning		66 618	66 618	66 618	66 618	66 618	66 618	66 618	66 618	66 618	66 618	66 618	66 618	799 411	877 455	943 255
Vote 6 - Protection Services		3 190	3 190	3 190	3 190	3 190	3 190	3 190	3 190	3 190	3 190	3 190	3 190	38 275	40 713	43 398
Vote 7 - Economic and Social Development & Tourism		302	302	302	302	302	302	302	302	302	302	302	302	3 628	66	70
Vote 8 - Community Services		37 505	37 505	37 505	37 505	37 505	37 505	37 505	37 505	37 505	37 505	37 505	37 506	450 066	470 780	498 584
Vote 9 - Costing Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Main Ledger Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue by Vote		**145 464**	**145 464**	**145 464**	**145 464**	**145 464**	**145 464**	**145 464**	**145 464**	**145 464**	**145 464**	**145 464**	**145 465**	**1 745 573**	**1 869 554**	**1 994 730**
Expenditure by Vote to be appropriated																
Vote 1 - Council & Mayor's Office		4 121	4 121	4 121	4 121	4 121	4 121	4 121	4 121	4 121	4 121	4 121	4 122	49 457	37 658	37 754
Vote 2 - Municipal Manager & Internal Audit		698	698	698	698	698	698	698	698	698	698	698	698	8 371	8 768	9 186
Vote 3 - Management Services		5 790	5 790	5 790	5 790	5 790	5 790	5 790	5 790	5 790	5 790	5 790	5 791	69 485	74 131	77 829
Vote 4 - Finance		8 953	8 953	8 953	8 953	8 953	8 953	8 953	8 953	8 953	8 953	8 953	8 954	107 441	113 042	119 256
Vote 5 - Infrastructure & Planning		68 901	68 901	68 901	68 901	68 901	68 901	68 901	68 901	68 901	68 901	68 901	68 902	826 814	901 456	936 755
Vote 6 - Protection Services		11 460	11 460	11 460	11 460	11 460	11 460	11 460	11 460	11 460	11 460	11 460	11 460	137 515	145 559	152 668
Vote 7 - Economic and Social Development & Tourism		1 615	1 615	1 615	1 615	1 615	1 615	1 615	1 615	1 615	1 615	1 615	1 615	19 382	16 369	17 064
Vote 8 - Community Services		44 209	44 209	44 209	44 209	44 209	44 209	44 209	44 209	44 209	44 209	44 209	44 212	530 506	558 809	580 988
Vote 9 - Costing Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Main Ledger Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure by Vote		**145 747**	**145 747**	**145 747**	**145 747**	**145 747**	**145 747**	**145 747**	**145 747**	**145 747**	**145 747**	**145 747**	**145 754**	**1 748 972**	**1 855 792**	**1 931 500**
Surplus/(Deficit) before assoc.		**(283)**	**(283)**	**(283)**	**(283)**	**(283)**	**(283)**	**(283)**	**(283)**	**(283)**	**(283)**	**(283)**	**(288)**	**(3 399)**	**13 762**	**63 230**
Surplus/(Deficit) after income tax		–	–	–	–	–	–	–	–	–	–	–	(3 399)	(3 399)	13 762	63 230
Surplus/(Deficit) attributable to municipality		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	**(283)**	**(283)**	**(283)**	**(283)**	**(283)**	**(283)**	**(283)**	**(283)**	**(283)**	**(283)**	**(283)**	**(288)**	**(3 399)**	**13 762**	**63 230**

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

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue - Functional																
Governance and administration		38 384	38 384	38 384	38 384	38 384	38 384	38 384	38 384	38 384	38 384	38 384	38 385	460 614	487 005	515 935
Executive and council		4 403	4 403	4 403	4 403	4 403	4 403	4 403	4 403	4 403	4 403	4 403	4 403	52 832	58 649	65 602
Finance and administration		33 982	33 982	33 982	33 982	33 982	33 982	33 982	33 982	33 982	33 982	33 982	33 982	407 781	428 357	450 333
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		14 980	14 980	14 980	14 980	14 980	14 980	14 980	14 980	14 980	14 980	14 980	14 980	179 758	166 843	181 807
Community and social services		732	732	732	732	732	732	732	732	732	732	732	732	8 785	9 130	9 539
Sport and recreation		1 604	1 604	1 604	1 604	1 604	1 604	1 604	1 604	1 604	1 604	1 604	1 604	19 243	25 098	30 360
Public safety		3 190	3 190	3 190	3 190	3 190	3 190	3 190	3 190	3 190	3 190	3 190	3 190	38 275	40 713	43 398
Housing		9 455	9 455	9 455	9 455	9 455	9 455	9 455	9 455	9 455	9 455	9 455	9 455	113 454	91 902	98 509
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		1 807	1 807	1 807	1 807	1 807	1 807	1 807	1 807	1 807	1 807	1 807	1 807	21 679	13 909	17 008
Planning and development		1 332	1 332	1 332	1 332	1 332	1 332	1 332	1 332	1 332	1 332	1 332	1 332	15 986	13 164	13 229
Road transport		471	471	471	471	471	471	471	471	471	471	471	471	5 650	700	3 732
Environmental protection		4	4	4	4	4	4	4	4	4	4	4	4	42	45	47
Trading services		90 294	90 294	90 294	90 294	90 294	90 294	90 294	90 294	90 294	90 294	90 294	90 294	1 083 523	1 201 796	1 279 979
Energy sources		55 745	55 745	55 745	55 745	55 745	55 745	55 745	55 745	55 745	55 745	55 745	55 745	668 939	767 034	826 170
Water management		14 130	14 130	14 130	14 130	14 130	14 130	14 130	14 130	14 130	14 130	14 130	14 130	169 564	175 192	185 679
Waste water management		11 699	11 699	11 699	11 699	11 699	11 699	11 699	11 699	11 699	11 699	11 699	11 699	140 386	142 708	143 925
Waste management		8 720	8 720	8 720	8 720	8 720	8 720	8 720	8 720	8 720	8 720	8 720	8 720	104 634	116 862	124 204
Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue - Functional		145 464	145 464	145 464	145 464	145 464	145 464	145 464	145 464	145 464	145 464	145 464	145 465	1 745 573	1 869 554	1 994 730
Expenditure - Functional																
Governance and administration		27 864	27 864	27 864	27 864	27 864	27 864	27 864	27 864	27 864	27 864	27 864	27 867	334 374	338 409	353 934
Executive and council		6 682	6 682	6 682	6 682	6 682	6 682	6 682	6 682	6 682	6 682	6 682	6 683	80 189	70 080	71 962
Finance and administration		20 818	20 818	20 818	20 818	20 818	20 818	20 818	20 818	20 818	20 818	20 818	20 820	249 820	263 743	277 153
Internal audit		364	364	364	364	364	364	364	364	364	364	364	364	4 366	4 586	4 819
Community and public safety		24 813	24 813	24 813	24 813	24 813	24 813	24 813	24 813	24 813	24 813	24 813	24 815	297 756	303 385	289 206
Community and social services		1 988	1 988	1 988	1 988	1 988	1 988	1 988	1 988	1 988	1 988	1 988	1 988	23 853	25 038	26 334
Sport and recreation		5 338	5 338	5 338	5 338	5 338	5 338	5 338	5 338	5 338	5 338	5 338	5 339	64 055	70 623	74 533
Public safety		11 019	11 019	11 019	11 019	11 019	11 019	11 019	11 019	11 019	11 019	11 019	11 020	132 228	139 628	146 420
Housing		6 468	6 468	6 468	6 468	6 468	6 468	6 468	6 468	6 468	6 468	6 468	6 468	77 620	68 096	41 919
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		17 591	17 591	17 591	17 591	17 591	17 591	17 591	17 591	17 591	17 591	17 591	17 591	211 088	224 165	234 704
Planning and development		4 761	4 761	4 761	4 761	4 761	4 761	4 761	4 761	4 761	4 761	4 761	4 761	57 133	56 025	58 748
Road transport		10 783	10 783	10 783	10 783	10 783	10 783	10 783	10 783	10 783	10 783	10 783	10 783	129 394	134 762	140 554
Environmental protection		2 047	2 047	2 047	2 047	2 047	2 047	2 047	2 047	2 047	2 047	2 047	2 047	24 561	33 377	35 402
Trading services		75 137	75 137	75 137	75 137	75 137	75 137	75 137	75 137	75 137	75 137	75 137	75 139	901 649	985 586	1 049 252
Energy sources		44 883	44 883	44 883	44 883	44 883	44 883	44 883	44 883	44 883	44 883	44 883	44 883	538 594	598 735	645 641
Water management		12 128	12 128	12 128	12 128	12 128	12 128	12 128	12 128	12 128	12 128	12 128	12 128	145 534	155 404	162 098
Waste water management		10 137	10 137	10 137	10 137	10 137	10 137	10 137	10 137	10 137	10 137	10 137	10 138	121 648	128 306	133 494
Waste management		7 989	7 989	7 989	7 989	7 989	7 989	7 989	7 989	7 989	7 989	7 989	7 990	95 874	103 141	108 019
Other		342	342	342	342	342	342	342	342	342	342	342	342	4 104	4 247	4 403
Total Expenditure - Functional		145 747	145 747	145 747	145 747	145 747	145 747	145 747	145 747	145 747	145 747	145 747	145 754	1 748 972	1 855 792	1 931 500
Surplus/(Deficit) before assoc.		(283)	(283)	(283)	(283)	(283)	(283)	(283)	(283)	(283)	(283)	(283)	(288)	(3 399)	13 762	63 230
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	(283)	(283)	(283)	(283)	(283)	(283)	(283)	(283)	(283)	(283)	(283)	(288)	(3 399)	13 762	63 230

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

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Multi-year expenditure *to be appropriated*	1															
Vote 1 - Council & Mayor's Office		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager & Internal Audit		–	–	–	500	1 500	800	–	700	500	500	500	–	5 000	–	–
Vote 3 - Management Services		100	–	–	305	500	250	300	–	5	100	200	455	2 215	–	–
Vote 4 - Finance		–	–	20	–	–	–	20	–	–	20	–	–	60	–	–
Vote 5 - Infrastructure & Planning		167	167	25 877	4 167	2 717	41 356	5 067	15 167	30 415	12 967	12 112	42 410	192 586	130 325	164 442
Vote 6 - Protection Services		–	–	150	–	–	–	–	–	150	–	–	–	300	–	–
Vote 7 - Economic and Social Development & Tourism		–	–	–	–	–	23	–	–	–	–	–	23	45	–	–
Vote 8 - Community Services		–	–	184	–	–	184	–	–	184	–	–	184	735	–	–
Vote 9 - Costing Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Main Ledger Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	2	**267**	**167**	**26 231**	**4 972**	**4 717**	**42 612**	**5 387**	**15 867**	**31 253**	**13 587**	**12 812**	**43 071**	**200 941**	**130 325**	**164 442**
Single-year expenditure *to be appropriated*																
Vote 1 - Council & Mayor's Office		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager & Internal Audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 3 - Management Services		–	–	–	–	–	300	300	300	300	300	300	–	1 800	–	–
Vote 4 - Finance		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 5 - Infrastructure & Planning		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 6 - Protection Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 7 - Economic and Social Development & Tourism		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 8 - Community Services		–	–	–	–	–	437	–	–	–	–	–	437	875	–	–
Vote 9 - Costing Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Main Ledger Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total	2	**–**	**–**	**–**	**–**	**–**	**737**	**300**	**300**	**300**	**300**	**300**	**437**	**2 675**	**–**	**–**
Total Capital Expenditure	2	**267**	**167**	**26 231**	**4 972**	**4 717**	**43 350**	**5 687**	**16 167**	**31 553**	**13 887**	**13 112**	**43 508**	**203 615**	**130 325**	**164 442**

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

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital Expenditure - Functional	1															
Governance and administration		100	–	20	805	2 000	1 350	620	1 000	805	920	1 000	455	9 075	–	–
Executive and council		–	–	–	500	1 500	800	–	700	500	500	500	5	5 005	–	–
Finance and administration		100	–	20	305	500	550	620	300	305	420	500	450	4 070	–	–
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		–	–	12 445	–	–	12 732	–	–	12 445	–	–	12 732	50 354	41 788	79 461
Community and social services		–	–	184	–	–	184	–	–	184	–	–	184	735	–	–
Sport and recreation		–	–	1 639	–	–	2 076	–	–	1 639	–	–	2 076	7 429	11 698	16 241
Public safety		–	–	150	–	–	–	–	–	150	–	–	–	300	–	–
Housing		–	–	10 473	–	–	10 473	–	–	10 473	–	–	10 473	41 890	30 090	63 220
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		–	–	–	1 000	100	1 023	100	1 000	100	–	1 045	1 023	5 390	–	2 981
Planning and development		–	–	–	–	100	23	100	–	100	–	45	23	390	–	–
Road transport		–	–	–	1 000	–	1 000	–	1 000	–	–	1 000	1 000	5 000	–	2 981
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		167	167	13 766	3 167	2 617	28 245	4 967	14 167	18 204	12 967	11 067	29 298	138 796	88 537	82 000
Energy sources		–	–	3 384	–	2 200	9 270	2 500	9 000	5 404	9 500	6 500	8 770	56 528	33 500	34 000
Water management		167	167	2 517	167	167	9 042	267	167	2 417	267	167	10 095	25 603	33 500	25 700
Waste water management		–	–	7 866	3 000	250	9 733	2 200	5 000	10 383	3 200	4 400	10 233	56 265	21 537	17 800
Waste management		–	–	–	–	–	200	–	–	–	–	–	200	400	–	4 500
Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	2	267	167	26 231	4 972	4 717	43 350	5 687	16 167	31 553	13 887	13 112	43 508	203 615	130 325	164 442
Funded by:																
National Government		–	–	4 001	1 000	2 000	7 889	2 000	5 000	9 889	6 000	8 000	7 889	53 667	40 235	41 222
Provincial Government		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
District Municipality		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other transfers and grants		–	–	10 473	–	–	10 473	–	–	10 473	–	–	10 473	41 890	30 090	63 220
Transfers recognised - capital		–	–	14 473	1 000	2 000	18 361	2 000	5 000	20 361	6 000	8 000	18 361	95 557	70 325	104 442
Public contributions & donations		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing		167	167	11 404	3 167	617	22 737	2 967	10 167	9 954	6 967	4 067	22 837	95 214	60 000	60 000
Internally generated funds		100	–	354	805	2 100	2 252	720	1 000	1 239	920	1 045	2 310	12 845	–	–
Total Capital Funding		267	167	26 231	4 972	4 717	43 350	5 687	16 167	31 553	13 887	13 112	43 508	203 615	130 325	164 442

WC032 Overstrand - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Cash Receipts By Source													1		
Property rates	28 064	28 064	28 064	28 064	28 064	28 064	28 064	28 064	28 064	28 064	28 064	28 064	336 765	355 850	373 663
Service charges - electricity revenue	49 159	49 159	49 159	49 159	49 159	49 159	49 159	49 159	49 159	49 159	49 159	49 159	589 904	691 223	750 668
Service charges - water revenue	11 961	11 961	11 961	11 961	11 961	11 961	11 961	11 961	11 961	11 961	11 961	11 961	143 528	154 912	164 130
Service charges - sanitation revenue	8 414	8 414	8 414	8 414	8 414	8 414	8 414	8 414	8 414	8 414	8 414	8 414	100 974	102 914	109 115
Service charges - refuse revenue	6 807	6 807	6 807	6 807	6 807	6 807	6 807	6 807	6 807	6 807	6 807	6 807	81 689	94 267	99 918
Rental of facilities and equipment	564	564	564	564	564	564	564	564	564	564	564	564	6 773	7 124	7 463
Interest earned - external investments	3 592	3 592	3 592	3 592	3 592	3 592	3 592	3 592	3 592	3 592	3 592	3 592	43 100	45 978	49 161
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	362	362	362	362	362	362	362	362	362	362	362	362	4 341	5 360	6 447
Licences and permits	242	242	242	242	242	242	242	242	242	242	242	242	2 907	3 076	3 255
Agency services	693	693	693	693	693	693	693	693	693	693	693	693	8 319	8 818	9 346
Transfers and Subsidies - Operational	15 465	15 465	15 465	15 465	15 465	15 465	15 465	15 465	15 465	15 465	15 465	15 465	185 579	200 916	213 137
Other revenue	11 648	11 648	11 648	11 648	11 648	11 648	11 648	11 648	11 648	11 648	11 648	11 648	139 782	120 378	127 724
Cash Receipts by Source	**136 972**	**136 972**	**136 972**	**136 972**	**136 972**	**136 972**	**136 972**	**136 972**	**136 972**	**136 972**	**136 972**	**136 972**	**1 643 661**	**1 790 814**	**1 914 027**
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations)	4 472	4 472	4 472	4 472	4 472	4 472	4 472	4 472	4 472	4 472	4 472	4 472	53 667	40 235	41 222
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on Disposal of Fixed and Intangible Assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Short term loans	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–	50 000	–	–	–	–	–	–	50 000	50 000	60 000
Increase (decrease) in consumer deposits	1 833	1 833	1 833	1 833	1 833	1 833	1 833	1 833	1 833	1 833	1 833	1 833	22 000	2 000	2 000
Decrease (increase) in non-current receivables	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	(415)	(415)	(415)	(415)	(415)	(415)	(415)	(415)	(415)	(415)	(415)	(415)	(4 980)	(4 980)	(4 980)
Total Cash Receipts by Source	**142 862**	**142 862**	**142 862**	**142 862**	**142 862**	**192 862**	**142 862**	**142 862**	**142 862**	**142 862**	**142 862**	**142 863**	**1 764 348**	**1 878 069**	**2 012 269**
Cash Payments by Type															
Employee related costs	(43 843)	(43 843)	(43 843)	(43 843)	(43 843)	(43 843)	(43 843)	(43 843)	(43 843)	(43 843)	(43 843)	(43 843)	(526 120)	(546 715)	(576 118)
Remuneration of councillors	(1 043)	(1 043)	(1 043)	(1 043)	(1 043)	(1 043)	(1 043)	(1 043)	(1 043)	(1 043)	(1 043)	(1 043)	(12 514)	(13 014)	(13 540)
Finance charges	(4 138)	(4 138)	(4 138)	(4 138)	(4 138)	(4 138)	(4 138)	(4 138)	(4 138)	(4 138)	(4 138)	(4 138)	(49 658)	(51 817)	(49 865)
Bulk purchases - Electricity	(36 735)	(36 735)	(36 735)	(36 735)	(36 735)	(36 735)	(36 735)	(36 735)	(36 735)	(36 735)	(36 735)	(36 735)	(440 824)	(496 986)	(546 684)
Bulk purchases - Water & Sewer												–	–		
Other materials	(5 208)	(5 208)	(5 208)	(5 208)	(5 208)	(5 208)	(5 208)	(5 208)	(5 208)	(5 208)	(5 208)	(5 208)	(62 499)	(68 235)	(66 340)
Contracted services	(24 645)	(24 645)	(24 645)	(24 645)	(24 645)	(24 645)	(24 645)	(24 645)	(24 645)	(24 645)	(24 645)	(24 645)	(295 738)	(323 452)	(341 534)
Transfers and grants - other municipalities												–	–		
Transfers and grants - other	(1 365)	(1 365)	(1 365)	(1 365)	(1 365)	(1 365)	(1 365)	(1 365)	(1 365)	(1 365)	(1 365)	(1 365)	(16 380)	(17 143)	(17 944)
Other expenditure	(8 064)	(8 064)	(8 064)	(8 064)	(8 064)	(8 064)	(8 064)	(8 064)	(8 064)	(8 064)	(8 064)	(8 064)	(96 768)	(182 234)	(60 235)
Cash Payments by Type	**(125 042)**	**(125 042)**	**(125 042)**	**(125 042)**	**(125 042)**	**(125 042)**	**(125 042)**	**(125 042)**	**(125 042)**	**(125 042)**	**(125 042)**	**(125 042)**	**(1 500 502)**	**(1 699 595)**	**(1 672 261)**
Other Cash Flows/Payments by Type															
Capital assets	(267)	(167)	(26 231)	(4 972)	(4 717)	(43 350)	(5 687)	(16 167)	(31 553)	(13 887)	(13 112)	(43 508)	(203 615)	(130 325)	(164 442)
Repayment of borrowing	(4 854)	(4 854)	(4 854)	(4 854)	(4 854)	(4 854)	(4 854)	(4 854)	(4 854)	(4 854)	(4 854)	(4 854)	(58 245)	(40 907)	(154 740)
Other Cash Flows/Payments												–			
Total Cash Payments by Type	**(130 162)**	**(130 062)**	**(156 126)**	**(134 867)**	**(134 612)**	**(173 245)**	**(135 582)**	**(146 062)**	**(161 449)**	**(143 782)**	**(143 007)**	**(173 403)**	**(1 762 363)**	**(1 870 827)**	**(1 991 443)**
NET INCREASE/(DECREASE) IN CASH HELD	**12 700**	**12 800**	**(13 264)**	**7 995**	**8 250**	**19 617**	**7 280**	**(3 200)**	**(18 587)**	**(920)**	**(145)**	**(30 541)**	**1 985**	**7 242**	**20 826**
Cash/cash equivalents at the month/year begin:	525 264	537 964	550 764	537 499	545 494	553 744	573 361	580 641	577 441	558 854	557 934	557 789	525 264	527 249	534 490
Cash/cash equivalents at the month/year end:	537 964	550 764	537 499	545 494	553 744	573 361	580 641	577 441	558 854	557 934	557 789	527 249	527 249	534 490	555 317

WC032 Overstrand - NOT REQUIRED - municipality does not have entities

Description R million	Ref	2019/20 Audited Outcome	2020/21 Audited Outcome	2021/22 Audited Outcome	Current Year 2022/23 Original Budget	 Adjusted Budget	 Full Year Forecast	2023/24 Medium Term Revenue & Expenditure Framework Budget Year 2023/24	 Budget Year +1 2024/25	 Budget Year +2 2025/26
Financial Performance										
Property rates		–	–	–	–	–	–	–	–	–
Service charges		–	–	–	–	–	–	–	–	–
Investment revenue		–	–	–	–	–	–	–	–	–
Transfer and subsidies - Operational		–	–	–	–	–	–	–	–	–
Other own revenue		–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		–	–	–	–	–	–	–	–	–
Employee costs		–	–	–	–	–	–	–	–	–
Remuneration of Board Members		–	–	–	–	–	–	–	–	–
Depreciation and amortisation		–	–	–	–	–	–	–	–	–
Finance charges		–	–	–	–	–	–	–	–	–
Inventory consumed and bulk purchases		–	–	–	–	–	–	–	–	–
Transfers and subsidies		–	–	–	–	–	–	–	–	–
Other expenditure		–	–	–	–	–	–	–	–	–
Total Expenditure		–	–	–	–	–	–	–	–	–
Surplus/(Deficit)		–	–	–	–	–	–	–	–	–
Capital expenditure & funds sources										
Capital expenditure										
Transfers recognised - capital		–	–	–	–	–	–	–	–	–
Public contributions & donations		–	–	–	–	–	–	–	–	–
Borrowing		–	–	–	–	–	–	–	–	–
Internally generated funds		–	–	–	–	–	–	–	–	–
Total sources		–	–	–	–	–	–	–	–	–
Financial position										
Total current assets		–	–	–	–	–	–	–	–	–
Total non current assets		–	–	–	–	–	–	–	–	–
Total current liabilities		–	–	–	–	–	–	–	–	–
Total non current liabilities		–	–	–	–	–	–	–	–	–
Community wealth/Equity		–	–	–	–	–	–	–	–	–
Cash flows										
Net cash from (used) operating		–	–	–	–	–	–	–	–	–
Net cash from (used) investing		–	–	–	–	–	–	–	–	–
Net cash from (used) financing		–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end		–	–	–	–	–	–	–	–	–

WC032 Overstrand - Supporting Table SA32 List of external mechanisms

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1. Number	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2. R thousand
Outsourcing of sub function water and waste water treatm	Yrs	15	Outsourcing of sub function water and waste water treatm	07 December 2033	1 468 477
Outsourcing of sub function operation of landfil site	Yrs	13	Outsourcing of sub function operation of landfil site	30 November 2032	103 240
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 2022/23	2023/24 Medium Term Revenue & Expenditure Framework			Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Forecast 2032/33	Total Contract Value
R thousand	1,3	Total	Original Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality:														
Revenue Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3														–
Contract 4														–
Contract 5														–
Contract 6														–
Contract 7														–
Contract 8														–
Contract 9														–
Contract 10														–
Contract 11														–
Contract 12														–
Contract 13														–
Contract 14														–
Contract 15														–
Contract 16														–
Contract 17														–
Contract 18														–
Contract 19														–
Contract 20														–
Total Operating Revenue Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Expenditure Obligation By Contract	2													
Contract 1: SC1890/2018: WATER & WASTE WATER TREATMENT OPERATIONS MANAGEMENT CONTRACT.		198 699	78 609	84 111	89 999	96 298	102 076	108 200	114 692	121 574	128 868	136 601	144 797	1 404 525
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		14 663	6 400	7 040	7 392	7 762	8 150	8 557	8 985	9 434	9 906	10 401	4 551	103 240
Contract 3 SC1933/2018: PROVISION FOR BANKING SERVICES		4 274	1 582	1 675	–	–	–	–	–	–	–	–	–	7 531
Contract 4														–
Contract 5														–
Contract 6														–
Contract 7														–
Contract 8														–
Contract 9														–
Contract 10														–
Contract 11														–
Contract 12														–
Contract 13														–
Contract 14														–
Contract 15														–
Contract 16														–
Contract 17														–
Contract 18														–
Contract 19														–
Contract 20														–
Total Operating Expenditure Implication		217 636	86 591	92 826	97 391	104 060	110 226	116 758	123 677	131 008	138 774	147 002	149 347	1 515 296
Capital Expenditure Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3														–
Contract 4														–
Contract 5														–
Contract 6														–
Contract 7														–
Contract 8														–
Contract 9														–
Contract 10														–
Contract 11														–
Contract 12														–
Contract 13														–
Contract 14														–
Contract 15														–
Contract 16														–
Contract 17														–
Contract 18														–
Contract 19														–
Contract 20														–
Total Capital Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Total Parent Expenditure Implication		**217 636**	**86 591**	**92 826**	**97 391**	**104 060**	**110 226**	**116 758**	**123 677**	**131 008**	**138 774**	**147 002**	**149 347**	1 515 296

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

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		**76 763**	**91 712**	**45 748**	**85 364**	**80 451**	**80 451**	**82 383**	**40 600**	**30 181**
Roads Infrastructure		5 638	20 553	7 714	12 255	15 274	15 274	5 000	–	2 981
Roads		5 638	20 553	7 714	12 255	15 274	15 274	5 000	–	2 981
Road Structures		–	–	–	–	–	–	–	–	–
Road Furniture		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		7 918	14 169	4 724	1 636	1 636	1 636	12 732	7 000	–
Drainage Collection			557	–	–	–	–	–	–	–
Storm water Conveyance		7 918	13 612	4 724	1 636	1 636	1 636	12 732	7 000	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		13 557	9 392	18 244	53 500	50 249	50 249	45 797	21 500	19 000
Power Plants			–	–	–	–	–	–	–	–
HV Substations			–	–	–	–	–	–	–	–
HV Switching Station			–	–	–	–	–	–	–	–
HV Transmission Conductors			–	–	–	–	–	–	–	–
MV Substations		4 869	693	16 453	37 500	32 749	32 749	18 417	–	–
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		8 688	8 699	1 791	16 000	17 500	17 500	27 380	21 500	19 000
LV Networks			–	–	–	–	–	–	–	–
Capital Spares			–	–	–	–	–	–	–	–
Water Supply Infrastructure		29 001	22 404	3 171	12 483	9 626	9 626	10 953	10 600	4 700
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		4 356	3 808	2 180	4 803	4 803	4 803	7 000	2 100	4 700
Reservoirs		14 717	15 728	–	–	–	–	–	–	–
Pump Stations		–	–	–	7 000	4 645	4 645	–	–	–
Water Treatment Works			–	–	–	–	–	3 000	8 500	–
Bulk Mains		–	–	–	–	–	–	–	–	–
Distribution		9 928	2 868	991	680	178	178	953	–	–
Distribution Points			–	–	–	–	–	–	–	–
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		13 339	12 940	8 923	4 020	2 416	2 416	7 500	1 500	3 000
Pump Station		169	–	–	–	–	–	–	–	–
Reticulation		9 864	12 940	8 923	4 020	2 416	2 416	–	–	–
Waste Water Treatment Works		3 306	–	–	–	–	–	7 500	1 500	3 000
Outfall Sewers			–	–	–	–	–	–	–	–
Toilet Facilities			–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		7 311	12 254	2 972	1 470	1 250	1 250	400	–	500
Landfill Sites		7 311	–	–	–	–	–	–	–	–
Waste Transfer Stations			–	2 972	1 250	1 250	1 250	–	–	500
Waste Processing Facilities			12 254	–	220	–	–	–	–	–
Waste Drop-off Points			–	–	–	–	–	400	–	–
Waste Separation Facilities			–	–	–	–	–	–	–	–
Electricity Generation Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines		–	–	–	–	–	–	–	–	–
Rail Structures		–	–	–	–	–	–	–	–	–
Rail Furniture		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps		–	–	–	–	–	–	–	–	–
Piers		–	–	–	–	–	–	–	–	–
Revetments		–	–	–	–	–	–	–	–	–
Promenades		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Data Centres		–	–	–	–	–	–	–	–	–
Core Layers		–	–	–	–	–	–	–	–	–
Distribution Layers		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Community Assets		**4 531**	**25 999**	**9 187**	**10 951**	**9 261**	**9 261**	**5 875**	**–**	**5 000**
Community Facilities		2 084	10 999	4 140	6 701	4 463	4 463	5 000	–	–

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Halls		–	4 759	1 564	–	–	–	–	–	–
Centres		–	–	–	–	–	–	–	–	–
Crèches		578	–	–	–	–	–	–	–	–
Clinics/Care Centres		–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations		–	–	–	–	–	–	–	–	–
Testing Stations		44	–	1 046	–	–	–	–	–	–
Museums		–	–	–	–	–	–	–	–	–
Galleries		–	–	–	–	–	–	–	–	–
Theatres		–	–	–	–	–	–	–	–	–
Libraries		–	295	–	4 374	1 370	1 370	–	–	–
Cemeteries/Crematoria		207	1 232	–	–	–	–	–	–	–
Police		–	–	–	–	–	–	–	–	–
Parks		139	49	–	87	87	87	–	–	–
Public Open Space		1 073	3 902	206	1 050	1 816	1 816	5 000	–	–
Nature Reserves		–	–	–	–	–	–	–	–	–
Public Ablution Facilities		44	140	918	1 190	1 190	1 190	–	–	–
Markets			–	–	–	–	–	–	–	–
Stalls			278	–	–	–	–	–	–	–
Abattoirs			–	–	–	–	–	–	–	–
Airports			–	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals			345	406	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		2 447	15 000	5 047	4 250	4 797	4 797	875	–	5 000
Indoor Facilities			–	–	–	–	–	–	–	–
Outdoor Facilities		2 447	15 000	5 047	4 250	4 797	4 797	875	–	5 000
Capital Spares		–	–	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Monuments		–	–	–	–	–	–	–	–	–
Historic Buildings		–	–	–	–	–	–	–	–	–
Works of Art		–	–	–	–	–	–	–	–	–
Conservation Areas		–	–	–	–	–	–	–	–	–
Other Heritage		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property		–	–	–	–	–	–	–	–	–
Unimproved Property		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property		–	–	–	–	–	–	–	–	–
Unimproved Property		–	–	–	–	–	–	–	–	–
Other assets		**87 502**	**54 179**	**50 440**	**41 802**	**44 506**	**44 506**	**41 890**	**30 090**	**63 220**
Operational Buildings		1 749	4 581	1 410	3 017	2 295	2 295	–	–	–
Municipal Offices		1 749	4 581	1 410	3 017	2 295	2 295	–	–	–
Pay/Enquiry Points			–	–	–	–	–	–	–	–
Building Plan Offices			–	–	–	–	–	–	–	–
Workshops		–	–	–	–	–	–	–	–	–
Yards		–	–	–	–	–	–	–	–	–
Stores		–	–	–	–	–	–	–	–	–
Laboratories		–	–	–	–	–	–	–	–	–
Training Centres		–	–	–	–	–	–	–	–	–
Manufacturing Plant		–	–	–	–	–	–	–	–	–
Depots		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Housing		85 753	49 598	49 031	38 785	42 211	42 211	41 890	30 090	63 220
Staff Housing		–	–	–	–	–	–	–	–	–
Social Housing		85 753	49 598	49 031	38 785	42 211	42 211	41 890	30 090	63 220
Capital Spares		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	21	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	21	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Water Rights		–	–	–	–	–	–	–	–	–
Effluent Licenses		–	–	–	–	–	–	–	–	–
Solid Waste Licenses		–	–	–	–	–	–	–	–	–
Computer Software and Applications		–	–	–	–	–	–	–	–	–
Load Settlement Software Applications		–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	–	–	–	–	–

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Computer Equipment		3 345	5 152	3 240	1 888	1 962	1 962	4 000	–	–
Computer Equipment		3 345	5 152	3 240	1 888	1 962	1 962	4 000	–	–
Furniture and Office Equipment		246	802	2 910	765	1 065	1 065	765	–	–
Furniture and Office Equipment		246	802	2 910	765	1 065	1 065	765	–	–
Machinery and Equipment		533	486	1 363	1 185	1 385	1 385	735	–	–
Machinery and Equipment		533	486	1 363	1 185	1 385	1 385	735	–	–
Transport Assets		15 884	21 189	6 806	–	7 289	7 289	–	–	–
Transport Assets		15 884	21 189	6 806	–	7 289	7 289	–	–	–
Land		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Living resources		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Policing and Protection		–	–	–	–	–	–	–	–	–
Zoological plants and animals		–	–	–	–	–	–	–	–	–
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection		–	–	–	–	–	–	–	–	–
Zoological plants and animals		–	–	–	–	–	–	–	–	–
Total Capital Expenditure on new assets	1	**188 804**	**199 520**	**119 714**	**141 955**	**145 918**	**145 918**	**135 647**	**70 690**	**98 401**

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

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		**3 606**	**15 499**	**30 964**	**20 730**	**20 936**	**20 936**	**16 300**	**25 100**	**27 200**
Roads Infrastructure		8	–	–	–	–	–	–	–	–
Roads		8	–	–	–	–	–	–	–	–
Road Structures		–	–	–	–	–	–	–	–	–
Road Furniture		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	915	1 000	1 058	1 058	1 058	1 500	2 000	2 000
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations		–	–	–	–	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
MV Switching Stations		–	915	1 000	1 058	1 058	1 058	1 500	2 000	2 000
MV Networks		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		887	11 297	29 964	19 172	19 228	19 228	14 100	22 400	20 500
Dams and Weirs			–	–	–	–	–	–	–	–
Boreholes			–	–	–	–	–	–	–	–
Reservoirs			–	–	–	–	–	–	–	–
Pump Stations			1 327	–	500	1 274	1 274	500	500	500
Water Treatment Works			–	9 309	–	–	–	–	–	–
Bulk Mains			–	–	–	–	–	–	–	–
Distribution		887	9 970	20 655	18 672	17 954	17 954	13 600	21 900	20 000
Distribution Points			–	–	–	–	–	–	–	–
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		2 711	3 287	–	500	650	650	700	700	700
Pump Station		2 711	–	–	500	650	650	700	700	700
Reticulation			–	–	–	–	–	–	–	–
Waste Water Treatment Works			–	–	–	–	–	–	–	–
Outfall Sewers			3 287	–	–	–	–	–	–	–
Toilet Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	4 000
Landfill Sites		–	–	–	–	–	–	–	–	4 000
Waste Transfer Stations		–	–	–	–	–	–	–	–	–
Waste Processing Facilities		–	–	–	–	–	–	–	–	–
Waste Drop-off Points		–	–	–	–	–	–	–	–	–
Waste Separation Facilities		–	–	–	–	–	–	–	–	–
Electricity Generation Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines		–	–	–	–	–	–	–	–	–
Rail Structures		–	–	–	–	–	–	–	–	–
Rail Furniture		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps		–	–	–	–	–	–	–	–	–
Piers		–	–	–	–	–	–	–	–	–
Revetments		–	–	–	–	–	–	–	–	–
Promenades		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Data Centres		–	–	–	–	–	–	–	–	–
Core Layers		–	–	–	–	–	–	–	–	–
Distribution Layers		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Community Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Community Facilities		–	–	–	–	–	–	–	–	–

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
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		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	–	–	–
Municipal Offices		–	–	–	–	–	–	–	–	–
Pay/Enquiry Points		–	–	–	–	–	–	–	–	–
Building Plan Offices		–	–	–	–	–	–	–	–	–
Workshops		–	–	–	–	–	–	–	–	–
Yards		–	–	–	–	–	–	–	–	–
Stores		–	–	–	–	–	–	–	–	–
Laboratories		–	–	–	–	–	–	–	–	–
Training Centres		–	–	–	–	–	–	–	–	–
Manufacturing Plant		–	–	–	–	–	–	–	–	–
Depots		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Staff Housing		–	–	–	–	–	–	–	–	–
Social Housing		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Water Rights		–	–	–	–	–	–	–	–	–
Effluent Licenses		–	–	–	–	–	–	–	–	–
Solid Waste Licenses		–	–	–	–	–	–	–	–	–
Computer Software and Applications		–	–	–	–	–	–	–	–	–
Load Settlement Software Applications		–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	–	–	–	–	–

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
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	**3 606**	**15 499**	**30 964**	**20 730**	**20 936**	**20 936**	**16 300**	**25 100**	**27 200**
Renewal of Existing Assets as % of total capex		*19.3%*	*6.1%*	*16.1%*	*8.8%*	*10.2%*	*10.2%*	*8.0%*	*19.3%*	*16.5%*
Renewal of Existing Assets as % of deprecn"		*2.7%*	*11.1%*	*21.1%*	*14.1%*	*14.3%*	*14.3%*	*10.9%*	*16.5%*	*17.6%*

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

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		**134 766**	**140 742**	**141 079**	**161 349**	**148 822**	**148 822**	**168 080**	**179 101**	**183 172**
Roads Infrastructure		65 691	67 439	64 340	72 275	60 564	60 564	75 266	79 593	84 168
Roads		61 812	64 190	64 340	72 275	60 564	60 564	75 266	79 593	84 168
Road Structures		3 879	3 249	–	–	–	–	–	–	–
Road Furniture		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		4 749	5 584	6 870	7 335	6 545	6 545	6 469	6 836	7 224
Drainage Collection		2 558	2 515	–	–	–	–	–	–	–
Storm water Conveyance		2 192	3 069	6 870	7 335	6 545	6 545	6 469	6 836	7 224
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		36 812	31 045	30 721	39 232	38 565	38 565	41 404	45 107	41 533
Power Plants		383	436	–	–	–	–	–	–	–
HV Substations		–	–	–	–	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	25	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		33 018	28 149	–	–	–	–	–	–	–
LV Networks		3 411	2 435	30 721	39 232	38 565	38 565	41 404	45 107	41 533
Capital Spares		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		16 161	21 046	21 088	22 142	22 089	22 089	23 527	24 847	26 242
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		–	–	–	–	–	–	–	–	–
Reservoirs		–	–	–	–	–	–	–	–	–
Pump Stations		–	–	–	–	–	–	–	–	–
Water Treatment Works		–	–	272	297	297	297	312	329	347
Bulk Mains		–	–	–	–	–	–	–	–	–
Distribution		16 161	21 046	18 916	19 083	19 141	19 141	20 317	21 456	22 660
Distribution Points		–	–	1 900	2 761	2 650	2 650	2 898	3 062	3 236
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		10 072	12 980	11 710	13 044	13 465	13 465	13 718	14 494	15 314
Pump Station		–	–	–	–	–	–	–	–	–
Reticulation		800	–	6 507	7 386	7 691	7 691	7 815	8 237	8 682
Waste Water Treatment Works		9 134	12 980	5 203	5 658	5 774	5 774	5 903	6 257	6 633
Outfall Sewers		138	–	–	–	–	–	–	–	–
Toilet Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		1 168	2 535	6 351	7 320	7 593	7 593	7 697	8 224	8 691
Landfill Sites		36	61	–	–	–	–	–	–	–
Waste Transfer Stations		11	1 186	–	–	–	–	–	–	–
Waste Processing Facilities		152	272	1 574	2 397	2 397	2 397	2 517	2 759	2 925
Waste Drop-off Points		929	1 009	4 777	4 924	5 196	5 196	5 180	5 465	5 766
Waste Separation Facilities		39	7	–	–	–	–	–	–	–
Electricity Generation Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines		–	–	–	–	–	–	–	–	–
Rail Structures		–	–	–	–	–	–	–	–	–
Rail Furniture		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		113	110	–	–	–	–	–	–	–
Sand Pumps		–	–	–	–	–	–	–	–	–
Piers		–	–	–	–	–	–	–	–	–
Revetments		–	–	–	–	–	–	–	–	–
Promenades		113	110	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	1	–	–	–	–	–	–	–
Data Centres		–	1	–	–	–	–	–	–	–
Core Layers		–	–	–	–	–	–	–	–	–
Distribution Layers		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Community Assets		**33 597**	**44 371**	**50 376**	**58 365**	**58 426**	**58 426**	**62 282**	**68 850**	**72 693**
Community Facilities		29 422	37 364	37 455	43 516	44 407	44 407	47 164	49 790	52 562

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Halls		3 502	5 332	4 464	6 029	6 296	6 296	7 200	7 605	8 032
Centres		–	67	–	–	–	–	–	–	–
Crèches		–	–	–	–	–	–	–	–	–
Clinics/Care Centres		–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations		344	440	–	–	–	–	–	–	–
Testing Stations		–	54	–	–	–	–	–	–	–
Museums		–	–	–	–	–	–	–	–	–
Galleries		–	–	–	–	–	–	–	–	–
Theatres		–	–	–	–	–	–	–	–	–
Libraries		93	121	–	–	1 559	1 559	1 785	1 892	2 006
Cemeteries/Crematoria		693	967	1 037	1 112	880	880	948	1 001	1 057
Police		209	358	–	–	–	–	–	–	–
Parks		20 368	25 542	27 586	31 703	30 780	30 780	32 063	33 831	35 698
Public Open Space		4 213	4 304	3 886	3 684	3 904	3 904	4 187	4 425	4 677
Nature Reserves		–	–	–	–	–	–	–	–	–
Public Ablution Facilities		–	178	482	988	988	988	982	1 036	1 093
Markets		–	–	–	–	–	–	–	–	–
Stalls		–	–	–	–	–	–	–	–	–
Abattoirs		–	–	–	–	–	–	–	–	–
Airports		–	–	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		4 176	7 007	12 921	14 849	14 019	14 019	15 119	19 060	20 131
Indoor Facilities		–	–	–	–	–	–	–	–	–
Outdoor Facilities		4 176	7 007	12 921	14 849	14 019	14 019	15 119	19 060	20 131
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		**1 582**	**2 137**	**15 056**	**15 246**	**19 382**	**19 382**	**18 438**	**25 359**	**26 838**
Operational Buildings		1 582	2 136	15 056	15 246	19 382	19 382	18 438	25 359	26 838
Municipal Offices		1 539	2 086	15 048	15 208	18 754	18 754	18 400	25 321	26 800
Pay/Enquiry Points		–	–	–	–	–	–	–	–	–
Building Plan Offices		28	35	–	–	590	590	–	–	–
Workshops		–	–	–	–	–	–	–	–	–
Yards		–	–	–	–	–	–	–	–	–
Stores		15	–	–	–	–	–	–	–	–
Laboratories		–	–	–	–	–	–	–	–	–
Training Centres		–	–	–	–	–	–	–	–	–
Manufacturing Plant		–	–	–	–	–	–	–	–	–
Depots		–	16	8	38	38	38	38	38	38
Capital Spares		–	–	–	–	–	–	–	–	–
Housing		–	1	–	–	–	–	–	–	–
Staff Housing		–	–	–	–	–	–	–	–	–
Social Housing		–	1	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		6 009	5 672	5 915	6 994	7 212	7 212	8 331	8 737	9 174
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		6 009	5 672	5 915	6 994	7 212	7 212	8 331	8 737	9 174
Water Rights		–	–	–	–	–	–	–	–	–
Effluent Licenses		–	–	–	–	–	–	–	–	–
Solid Waste Licenses		–	–	–	–	–	–	–	–	–
Computer Software and Applications		6 009	5 672	5 915	6 994	7 212	7 212	8 331	8 737	9 174
Load Settlement Software Applications		–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	–	–	–	–	–

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Computer Equipment		766	1 947	2 490	2 280	2 386	2 386	2 423	2 740	2 979
Computer Equipment		766	1 947	2 490	2 280	2 386	2 386	2 423	2 740	2 979
Furniture and Office Equipment		242	1 128	5 004	6 330	12 310	12 310	6 812	6 882	7 227
Furniture and Office Equipment		242	1 128	5 004	6 330	12 310	12 310	6 812	6 882	7 227
Machinery and Equipment		–	–	4 059	5 601	4 963	4 963	6 036	6 241	6 574
Machinery and Equipment		–	–	4 059	5 601	4 963	4 963	6 036	6 241	6 574
Transport Assets		12 853	15 521	21 406	11 779	18 385	18 385	16 214	17 145	18 132
Transport Assets		12 853	15 521	21 406	11 779	18 385	18 385	16 214	17 145	18 132
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	**189 815**	**211 518**	**245 386**	**267 944**	**271 885**	**271 885**	**288 616**	**315 056**	**326 790**
R&M as a % of PPE		*78460.1%*	*31228.8%*	*40254.5%*	*0.0%*	*50176.8%*	*50176.8%*	*0.0%*	*66450.4%*	*80412.8%*
R&M as % Operating Expenditure		*15.9%*	*16.0%*	*16.4%*	*16.8%*	*16.9%*	*16.9%*	*28.5%*	*18.0%*	*17.6%*

WC032 Overstrand - Supporting Table SA34d Depreciation by asset class

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Depreciation by Asset Class/Sub-class										
Infrastructure		**106 974**	**102 449**	**123 129**	**119 152**	**119 152**	**119 152**	**123 442**	**125 532**	**127 652**
Roads Infrastructure		33 574	34 090	36 312	37 723	37 723	37 723	39 180	39 644	40 114
Roads		33 574	34 090	36 312	37 723	37 723	37 723	39 180	39 644	40 114
Road Structures		–	–	–	–	–	–	–	–	–
Road Furniture		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		6 342	6 781	7 231	7 993	7 993	7 993	8 480	8 572	8 665
Drainage Collection		6 342	6 781	7 231	7 993	7 993	7 993	8 480	8 572	8 665
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		26 300	12 375	28 582	29 061	29 061	29 061	27 408	28 012	28 626
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations		–	–	–	–	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		–	–	–	–	–	–	–	–	–
LV Networks		25 917	11 939	26 305	29 061	29 061	29 061	27 408	28 012	28 626
Capital Spares		383	436	2 277	–	–	–	–	–	–
Water Supply Infrastructure		27 731	28 367	28 222	23 565	23 565	23 565	24 455	24 898	25 346
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		–	–	–	–	–	–	–	–	–
Reservoirs		–	–	–	–	–	–	–	–	–
Pump Stations		–	–	–	–	–	–	–	–	–
Water Treatment Works		–	–	–	–	–	–	–	–	–
Bulk Mains		–	–	–	–	–	–	–	–	–
Distribution		27 731	28 367	27 021	23 565	23 565	23 565	24 455	24 898	25 346
Distribution Points		–	–	–	–	–	–	–	–	–
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	1 201	–	–	–	–	–	–
Sanitation Infrastructure		9 843	17 989	19 712	17 550	17 550	17 550	20 619	21 049	21 486
Pump Station		–	–	–	–	–	–	–	–	–
Reticulation		–	–	–	–	–	–	–	–	–
Waste Water Treatment Works		9 784	17 989	19 448	17 550	17 550	17 550	20 619	21 049	21 486
Outfall Sewers		–	–	–	–	–	–	–	–	–
Toilet Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		59	–	264	–	–	–	–	–	–
Solid Waste Infrastructure		3 184	2 846	3 070	3 260	3 260	3 260	3 301	3 357	3 415
Landfill Sites		3 184	2 846	2 898	3 260	3 260	3 260	3 301	3 357	3 415
Waste Transfer Stations		–	–	–	–	–	–	–	–	–
Waste Processing Facilities		–	–	–	–	–	–	–	–	–
Waste Drop-off Points		–	–	–	–	–	–	–	–	–
Waste Separation Facilities		–	–	–	–	–	–	–	–	–
Electricity Generation Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	172	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines		–	–	–	–	–	–	–	–	–
Rail Structures		–	–	–	–	–	–	–	–	–
Rail Furniture		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps		–	–	–	–	–	–	–	–	–
Piers		–	–	–	–	–	–	–	–	–
Revetments		–	–	–	–	–	–	–	–	–
Promenades		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Data Centres		–	–	–	–	–	–	–	–	–
Core Layers		–	–	–	–	–	–	–	–	–
Distribution Layers		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Community Assets		**–**	**10 055**	**10 888**	**–**	**–**	**–**	**–**	**–**	**–**
Community Facilities		–	10 055	10 888	–	–	–	–	–	–

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Halls		–	–	10 888	–	–	–	–	–	–
Centres		–	10 055	–	–	–	–	–	–	–
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		**11 636**	**1 993**	**3 567**	**14 913**	**14 913**	**14 913**	**16 874**	**17 201**	**17 533**
Operational Buildings		11 636	1 993	3 567	14 913	14 913	14 913	16 874	17 201	17 533
Municipal Offices		11 636	1 993	3 567	14 913	14 913	14 913	16 874	17 201	17 533
Pay/Enquiry Points		–	–	–	–	–	–	–	–	–
Building Plan Offices		–	–	–	–	–	–	–	–	–
Workshops		–	–	–	–	–	–	–	–	–
Yards		–	–	–	–	–	–	–	–	–
Stores		–	–	–	–	–	–	–	–	–
Laboratories		–	–	–	–	–	–	–	–	–
Training Centres		–	–	–	–	–	–	–	–	–
Manufacturing Plant		–	–	–	–	–	–	–	–	–
Depots		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Staff Housing		–	–	–	–	–	–	–	–	–
Social Housing		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	68	68	68	68	68	68	68
Biological or Cultivated Assets		–	–	68	68	68	68	68	68	68
Intangible Assets		447	431	290	400	400	400	294	307	325
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		447	431	290	400	400	400	294	307	325
Water Rights		–	–	–	–	–	–	–	–	–
Effluent Licenses		–	–	–	–	–	–	–	–	–
Solid Waste Licenses		–	–	–	–	–	–	–	–	–
Computer Software and Applications		447	431	290	400	400	400	294	307	325
Load Settlement Software Applications		–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	–	–	–	–	–

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Computer Equipment		–	–	22	–	–	–	–	–	–
Computer Equipment		–	–	22	–	–	–	–	–	–
Furniture and Office Equipment		8 921	2 060	2 067	3 535	3 535	3 535	2 610	2 636	2 662
Furniture and Office Equipment		8 921	2 060	2 067	3 535	3 535	3 535	2 610	2 636	2 662
Machinery and Equipment		2 678	19 074	925	1 617	1 617	1 617	1 188	1 200	1 213
Machinery and Equipment		2 678	19 074	925	1 617	1 617	1 617	1 188	1 200	1 213
Transport Assets		3 918	4 049	6 048	6 911	6 911	6 911	4 679	4 729	4 773
Transport Assets		3 918	4 049	6 048	6 911	6 911	6 911	4 679	4 729	4 773
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 Depreciation	1	**134 574**	**140 110**	**147 004**	**146 596**	**146 596**	**146 596**	**149 154**	**151 672**	**154 226**

References

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

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

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		**11 051**	**31 980**	**41 698**	**72 800**	**38 828**	**38 828**	**45 114**	**22 837**	**27 600**
Roads Infrastructure		–	181	–	–	–	–	–	–	–
Roads		–	181	–	–	–	–	–	–	–
Road Structures		–	–	–	–	–	–	–	–	–
Road Furniture		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		1 285	12 258	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		1 285	12 258	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		7 871	120	7 173	10 831	1 600	1 600	9 231	10 000	13 000
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations		–	–	–	–	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		7 871	120	7 173	10 831	1 600	1 600	9 231	10 000	13 000
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		1 863	1 873	3 586	8 315	6 935	6 935	550	500	500
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		–	–	–	–	–	–	–	–	–
Reservoirs		–	–	–	–	–	–	–	–	–
Pump Stations		–	–	–	1 000	1 000	1 000	–	–	–
Water Treatment Works		–	–	–	–	–	–	–	–	–
Bulk Mains		–	–	–	–	–	–	–	–	–
Distribution		1 863	1 873	3 586	7 315	5 935	5 935	550	500	500
Distribution Points		–	–	–	–	–	–	–	–	–
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		32	14 286	30 939	51 581	28 219	28 219	35 333	12 337	14 100
Pump Station		–	5 074	23 626	27 539	17 291	17 291	4 800	2 000	–
Reticulation		32	8 802	4 790	500	350	350	800	600	600
Waste Water Treatment Works		–	410	2 524	23 542	10 578	10 578	29 733	9 737	13 500
Outfall Sewers		–	–	–	–	–	–	–	–	–
Toilet Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	3 262	–	2 074	2 074	2 074	–	–	–
Landfill Sites		–	1 851	–	–	–	–	–	–	–
Waste Transfer Stations		–	1 412	–	–	–	–	–	–	–
Waste Processing Facilities		–	–	–	–	–	–	–	–	–
Waste Drop-off Points		–	–	–	2 074	2 074	2 074	–	–	–
Waste Separation Facilities		–	–	–	–	–	–	–	–	–
Electricity Generation Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines		–	–	–	–	–	–	–	–	–
Rail Structures		–	–	–	–	–	–	–	–	–
Rail Furniture		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps		–	–	–	–	–	–	–	–	–
Piers		–	–	–	–	–	–	–	–	–
Revetments		–	–	–	–	–	–	–	–	–
Promenades		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Data Centres		–	–	–	–	–	–	–	–	–
Core Layers		–	–	–	–	–	–	–	–	–
Distribution Layers		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Community Assets		**7 534**	**7 801**	**–**	**534**	**534**	**534**	**6 554**	**11 698**	**11 241**
Community Facilities		–	830	–	334	334	334	–	–	–

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Halls		–	–	–	–	–	–	–	–	–
Centres		–	–	–	–	–	–	–	–	–
Crèches		–	–	–	–	–	–	–	–	–
Clinics/Care Centres		–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations		–	–	–	–	–	–	–	–	–
Testing Stations		–	–	–	–	–	–	–	–	–
Museums		–	–	–	–	–	–	–	–	–
Galleries		–	–	–	–	–	–	–	–	–
Theatres		–	–	–	–	–	–	–	–	–
Libraries		–	–	–	–	–	–	–	–	–
Cemeteries/Crematoria		–	–	–	–	–	–	–	–	–
Police		–	–	–	–	–	–	–	–	–
Parks		–	322	–	–	–	–	–	–	–
Public Open Space		–	482	–	–	–	–	–	–	–
Nature Reserves		–	–	–	–	–	–	–	–	–
Public Ablution Facilities		–	–	–	–	–	–	–	–	–
Markets		–	–	–	–	–	–	–	–	–
Stalls		–	–	–	–	–	–	–	–	–
Abattoirs		–	–	–	–	–	–	–	–	–
Airports		–	–	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals		–	26	–	334	334	334	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		7 534	6 971	–	200	200	200	6 554	11 698	11 241
Indoor Facilities		–	–	–	–	–	–	–	–	–
Outdoor Facilities		7 534	6 971	–	200	200	200	6 554	11 698	11 241
Capital Spares		–	–	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Monuments		–	–	–	–	–	–	–	–	–
Historic Buildings		–	–	–	–	–	–	–	–	–
Works of Art		–	–	–	–	–	–	–	–	–
Conservation Areas		–	–	–	–	–	–	–	–	–
Other Heritage		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property		–	–	–	–	–	–	–	–	–
Unimproved Property		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property		–	–	–	–	–	–	–	–	–
Unimproved Property		–	–	–	–	–	–	–	–	–
Other assets		61	–	–	–	–	–	–	–	–
Operational Buildings		61	–	–	–	–	–	–	–	–
Municipal Offices		–	–	–	–	–	–	–	–	–
Pay/Enquiry Points		–	–	–	–	–	–	–	–	–
Building Plan Offices		–	–	–	–	–	–	–	–	–
Workshops		–	–	–	–	–	–	–	–	–
Yards		61	–	–	–	–	–	–	–	–
Stores		–	–	–	–	–	–	–	–	–
Laboratories		–	–	–	–	–	–	–	–	–
Training Centres		–	–	–	–	–	–	–	–	–
Manufacturing Plant		–	–	–	–	–	–	–	–	–
Depots		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Staff Housing		–	–	–	–	–	–	–	–	–
Social Housing		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Water Rights		–	–	–	–	–	–	–	–	–
Effluent Licenses		–	–	–	–	–	–	–	–	–
Solid Waste Licenses		–	–	–	–	–	–	–	–	–
Computer Software and Applications		–	–	–	–	–	–	–	–	–
Load Settlement Software Applications		–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	–	–	–	–	–

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
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	**18 646**	**39 781**	**41 698**	**73 335**	**39 362**	**39 362**	**51 668**	**34 535**	**38 841**
Upgrading of Existing Assets as % of total capex		*0.0%*	*15.6%*	*21.7%*	*31.1%*	*19.1%*	*19.1%*	*25.4%*	*26.5%*	*23.6%*
Upgrading of Existing Assets as % of deprecn"		*13.9%*	*28.4%*	*28.4%*	*50.0%*	*26.9%*	*26.9%*	*34.6%*	*22.8%*	*25.2%*

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

Vote Description R thousand	Ref	2023/24 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Present value
Capital expenditure	1							
Vote 1 - Council & Mayor's Office		–	–	–				
Vote 2 - Municipal Manager & Internal Audit		5 000	–	–				
Vote 3 - Management Services		4 015	–	–				
Vote 4 - Finance		60	–	–				
Vote 5 - Infrastructure & Planning		192 586	130 325	164 442	172 006	179 919	188 195	
Vote 6 - Protection Services		300	–	–				
Vote 7 - Economic and Social Development & Tourism		45	–	–				
Vote 8 - Community Services		1 610	–	–				
Vote 9 - Costing Services		–	–	–				
Vote 10 - Main Ledger Services		–	–	–				
List entity summary if applicable								
Total Capital Expenditure		**203 615**	**130 325**	**164 442**	**172 006**	**179 919**	**188 195**	**–**
Future operational costs by vote	2							
Vote 1 - Council & Mayor's Office		49 457	37 658	37 754	25 196	26 355	27 568	
Vote 2 - Municipal Manager & Internal Audit		3 371	8 768	9 186	937	980	1 025	
Vote 3 - Management Services		65 470	74 131	77 829	40 173	42 021	43 953	
Vote 4 - Finance		107 381	113 042	119 256	55 568	58 124	60 798	
Vote 5 - Infrastructure & Planning		634 229	771 131	772 313	711 771	744 512	778 760	
Vote 6 - Protection Services		137 215	145 559	152 668	52 585	55 004	57 534	
Vote 7 - Economic and Social Development & Tourism		19 337	16 369	17 064	3 635	3 802	3 977	
Vote 8 - Community Services		528 896	558 809	580 988	345 683	361 584	378 217	
Vote 9 - Costing Services		–	–	–	–	–	–	
Vote 10 - Main Ledger Services		–	–	–	–	–	–	
List entity summary if applicable								
Total future operational costs		1 545 356	1 725 468	1 767 058	1 235 547	1 292 382	1 351 832	–
Future revenue by source	3							
Service charges - Electricity		593 645	692 904	752 413	787 024	823 227	861 096	
Service charges - Water		147 269	156 593	165 876	173 506	181 488	189 836	
Service charges - Waste Water Management		104 715	104 595	110 861	115 960	121 295	126 874	
Service charges - Waste Management		85 430	95 948	101 664	106 340	111 232	116 349	
Sale of Goods and Rendering of Services		131 673	112 040	119 146	124 627	130 360	136 356	
Interest		41 800	44 600	47 700	0	0	0	
Dividends		–	–	–	–	–	–	
Rent on Land		1 127	1 149	1 173	1 227	1 284	1 343	
Rental from Fixed Assets		5 646	5 975	6 290	6 579	6 882	7 199	
Licence and permits		964	1 016	1 071	1 120	1 171	1 225	
Operational Revenue		8 093	8 328	8 568	8 962	9 374	9 805	
Non-Exchange Revenue		–	–	–	–	–	–	
Property rates		340 506	357 532	375 408	392 677	410 740	429 634	
Surcharges and Taxes		–	–	–	–	–	–	
Other Gains		7 900	8 000	8 100	–	–	–	
Transfers and subsidies - capital (monetary allocations)		53 667	40 235	41 222	43 118	45 102	47 176	
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	
Surplus/(Deficit) after capital transfers & contributions		(3 399)	13 762	63 230				
Transfer and subsidies - Operational		185 579	200 916	213 137	–	–	–	
Total future revenue		1 704 614	1 843 592	2 015 858	1 761 141	1 842 154	1 926 893	–
Net Financial Implications		**44 358**	**12 201**	**(84 359)**	**(353 588)**	**(369 853)**	**(386 866)**	**–**

WC032 Overstrand - Supporting Table SA36 Detailed capital budget

R thousand													2023/24 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 2021/22	Current Year 2022/23 Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Parent municipality:															
List all capital projects grouped by Function															
EXECUTIVE & COUNCIL											3	5			
	MINOR ASSETS COUNCIL	New	*A capable, ethical and developmental state*	*Governance*	1	*Furniture and Office Equipment*	*Other*	Overstrand	Overstrand	*Overstrand*			5		
	COMMUNITY PROJECTS	New	*A capable, ethical and developmental state*	*Governance*	1	*Community Facilities*	*Other*	Overstrand	Overstrand				5 000		
FINANCE AND ADMINISTRATION											3 759	1 870			
	DELL POWEREDGE R750 SERVER (X3)	New	*A capable, ethical and developmental state*	*Governance*	1	*Computer Equipment*	*Other*	Overstrand	Overstrand	*Overstrand*			1 800		
	UPS REPLACEMENT	New	*A capable, ethical and developmental state*	*Governance*	1	*Computer Equipment*	*Other*	Overstrand	Overstrand	*Overstrand*			500		
	EMERGENCY AND OPERATIONAL DIGITAL RADIO SYSTE	New	*A capable, ethical and developmental state*	*Governance*	1	*Computer Equipment*	*Other*	Overstrand	Overstrand	*Overstrand*			700		
	MINOR ASSETS FINANCE	New	*A capable, ethical and developmental state*	*Governance*	1	*Furniture and Office Equipment*	*Other*	Overstrand	Overstrand	*Overstrand*			60		
	MINOR ASSETS MANAGEMENT SERVICES	New	*A capable, ethical and developmental state*	*Governance*	1	*Furniture and Office Equipment*	*Other*	Overstrand	Overstrand	*Overstrand*			10		
	MINOR ASSETS ICT ORGANIZATION WIDE	New	*A capable, ethical and developmental state*	*Governance*	1	*Computer Equipment*	*Other*	Overstrand	Overstrand	*Overstrand*			1 000		
PUBLIC SAFETY											7 998	6 042			
	MINOR ASSETS PROTECTION SERVICES	New	*Social cohesion and safe communities*	*Governance*	4	*Furniture and Office Equipment*	*Other*	Overstrand	Overstrand	*Overstrand*			300		
PLANNING & DEVELOPMENT											2 656	1 844			
	MINOR ASSETS LED	New	*A capable, ethical and developmental state*	*Inclusion and access*	5	*Furniture and Office Equipment*	*Other*	Overstrand	Overstrand	*Overstrand*			45		
	MINOR ASSETS INFRASTRUCTURE &PLANNING	New	*A capable, ethical and developmental state*	*Inclusion and access*	5	*Furniture and Office Equipment*	*Other*	Overstrand	Overstrand	*Overstrand*			345		
COMMUNITY SERVICES											1 458	4 781			
	MINOR ASSETS COMMUNITY SERVICES	New	*A capable, ethical and developmental state*	*Inclusion and access*	3	*Furniture and Office Equipment*	*Other*	Overstrand	Overstrand	*Overstrand*			735		
SPORT & RECREATION											5 047	3 047			
	UPGRADE HAWSTON SPORT COMPLEX	Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	4	*Sport and Recreation Facilities*	*Outdoor Facilities*	Ward 08	19.219 Degrees	*34.419 Degrees*			6 554	3 698	8 241
	UPGRADE MOUNT PLEASANT SPORT GROUNDS	New	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	4	*Sport and Recreation Facilities*	*Outdoor Facilities*	Ward 04	19.219 Degrees	*34.419 Degrees*				6 000	
	FLOODLIGHTS OVERHILLS SOCCERFIELD	Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	4	*Sport and Recreation Facilities*	*Outdoor Facilities*	Ward 10	34°20'07.1"S Degrees	*18°59'47.1"E Degrees*					
	UPGRADE OF KLEINMOND SPORT FACILITIES	Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	4	*Sport and Recreation Facilities*	*Outdoor Facilities*	Ward 09	34°20'37,0"S Degrees	*19°00'46,8"E Degrees*					3 000
	MOOIUITSIG SPORTS GROUNDS	Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	4	*Sport and Recreation Facilities*	*Outdoor Facilities*	Ward 09							2 000
	REFURBISHMENT OF OVERHILLS SOCCER COMPLEX	Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	4	*Sport and Recreation Facilities*	*Outdoor Facilities*	Ward 10					875		
	UPGRADE HAWSTON SWIMMING POOL	Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	4	*Sport and Recreation Facilities*	*Outdoor Facilities*	Ward 08	34°23'09.91"S Degrees	*19°07'56.01"E Degrees*	49 031	44 311		2 000	3 000
HOUSING															
	LCH SERVICES CONSTRUCTION CONTRACTS	New	*Spatial integration, human settlements and local government*	*Spatial integration*	4	*Housing*	*Social Housing*	Overstrand	Overstrand	*Overstrand*			41 890	30 090	63 220
ROADS											8 748	16 824			
	REHABILITATE ROADS BLOMPARK	New	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	5	*Roads Infrastructure*	*Roads*	Ward 14	34°35'54.86"S Degrees	*19°20'49.51"E Degrees*			2 000		
	REHABILITATE ROADS AND SIDEWALKS MASAKHANE	New	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	5	*Roads Infrastructure*	*Roads*	Ward 02	19°21'39"E Degrees	*34°35'30"S Degrees*					2 981
	REHABILITATE ROADS STANFORD	Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	5	*Roads Infrastructure*	*Roads*	Ward 01	Degrees 19.448	*-34.451 Degrees*			3 000		
ELECTRICITY											28 253	52 907			
	FKRAAL KBAAI BHEAD NEW 66 11KV SUBSTATION (F1/4)	Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Substations*	Multi-ward Gb Area	34°37'5.14"S Degrees	*19°20'3.08"E Degrees*			5 000		
	FKRAAL KBAAI BHEAD NEW 66 11KV SUBSTATION (F2/4)	Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Substations*	Multi-ward Gb Area	34°37'5.14"S Degrees	*19°20'3.08"E Degrees*			5 800		
	FKRAAL KBAAI BHEAD NEW 66 11KV SUBSTATION (F3/4)	Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Substations*	Multi-ward Gb Area	34°37'5.14"S Degrees	*19°20'3.08"E Degrees*			7 100		
	FKRAAL KBAAI BHEAD NEW 66 11KV SUBSTATION (F4/4)	Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Substations*	Multi-ward Gb Area	34°37'5.14"S Degrees	*19°20'3.08"E Degrees*			517		
	GANSBAAI STANFORD MV LV UPGRADE REPLACEMENT	Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Substations*	Multi-ward Gb Area	34°35'54.86"S Degrees	*19°20'49.51"E Degrees*				3 500	4 000
	ELECTRIFICATION OF LOW COST HOUSING AREAS (F1/2)	New	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	Overstrand	Overstrand	*Overstrand*			24 380	15 000	15 000
	ELECTRIFICATION OF LOW COST HOUSING AREAS (F1/2)	New	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	Overstrand	Overstrand	*Overstrand*			3 000	3 000	
	HERMANUS MV LV UPGRADE REPLACEMENT(F1/3)	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	Ward 03	34°25'16.83"S Degrees	*19°13'00.62"E Degrees*				5 000	6 500
	HERMANUS MV LV UPGRADE REPLACEMENT(F2/3)	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	Ward 03	34°25'16.83"S Degrees	*19°13'00.62"E Degrees*			2 600		
	HERMANUS MV LV UPGRADE REPLACEMENT(F3/3)	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	Ward 03	34°25'16.83"S Degrees	*19°13'00.62"E Degrees*			2 600		
	KLEINMOND MV LV NETWORK UPGRADE(F1/2)	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	Ward 09	34°20'18.35"S Degrees	*19°01'35.31"E Degrees*				2 500	4 000
	KLEINMOND MV LV NETWORK UPGRADE(F2/2)	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	Ward 09	34°20'18.35"S Degrees	*19°01'35.31"E Degrees*			2 016		
	HAWSTON MV LV UPGRADE REPLACEMENT(F1/2)	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	Ward 08	34°23'09.91"S Degrees	*19°07'56.01"E Degrees*				2 500	2 500
	HAWSTON MV LV UPGRADE REPLACEMENT(F1/2)	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	Ward 08	34°23'09.91"S Degrees	*19°07'56.01"E Degrees*			2 015		
	ELECTRICITY TRANSFORMERS CAPITAL REPLACEMENT	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	Overstrand	Overstrand	*Overstrand*			1 500	2 000	2 000
WATER											36 721	35 789			
	REFURBISHMENT OF BULK WATER INFRASTRUCTURE	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Reticulation*	Overstrand	Overstrand	*Overstrand*			1 000	1 000	1 000
	WATER MASTER PLAN IMPLEMENTATION	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Reticulation*	Overstrand	Overstrand	*Overstrand*			953		
	FENCING AT WATER INSTALLATIONS	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Reticulation*	Overstrand	Overstrand	*Overstrand*			550	500	500
	REPLACEMENT OF OVERSTRAND WATER PIPES(F1/2)	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Reticulation*	Overstrand	Overstrand	*Overstrand*			8 000	7 000	6 000
	REPLACEMENT OF OVERSTRAND WATER PIPES(F2/2)	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Pump Stations*	Overstrand	Overstrand	*Overstrand*			3 450		
	WATER FACILITIES CONTINGENCY	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Water Treatment Works*	Overstrand	Overstrand	*Overstrand*			500	500	500
	REFURBISHMENT OF KLEINMOND BUFFELS RIVER WTW	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Water Treatment Works*	Multi-ward Kleinmond Area	19.019° E Degrees	*34.329° S Degrees*				13 100	13 000
	UPGRADE HERMANUS WELL FIELDS PHASE 2(F1/2)	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Distribution*	Multi-ward Hermanus Area	19.237° E Degrees	*34.376° S Degrees*			2 000	2 100	4 700
	UPGRADE HERMANUS WELL FIELDS PHASE 2(F1/2)	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Distribution*	Multi-ward Hermanus Area	19.237° E Degrees	*34.376° S Degrees*			5 000		
	DE KELDERS WTW MEMBRANE REPLACEMENT	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Distribution*	Ward 14	19.370° E / -34.556° S	*19.370° E / -34.556° S*				800	
	PEARLY BEACH WATER TOWER REFURBISH	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Water Treatment Works*	Ward 11	34°18'25,2"S Degrees	*34°18'25,2"S Degrees*			750		
	PREEKSTOEL BIO PLANT FILTERS REFURBISH	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Water Treatment Works*	Ward 03	19.207° E / -34.408° S	*19.207° E / -34.408° S*			400		
	PEARLY BEACH WTW PROCESS UPGRADE	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Water Treatment Works*	Ward 11	34°18'25,2"S Degrees	*34°18'25,2"S Degrees*			3 000		
	NEW DISINFECTION SYSTEM AT PREEKSTOEL WTW	New	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Reticulation*	Multi-ward Hermanus	34°23'52.81"S Degrees	*34°23'52.81"S Degrees*				8 500	
SEWERAGE											41 007	31 285			
	SEWERAGE FACILITIES CONTINGENCY	Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Sanitation Infrastructure*	*Waste Water Treatment Works*	Overstrand	Overstrand	*Overstrand*			700	700	700
	KLEINMOND WWTW REFURBISH UPGRADE (F1/3)	Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Sanitation Infrastructure*	*Waste Water Treatment Works*	Multi-ward Kleinmond Area	18.986° E Degrees	*34.342° S Degrees*			8 900		
	KLEINMOND WWTW REFURBISH UPGRADE (F2/3)	Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Sanitation Infrastructure*	*Waste Water Treatment Works*	Multi-ward Kleinmond Area	18.986° E Degrees	*34.342° S Degrees*			16 401		
	KLEINMOND WWTW REFURBISH UPGRADE (F3/3)	Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Sanitation Infrastructure*	*Waste Water Treatment Works*	Multi-ward Kleinmond Area	18.986° E Degrees	*34.342° S Degrees*			3 232		
	FENCING AT SEWERAGE INSTALLATIONS	Replacement	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Sanitation Infrastructure*	*Waste Water Treatment Works*	Overstrand	19.210° E Degrees	*34.425° S Degrees*			800	600	600
	UPGRADING OF PUMPSTATIONS & RISING MAINS (F1/2)	Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Sanitation Infrastructure*	*Waste Water Treatment Works*	Overstrand	19.209° E Degrees	*34.427° S Degrees*			4 800	2 000	
	HERMANUS WWTW UPGRADE SCREENS RAS SLUDGE D	Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Sanitation Infrastructure*	*Waste Water Treatment Works*	Multi-ward Hermanus Area	19.209° E Degrees	*34.427° S Degrees*			1 200	3 200	1 500
	HAWSTON WWTW REFURBISH AND UPGRADE(F1/2)	Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Sanitation Infrastructure*	*Waste Water Treatment Works*	Ward 08	34°23'09.91"S Degrees	*19°07'56.01"E Degrees*				6 537	7 000
	HAWSTON WWTW REFURBISH AND UPGRADE(F2/2)	Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Sanitation Infrastructure*	*Waste Water Treatment Works*	Ward 08	34°23'09.91"S Degrees	*19°07'56.01"E Degrees*					5 000
	GANSBAAI WWTW 2ND REACTOR COMMISSION	Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Sanitation Infrastructure*	*Waste Water Treatment Works*	Ward 02	19°21'39"E Degrees	*34°35'30"S Degrees*					2 000
	TELEMETRY SYSTEM UPGRADE	Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Sanitation Infrastructure*	*Waste Water Treatment Works*	Overstrand	Overstrand	*Overstrand*			500	500	
	NEW DISINFECTION SYSTEMS AT WASTEWATER TREATI	New	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Sanitation Infrastructure*	*Waste Water Treatment Works*	Overstrand	Overstrand	*Overstrand*			7 000	1 000	1 000
STORMWATER											4 724	1 636			
	MASAKHANE HOUSING PROJECT BULK STORMWATER (F	New	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Storm water Infrastructure*	*Storm water Conveyance*	Ward 09	34°20'31" S 19°01'17"E	*34°20'31" S 19°01'17"E*			4 500		
	UPGRADE STORMWATER INFRASTRUCTURE- PROTEAD(	Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Storm water Infrastructure*	*Storm water Conveyance*	Ward 09	34°20'31" S 19°01'17"E	*34°20'31" S 19°01'17"E*			8 232	7 000	
WASTE MANAGEMENT											2 972	5 876			
	UPGRADING OF KLEINMOND TRANSFER STATION	Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Solid Waste Infrastructure*	*Waste Transfer Stations*	Ward 09	34°20'18.35"S Degrees	*19°01'35.31"E Degrees*					500
	TROMMEL SCREEN FOR GANSBAAI LANDFILL	New	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Solid Waste Infrastructure*	*Landfill Sites*	Multi-ward Gb Area	19.395° E / -34.592° S	*19.395° E / -34.592° S*					4 000
	REPLACE STANFORD DROP-OFF FENCE	Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Solid Waste Infrastructure*	*Waste Drop-off Points*	Ward 01	Degrees 19.448	*-34.451 Degrees*			400		
Total Capital expenditure											**192 377**	**206 216**	**203 615**	**130 325**	**164 442**

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

R thousand												Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework		
Function	Project name	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Previous target year to complete	Original Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Parent municipality:																
List all capital projects grouped by Function																
ELECTRICITY																
	FKRAAL KBAAI BHEAD NEW 66 11KV SUBSTATION (F2/4)	Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Substations*	*Multi-ward Gb Area*	*34°37'5.14"S Degrees*	*19°20'3.08"E Degrees*		**9 169**	**2 069**	**5 800**		
	FKRAAL KBAAI BHEAD NEW 66 11KV SUBSTATION (F3/4)	Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Substations*	*Multi-ward Gb Area*	*34°37'5.14"S Degrees*	*19°20'3.08"E Degrees*		**1 731**	**1 731**	**7 100**		
	FKRAAL KBAAI BHEAD NEW 66 11KV SUBSTATION (F4/4)	Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Substations*	*Multi-ward Gb Area*	*34°37'5.14"S Degrees*	*19°20'3.08"E Degrees*		**6 500**	**5 983**	**517**		
	HERMANUS MV LV UPGRADE REPLACEMENT(F2/3)	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	*Ward 03*	*34°25'16.83"S Degrees*	*19°13'00.62"E Degrees*		**3 000**	**400**	**2 600**		
	HERMANUS MV LV UPGRADE REPLACEMENT(F3/3)	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	*Ward 03*	*34°25'16.83"S Degrees*	*19°13'00.62"E Degrees*		**3 000**	**400**	**2 600**		
	KLEINMOND MV LV NETWORK UPGRADE(F2/2)	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	*Ward 09*	*34°20'18.35"S Degrees*	*19°01'35.31"E Degrees*		**2 416**	**400**	**2 016**		
	HAWSTON MV LV UPGRADE REPLACEMENT(F1/2)	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Electrical Infrastructure*	*MV Networks*	*Ward 08*	*34°23'09.91"S Degrees*	*19°07'56.01"E Degrees*		**2 415**	**400**	**2 015**		
WATER																
	REPLACEMENT OF OVERSTRAND WATER PIPES(F2/2)	Renewal	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Water Supply Infrastructure*	*Pump Stations*	*Overstrand*	*Overstrand*	*Overstrand*		**13 642**	**13 142**	**3 450**		
SEWERAGE																
	KLEINMOND WWTW REFURBISH UPGRADE (F2/3)	Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Sanitation Infrastructure*	*Waste Water Treatment Works*	*Multi-ward Kleinmond Area*	*18.986° E Degrees*	*34.342° S Degrees*		**9 300**		**16 401**		
	KLEINMOND WWTW REFURBISH UPGRADE (F3/3)	Upgrading	*Consolidating the social wage through reliable and quality basic services*	*Inclusion and access*	2	*Sanitation Infrastructure*	*Waste Water Treatment Works*	*Multi-ward Kleinmond Area*	*18.986° E Degrees*	*34.342° S Degrees*		2 242		3 232		

WC032 Overstrand - Supporting Table SA38 Consolidated detailed operational projects

Municipal Vote/Operational project R thousand	Program/Project description	2023/24 Medium Term Revenue & Expenditure Framework Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	Project information Ward location
Parent municipality: *List all operational projects grouped by Municipal Vote*					
Vote 1 - Council General					
	Municipal Running Cost	49 457	37 658	37 754	
Vote 2 - Municipal Manager					
	Municipal Running Cost	8 371	8 768	9 186	
Vote 3 - Management Services					
	Municipal Running Cost	56 198	59 966	62 981	
	Repairs & Maintenance	10 921	11 644	12 320	
	Typical Workstreams	2 367	2 522	2 528	
Vote 4 - Finance					
	Municipal Running Cost	89 858	94 732	100 044	
	Repairs & Maintenance	1 590	1 595	1 601	
	Typical Workstreams	15 993	16 715	17 611	
Vote 5 - Infrastructure & Planning					
	Municipal Running Cost	708 504	788 462	853 548	
	Repairs & Maintenance	45 115	48 676	45 299	
	Typical Workstreams	73 196	64 318	37 908	
Vote 6 - Protection Services					
	Municipal Running Cost	120 389	126 612	132 635	
	Repairs & Maintenance	417	469	471	
	Typical Workstreams	16 709	18 479	19 651	
Vote 7 - Local Economic and Social Develoment & Tourism					
	Municipal Running Cost	12 986	13 580	14 212	
	Repairs & Maintenance	135	135	135	
	Typical Workstreams	6 260	2 654	2 717	
Vote 8 - Community Services					
	Municipal Running Cost	300 206	312 474	320 755	
	Repairs & Maintenance	212 001	227 178	240 036	
	Typical Workstreams	18 299	19 157	20 107	
Total Operational expenditure		**1 748 972**	**1 855 792**	**1 931 500**	

Municipal manager's quality certificate

I, DGI O'Neill, municipal manager of Overstrand Municipality, hereby certify that the **Draft Budget** for the **2023/2024 MTREF** and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the draft annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name: DGI O'Neill

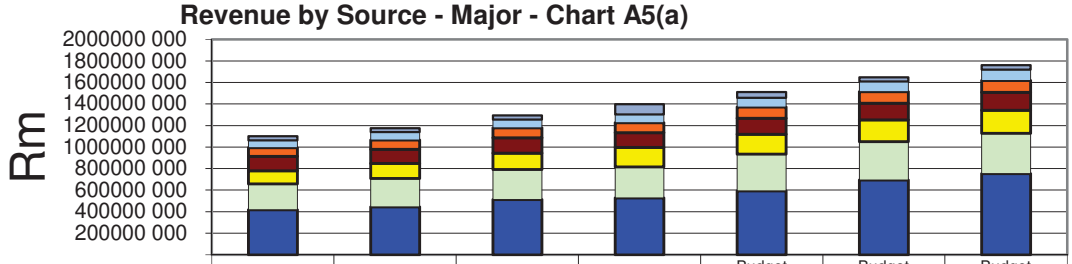
Municipal manager of Overstrand Municipality (WC032)

Signature: _____

Date: 27 March 2023

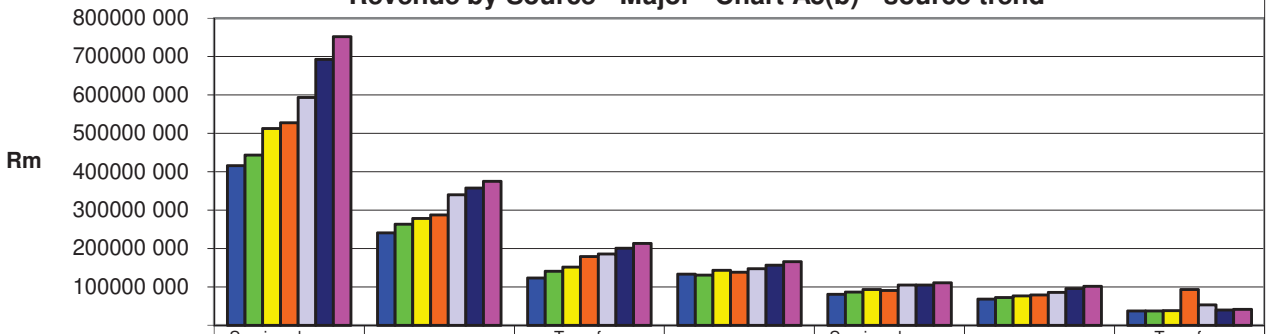
OVERSTRAND MUNICIPALITY - BUDGET REGULATION CHARTS 2023/2024 MTREF

Revenue by Source - Major - Chart A5(a)



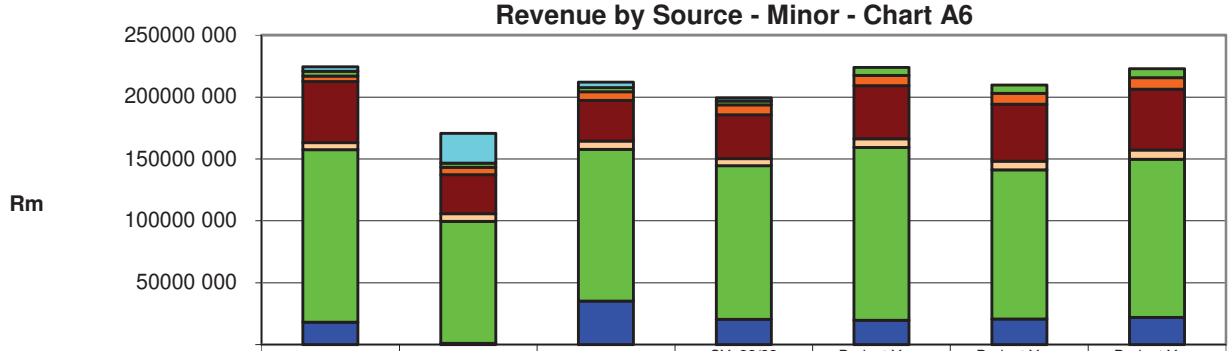
	2019/20 AUD	2020/21 AUD	2021/22 AUD	CY 22/23 ADJ	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Transfers recognised - capital	37610 602	37218 771	37978 408	93583 189	53666 750	40234 850	41221 900
Service charges - refuse	68255 928	72115 234	76951 158	78849 600	85429 878	95948 400	101663 700
Service charges - sanitation revenue	80925 441	86983 376	93177 101	90962 200	104714 535	104594 845	110860 782
Service charges - water revenue	133037 237	130884 704	142917 309	138137 998	147269 200	156593 000	165876 000
Transfers recognised - operating	122921 282	140895 452	151902 534	179495 989	185579 350	200916 250	213137 201
Property rates	240909 593	263441 650	278154 484	287940 600	340506 300	357531 670	375408 253
Service charges - electricity revenue	415960 047	443717 774	512750 069	528044 434	593645 072	692904 200	752413 240

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



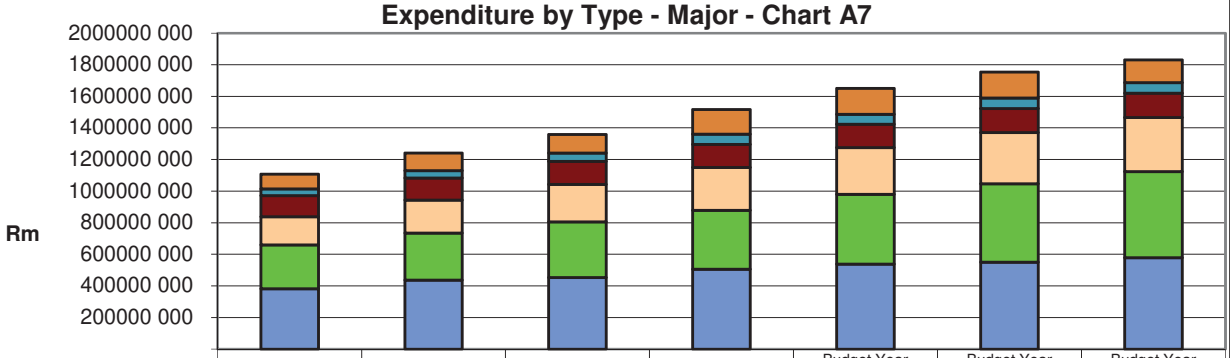
	Service charges - electricity revenue	Property rates	Transfers recognised - operating	Service charges - water revenue	Service charges - sanitation revenue	Service charges - refuse	Transfers recognised - capital
2019/20 AUD	415960 047	240909 593	122921 282	133037 237	80925 441	68255 928	37610 602
2020/21 AUD	443717 774	263441 650	140895 452	130884 704	86983 376	72115 234	37218 771
2021/22 AUD	512750 069	278154 484	151902 534	142917 309	93177 101	76951 158	37978 408
CY 22/23 ADJ	528044 434	287940 600	179495 989	138137 998	90962 200	78849 600	93583 189
Budget Year 2023/24	593645 072	340506 300	185579 350	147269 200	104714 535	85429 878	53666 750
Budget Year +1 2024/25	692904 200	357531 670	200916 250	156593 000	104594 845	95948 400	40234 850
Budget Year +2 2025/26	752413 240	375408 253	213137 201	165876 000	110860 782	101663 700	41221 900

Revenue by Source - Minor - Chart A6



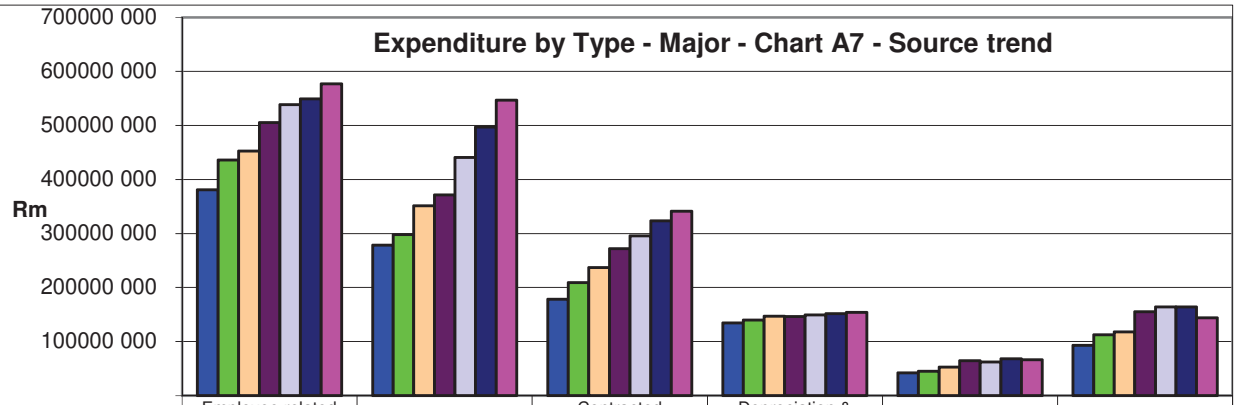
	2019/20 AUD	2020/21 AUD	2021/22 AUD	CY 22/23 ADJ	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Service charges - other							
Contributed assets	3729 771	23919 135	4499 166	2625 857			
Dividends received							
Contributions							
Interest earned - outstanding debtors	3869 325	3256 538	3369 823	3135 500	6400 400	6700 400	7100 400
Agency services	4376 030	6164 311	6857 858	7858 000	8319 000	8817 540	9346 000
Interest earned - external investments	49316 704	31491 658	32758 610	35517 100	43100 100	45978 100	49161 100
Rental of facilities and equipment	5738 360	6155 429	6692 388	5801 898	6772 600	7123 900	7463 200
Other revenue	139225 629	98467 174	122706 951	124069 319	139765 566	120367 050	127713 749
Fines	18210 765	1095 302	35123 907	20344 103	19597 170	20768 300	22009 400

Expenditure by Type - Major - Chart A7



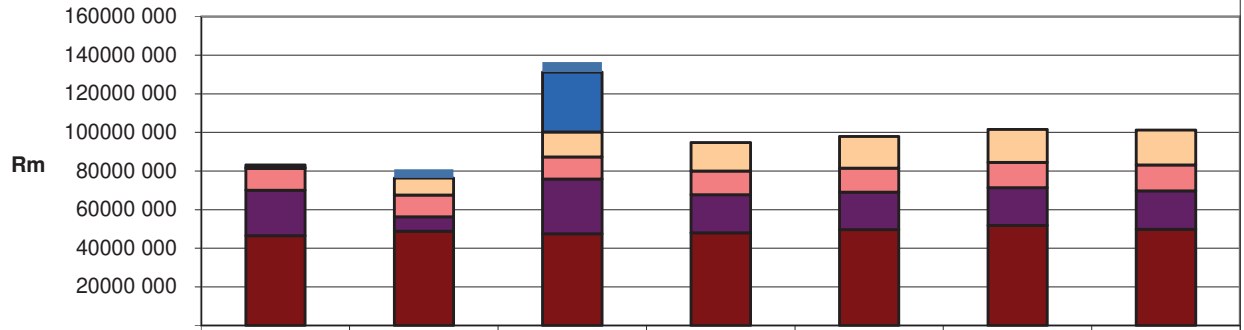
	2019/20 AUD	2020/21 AUD	2021/22 AUD	CY 22/23 ADJ	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Other expenditure	93307 404	112376 357	118192 593	155311 527	164253 965	164413 918	144257 743
Other materials	42301 753	45053 012	52657 610	64364 333	62499 279	68234 944	66340 256
Depreciation & asset impairment	134574 280	140116 401	147003 690	146595 506	149154 404	151672 485	154225 737
Contracted services	178363 151	208907 282	237081 494	272201 146	295738 018	323451 858	341534 458
Bulk purchases	278547 666	298272 081	351600 047	371533 490	440824 486	496985 525	546684 078
Employee related costs	380774 324	436213 524	452651 328	505647 226	538535 096	549451 886	577303 592

Expenditure by Type - Major - Chart A7 - Source trend



	Employee related costs	Bulk purchases	Contracted services	Depreciation & asset impairment	Other materials	Other expenditure
2019/20 AUD	380774 324	278547 666	178363 151	134574 280	42301 753	93307 404
2020/21 AUD	436213 524	298272 081	208907 282	140116 401	45053 012	112376 357
2021/22 AUD	452651 328	351600 047	237081 494	147003 690	52657 610	118192 593
CY 22/23 ADJ	505647 226	371533 490	272201 146	146595 506	64364 333	155311 527
Budget Year 2023/24	538535 096	440824 486	295738 018	149154 404	62499 279	164253 965
Budget Year +1 2024/25	549451 886	496985 525	323451 858	151672 485	68234 944	164413 918
Budget Year +2 2025/26	577303 592	546684 078	341534 458	154225 737	66340 256	144257 743

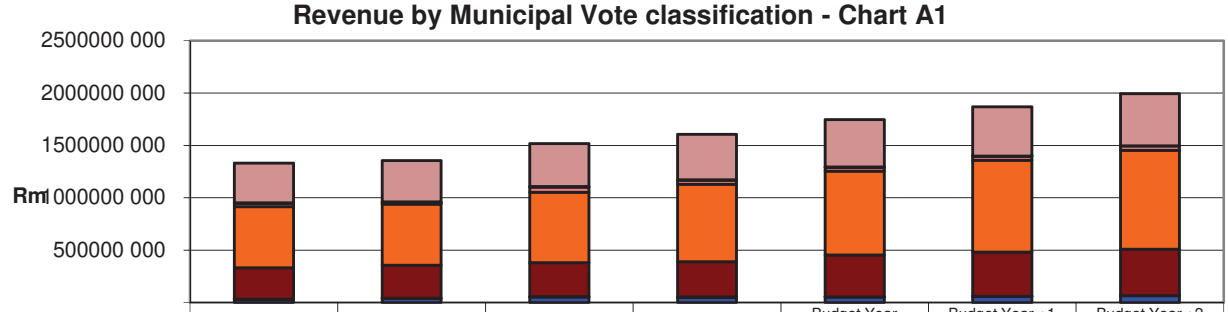
Expenditure by Type - Minor - Chart A7



	2019/20 AUD	2020/21 AUD	2021/22 AUD	CY 22/23 ADJ	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Irrecoverable debts written off		4558 929	5258 456				
Loss on disposal of PPE	1369 045		30979 041				
Grants and subsidies	559 623	8709 877	12813 230	14786 489	16380 200	17142 647	17944 226
Remuneration of councillors	11282 325	11218 781	11538 491	12335 376	12513 913	13013 810	13540 280
Debt impairment	23433 836	7578 891	28248 033	19616 949	19414 147	19608 288	19804 370
Finance charges	46570 200	48805 228	47584 050	48056 000	49658 000	51817 000	49865 000

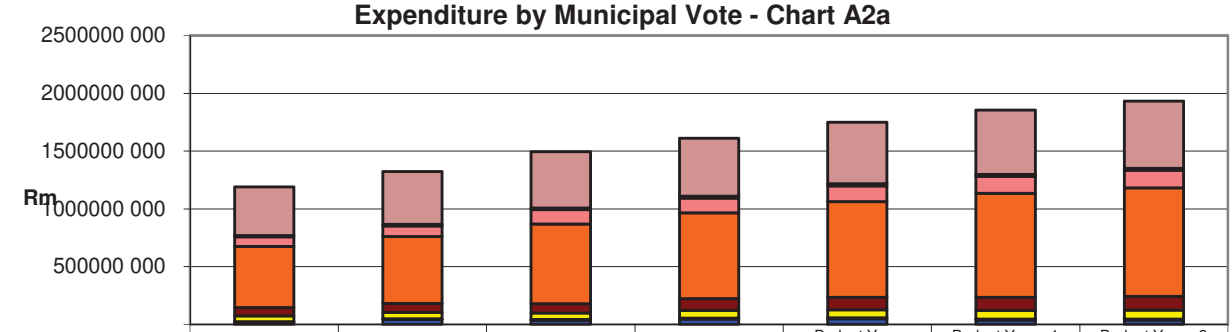
OVERSTRAND MUNICIPALITY - BUDGET REGULATION CHARTS 2023/2024 MTREF

Revenue by Municipal Vote classification - Chart A1



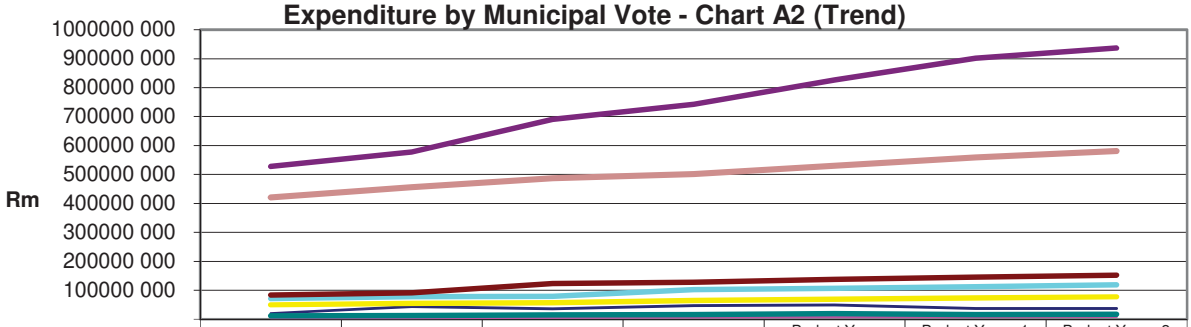
	2019/20 AUD	2020/21 AUD	2021/22 AUD	CY 22/23 ADJ	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Community Services	378349 952	395571 643	409622 516	434571 082	450065 824	470780 490	498583 824
Local Economic Development	2914 273	3859 559	4846 448	3111 400	3628 300	66 300	70 300
Protection Services	32797 464	16277 478	48857 083	41334 731	38275 200	40712 740	43398 200
Infrastructure and Planning	585514 608	585823 150	672304 822	739118 576	799410 751	877454 678	943255 210
Finance	299059 340	313209 382	323685 884	337235 847	400540 000	421055 370	442967 953
Management Services	1188 788	2569 612	3603 236	1068 500	955 500	973 500	992 500
Municipal Manager	35 742						
Council	30091 047	38321 010	53270 146	50785 798	52696 946	58511 027	65461 538

Expenditure by Municipal Vote - Chart A2a

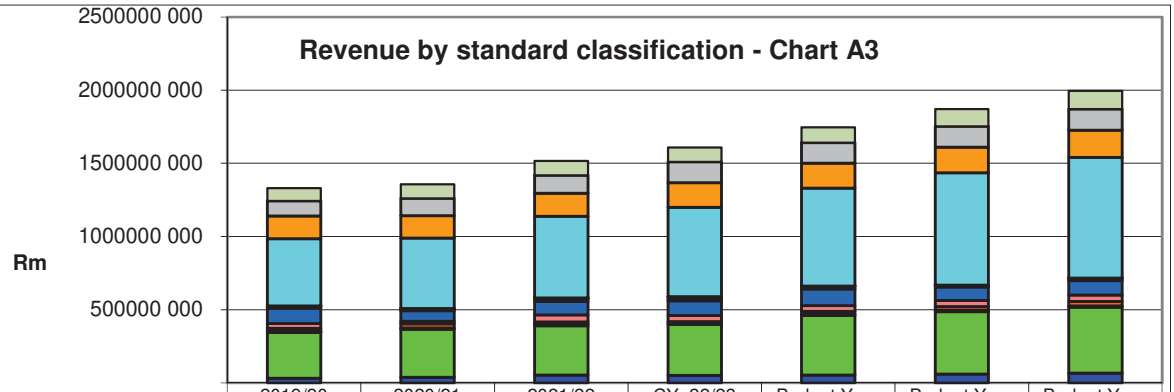


	2019/20 AUD	2020/21 AUD	2021/22 AUD	CY 22/23 ADJ	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Community Services	420781 573	456221 484	487501 620	501174 289	530506 070	558809 314	580988 217
Local Economic Development	12042 047	13557 713	15122 483	16793 843	19381 733	16369 377	17063 663
Protection Services	83724 913	91325 994	123167 019	127661 653	137515 119	145559 132	152667 710
Infrastructure and Planning	527809 932	577727 045	690779 257	742136 259	826814 474	901455 665	936754 565
Finance	71308 082	78365 241	79556 591	102295 659	107440 901	113041 942	119255 731
Management Services	50129 460	54639 188	57225 849	65455 845	69485 242	74131 345	77829 221
Municipal Manager	5360 939	5884 690	6042 420	7569 134	8370 765	8767 916	9186 491
Council	19926 662	44089 009	36404 448	47361 360	49457 204	37657 670	37754 142

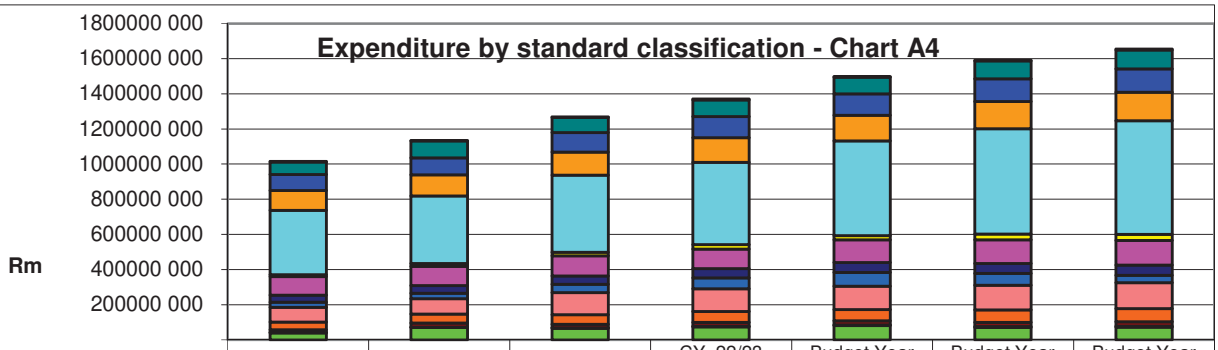
Expenditure by Municipal Vote - Chart A2 (Trend)



	2019/20 AUD	2020/21 AUD	2021/22 AUD	CY 22/23 ADJ	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Council	19926 662	44089 009	36404 448	47361 360	49457 204	37657 670	37754 142
Municipal Manager	5360 939	5884 690	6042 420	7569 134	8370 765	8767 916	9186 491
Management Services	50129 460	54639 188	57225 849	65455 845	69485 242	74131 345	77829 221
Finance	71308 082	78365 241	79556 591	102295 659	107440 901	113041 942	119255 731
Infrastructure and Planning	527809 932	577727 045	690779 257	742136 259	826814 474	901455 665	936754 565
Protection Services	83724 913	91325 994	123167 019	127661 653	137515 119	145559 132	152667 710
Local Economic Development	12042 047	13557 713	15122 483	16793 843	19381 733	16369 377	17063 663
Community Services	420781 573	456221 484	487501 620	501174 289	530506 070	558809 314	580988 217

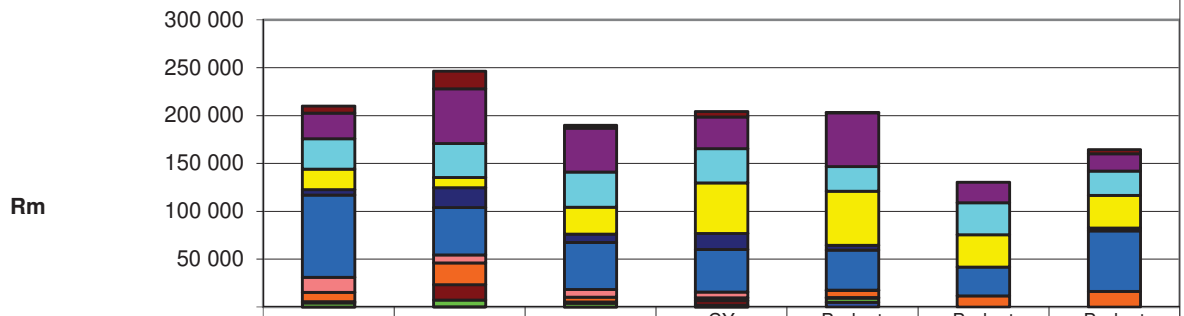


	2019/20 AUD	2020/21 AUD	2021/22 AUD	CY 22/23 ADJ	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Waste management	86662 024	94656 778	97853 940	98576 975	104634 185	116862 113	124204 009
Waste water management	103933 774	117987 054	123924 177	140185 225	140385 860	142707 965	143925 410
Water management	153663 169	153115 215	156425 649	169603 852	169563 559	175191 662	185679 406
Energy sources	459980 208	481694 831	557894 194	610450 880	668939 051	767034 378	826170 460
Environmental protection	21 236	32 457	498 399	37 300	42 300	44 800	47 300
Road transport	7166 286	4365 251	6341 793	14557 949	5650 200	700 200	3731 550
Planning and development	8315 119	11637 557	17461 266	13782 999	15986 200	13164 300	13229 250
Health							
Housing	104370 277	71890 724	91383 329	99834 318	113454 400	91902 400	98509 400
Public safety	32801 110	16192 654	48216 067	41334 731	38275 200	40712 740	43398 200
Sport and recreation	18800 829	29089 057	15568 412	11572 400	19242 850	25097 950	30360 250
Community and social services	8070 907	8291 004	9725 744	8869 678	8785 170	9130 100	9539 200
Internal audit	35 742						
Finance and administration	315876 183	327998 339	337273 112	347475 830	407781 200	428356 570	450333 153
Executive and council	30254 349	38680 913	53624 053	50943 797	52832 346	58648 927	65601 937



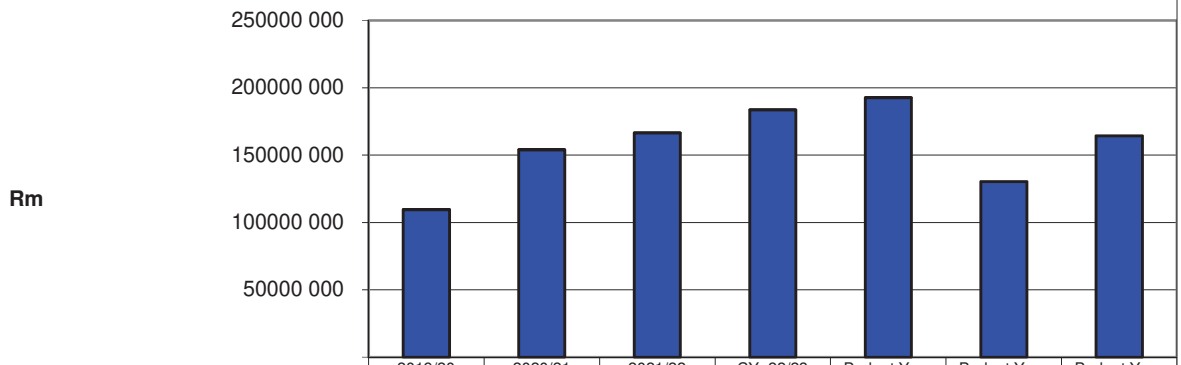
	2019/20 AUD	2020/21 AUD	2021/22 AUD	CY 22/23 ADJ	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Other	2997 908	2892 961	2922 816	4428 682	4103 884	4246 967	4403 045
Waste management	71807 771	96223 208	86788 219	95584 197	95874 287	103141 210	108018 874
Waste water management	90405 562	95784 692	110529 008	119258 139	121647 744	128306 288	133494 341
Water management	112898 825	120612 237	131791 809	141838 243	145533 622	155403 504	162098 201
Energy sources	366823 259	384140 857	438280 562	467206 601	538593 846	598735 197	645640 539
Environmental protection	9901 742	16340 298	21089 549	25185 839	24561 353	33377 162	35401 809
Road transport	107277 203	110465 478	114891 407	111840 194	129394 335	134762 325	140554 257
Planning and development	39396 933	43395 809	47151 717	51964 666	57132 514	56025 107	58748 332
Health							
Housing	29347 378	30962 520	46728 520	63083 894	77620 297	68096 175	41919 388
Public safety	82675 412	87168 794	126920 319	128843 752	132227 564	139627 963	146420 496
Sport and recreation	44288 568	52169 388	53048 849	62188 065	64055 113	70623 439	74532 730
Community and social services	15215 959	22121 948	20500 458	22296 155	23852 563	25037 554	26333 856
Internal audit	2322 018	2761 163	2898 492	3604 388	4365 852	4586 312	4818 672
Executive and council	39624 200	69529 304	65261 000	72952 060	80188 526	70079 852	71962 342

Capital expenditure by Standard Classification - Chart A11



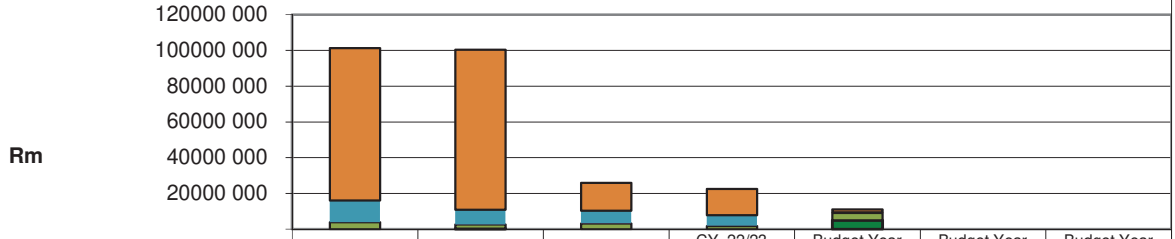
	2019/20 AUD	2020/21 AUD	2021/22 AUD	CY 22/23 ADJ	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Waste management	7310 874	18365 157	2971 588	5875 602	400 000		4500 000
Waste water management	26893 030	57190 343	45731 686	32920 819	56265 008	21536 600	17800 000
Water management	31751 721	35573 766	36720 698	35789 052	25603 437	33500 000	25700 000
Energy sources	21428 126	10436 193	28252 701	52906 610	56527 897	33500 000	34000 000
Environmental protection							
Road transport	5645 336	20734 158	8748 225	16823 697	5000 000		2981 350
Health							
Housing	85753 090	49598 159	49030 714	44311 000	41890 000	30090 000	63220 000
Public safety	15694 332	8424 813	7998 428	6042 127	300 000		
Sport and recreation	9980 664	22885 610	5046 868	3047 321	7429 024	11698 250	16240 550
Community and social services	1330 053	16072 292	1458 393	4780 978	735 000		
Internal audit							
Finance and administration	4047 592	6699 214	3758 578	1870 000	4070 000		
Executive and council	1 714	354 702	2 511	5 000	5005 000		

Capital expenditure by Municipal Vote (Major) - Chart A9



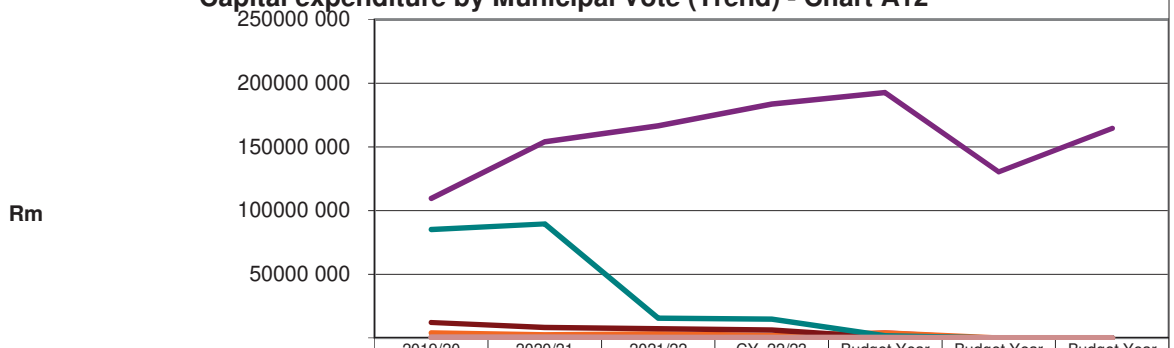
	2019/20 AUD	2020/21 AUD	2021/22 AUD	CY 22/23 ADJ	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Vote 7 - Economic and Social Development & Tourism	374 653	498 386	100 413	45 000	45 000		
Vote 5 - Infrastructure & Planning	109480 066	153933 739	166422 359	183602 607	192585 692	130324 850	164441 900

Capital expenditure by Municipal Vote (Minor) - Chart A10

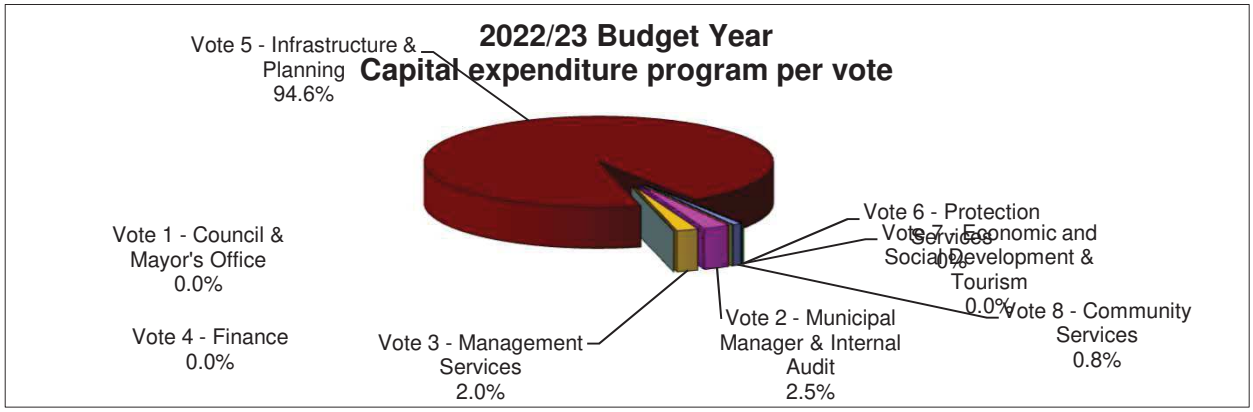


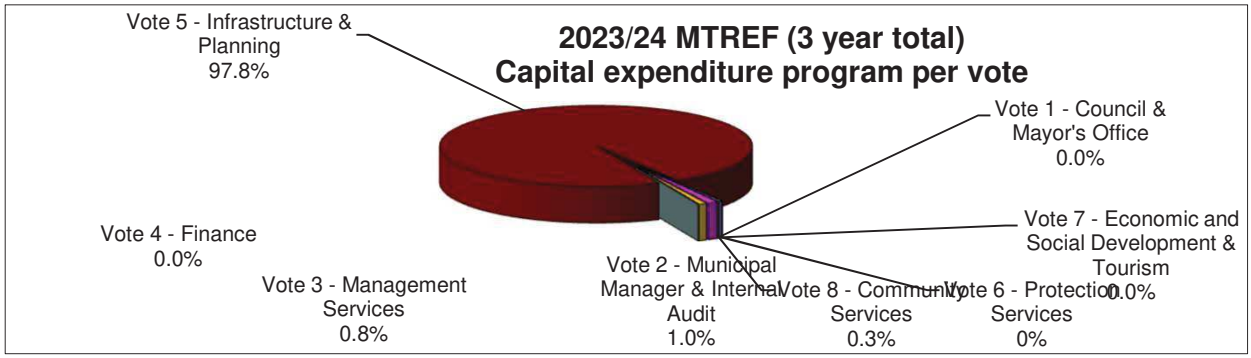
	2019/20 AUD	2020/21 AUD	2021/22 AUD	CY 22/23 ADJ	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Vote 8 - Community Services	85149 209	89511 513	15456 639	14651 597	1609 674		
Vote 6 - Protection Services	12064 090	8159 659	7106 029	6042 127	300 000		
Vote 4 - Finance	22 006	56 818	41 677	60 000	60 000		
Vote 3 - Management Services	3966 439	2287 670	3249 603	1815 000	4015 000		
Vote 2 - Municipal Manager & Internal Audit					5000 000		
Vote 1 - Council & Mayor's Office		352 402					

Capital expenditure by Municipal Vote (Trend) - Chart A12

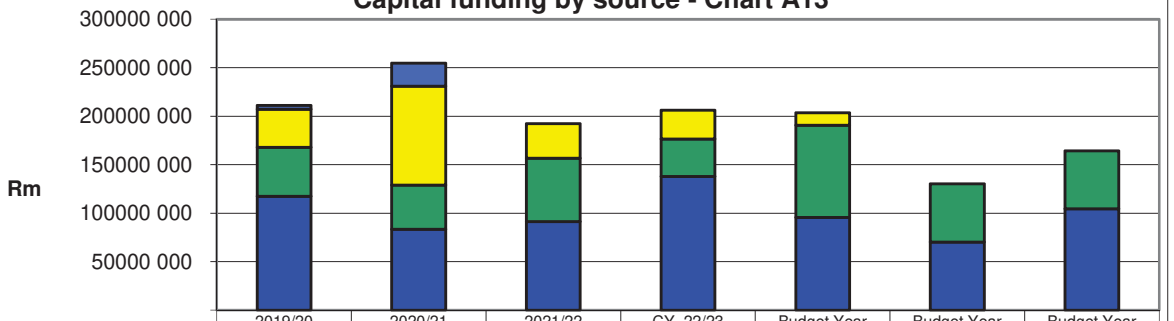


	2019/20 AUD	2020/21 AUD	2021/22 AUD	CY 22/23 ADJ	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Vote 1 - Council & Mayor's Office		352 402					
Vote 2 - Municipal Manager & Internal Audit					5000 000		
Vote 3 - Management Services	3966 439	2287 670	3249 603	1815 000	4015 000		
Vote 4 - Finance	22 006	56 818	41 677	60 000	60 000		
Vote 5 - Infrastructure & Planning	109480 066	153933 739	166422 359	183602 607	192585 692	130324 850	164441 900
Vote 6 - Protection Services	12064 090	8159 659	7106 029	6042 127	300 000		
Vote 8 - Community Services	85149 209	89511 513	15456 639	14651 597	1609 674		
Vote 7 - Economic and Social Development & Tourism	374 653	498 386	100 413	45 000	45 000		



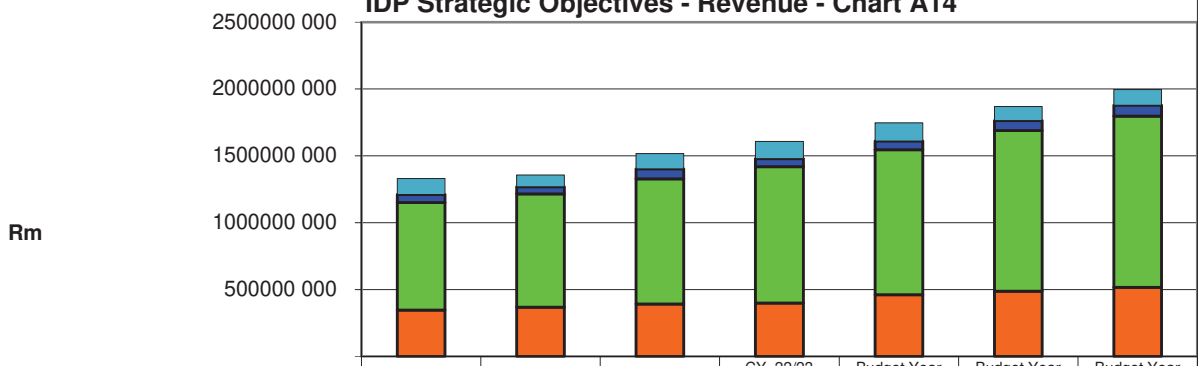


Capital funding by source - Chart A13



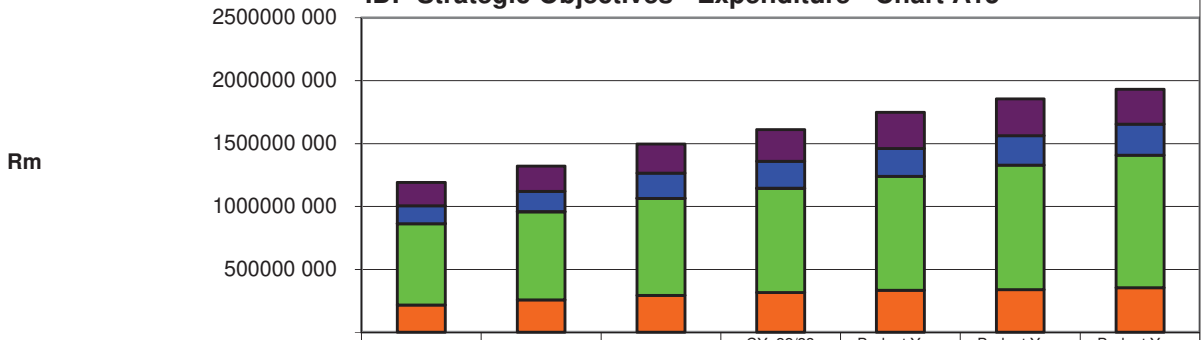
	2019/20 AUD	2020/21 AUD	2021/22 AUD	CY 22/23 ADJ	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Public contributions & donations	3729 771	23919 136					
Internally generated funds	39357 705	101948 647	35774 945	29811 054	12845 008		
Borrowing	50476 397	45442 500	65236 523	38411 231	95213 608	60000 000	60000 000
Capital transfers recognised	117492 590	83489 902	91365 252	137994 046	95556 750	70324 850	104441 900

IDP Strategic Objectives - Revenue - Chart A14



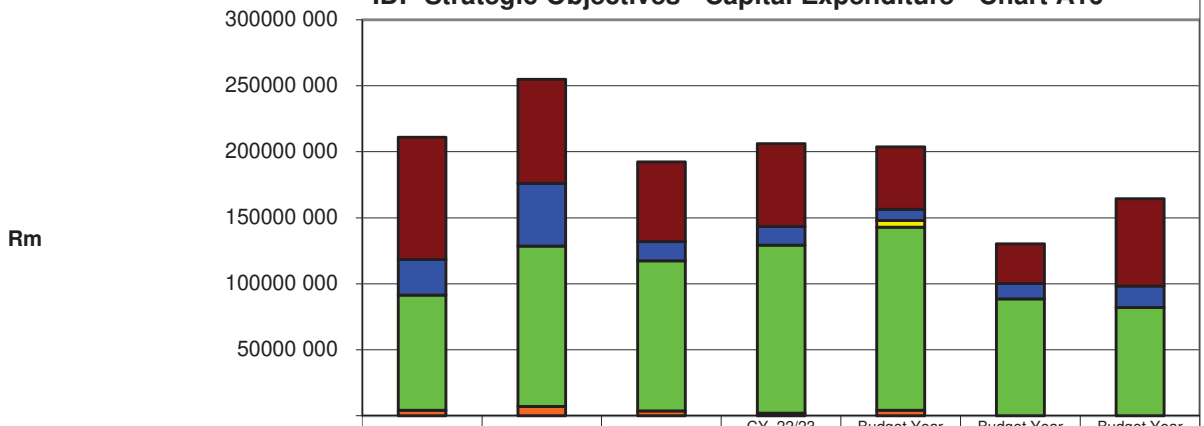
	2019/20 AUD	2020/21 AUD	2021/22 AUD	CY 22/23 ADJ	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
The promotion of tourism, economic and social development	119872 918	87925 989	115684 786	128212 566	135133 100	105811 700	115517 500
The creation and maintenance of a safe and healthy environment	59672 846	53572 715	73510 223	61776 809	66303 220	74940 790	83297 650
The encouragement of structured community participation in the matters of the municipality							
Provision and maintenance of municipal services	804239 174	847453 878	936097 960	1018816 932	1083522 655	1201796 118	1279979 285
Provision of democratic accountable and ethical governance	346166 274	366679 252	390897 165	398419 627	460613 546	487005 497	515935 090

IDP Strategic Objectives - Expenditure - Chart A15



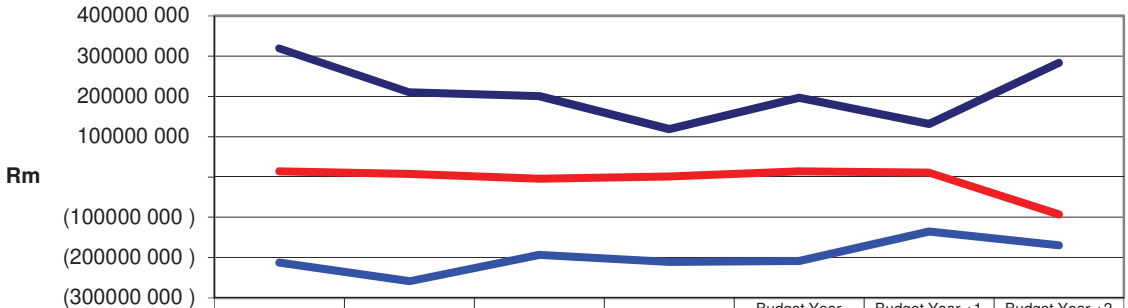
	2019/20 AUD	2020/21 AUD	2021/22 AUD	CY 22/23 ADJ	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
The promotion of tourism, economic and social development	185923 255	201164 106	229861 193	252074 593	288708 499	292260 769	276623 786
The creation and maintenance of a safe and healthy environment	142179 939	161460 130	200469 626	213327 972	220135 240	235288 956	247287 082
The encouragement of structured community participation in the matters of the municipality	725 325	1382 484	1125 000	1125 000			
Provision and maintenance of municipal services	644933 325	699653 954	770312 414	828315 862	905753 383	989833 166	1053655 000
Provision of democratic accountable and ethical governance	217321 765	258149 691	294031 455	315604 615	334374 386	338409 470	353933 872

IDP Strategic Objectives - Capital Expenditure - Chart A16



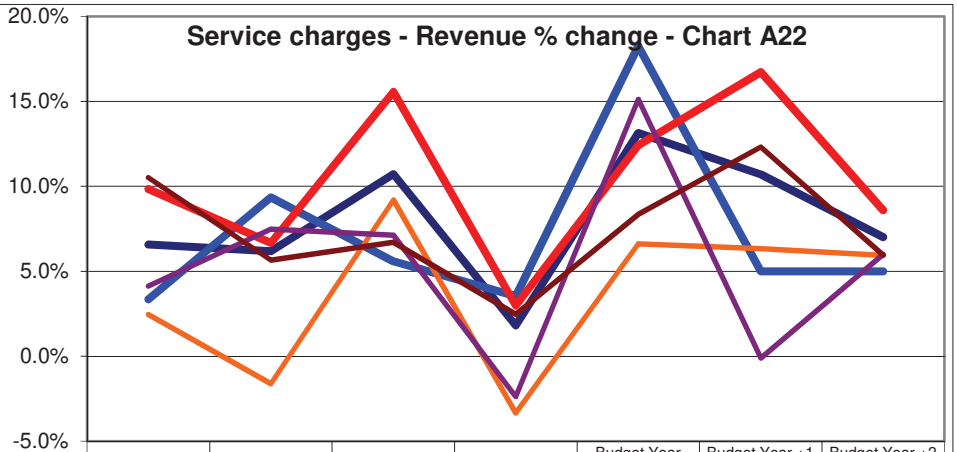
	2019/20 AUD	2020/21 AUD	2021/22 AUD	CY 22/23 ADJ	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
The promotion of tourism, economic and social development	92618 406	78797 811	60434 957	62978 822	47280 000	30090 000	66201 350
The creation and maintenance of a safe and healthy environment	27005 000	47383 000	14504 000	13870 426	8464 024	11698 250	16240 550
The encouragement of structured community participation in the matters of the municipality					5000 000		
Provision and maintenance of municipal services	87383 751	121565 459	113676 674	127492 083	138796 342	88536 600	82000 000
Provision of democratic accountable and ethical governance	4049 306	7053 916	3761 089	1875 000	4075 000		

Cash flow trend - Chart A23



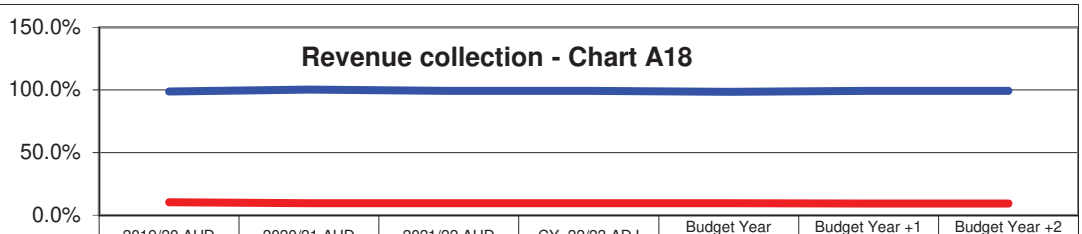
	2019/20 AUD	2020/21 AUD	2021/22 AUD	CY 22/23 ADJ	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Cash Flow - Op. Activities	319090 598	210219 518	201057 414	118803 646	196825 654	131453 393	282987 648
Cash Flow - Investing (used)	(212740 373)	(258733 785)	(193543 749)	(211196 331)	(208595 366)	(135304 850)	(169421 900)
Cash Flow - Financing	14275 392	7423 747	(3956 538)	1376 512	13754 673	11093 343	(92739 644)

Service charges - Revenue % change - Chart A22



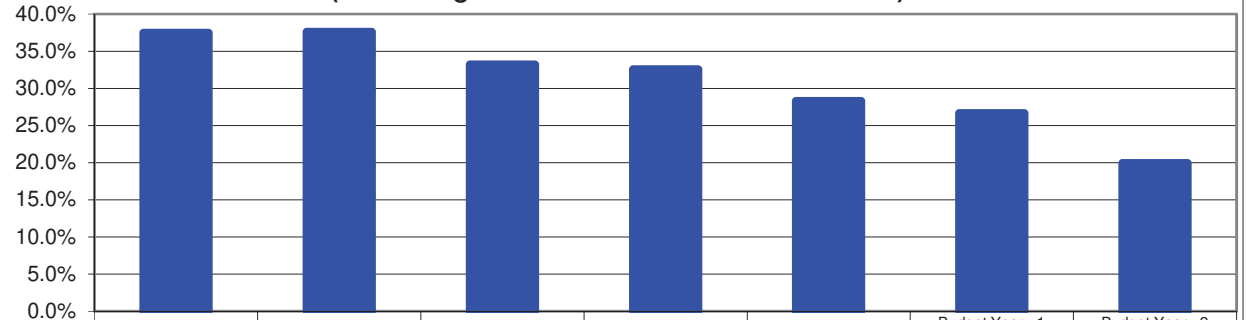
	2019/20 AUD	2020/21 AUD	2021/22 AUD	CY 22/23 ADJ	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
% incr total service charges (incl prop rates)	6.6%	6.2%	10.7%	1.8%	13.1%	10.7%	7.0%
% incr Property Tax	3.4%	9.4%	5.6%	3.5%	18.3%	5.0%	5.0%
% incr Service charges - electricity revenue	9.8%	6.7%	15.6%	3.0%	12.4%	16.7%	8.6%
% incr Service charges - water revenue	2.4%	-1.6%	9.2%	-3.3%	6.6%	6.3%	5.9%
% incr Service charges - sanitation revenue	4.1%	7.5%	7.1%	-2.4%	15.1%	-0.1%	6.0%
% incr Service charges - refuse	10.5%	5.7%	6.7%	2.5%	8.3%	12.3%	6.0%

Revenue collection - Chart A18



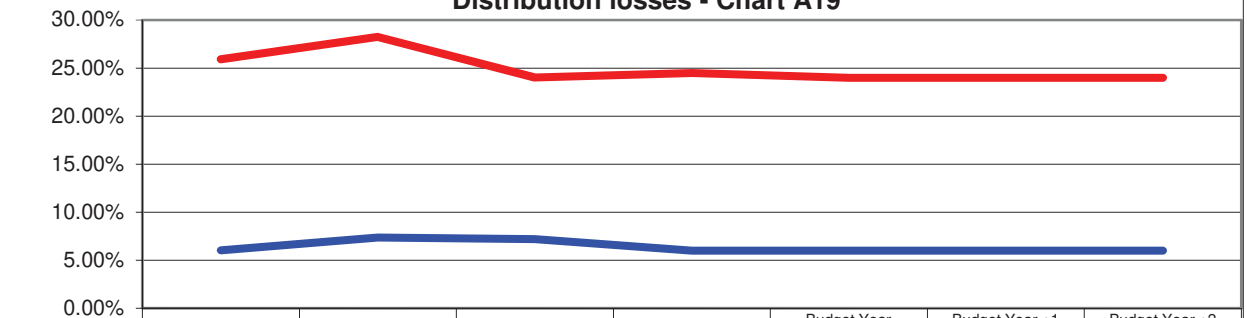
	2019/20 AUD	2020/21 AUD	2021/22 AUD	CY 22/23 ADJ	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Annual Debtors Collection	98.8%	100.3%	99.4%	99.3%	98.5%	99.4%	99.4%
O/S Debtors to Revenue	10.4%	9.8%	9.8%	9.6%	9.8%	9.5%	9.4%

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



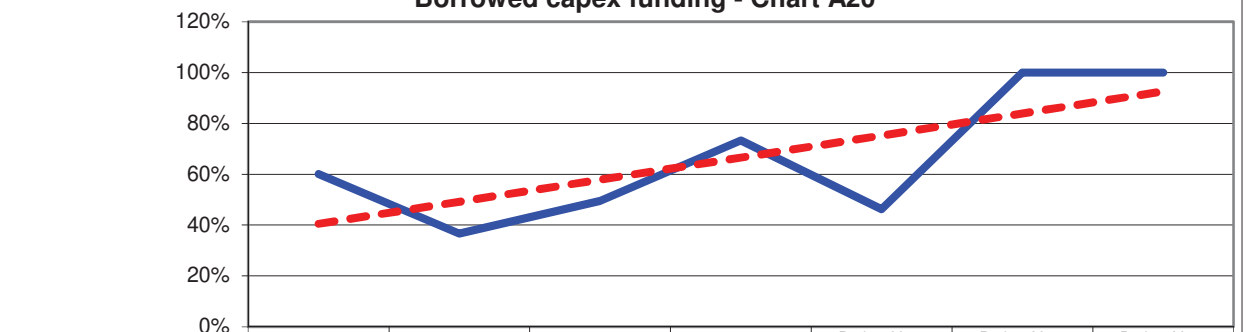
	2019/20 AUD	2020/21 AUD	2021/22 AUD	CY 22/23 ADJ	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Borrowing	37.5%	37.6%	33.2%	32.6%	28.3%	26.7%	20.0%

Distribution losses - Chart A19



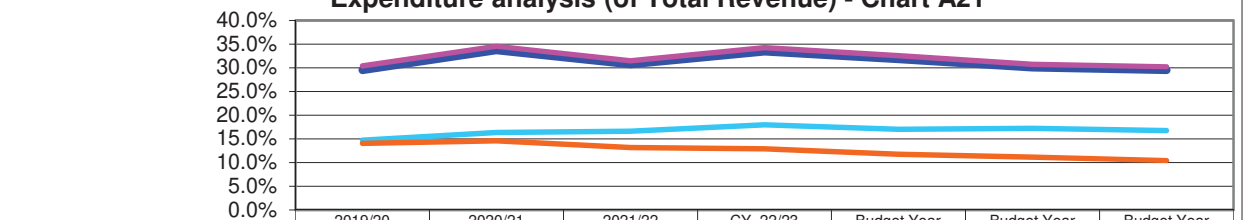
	2019/20 AUD	2020/21 AUD	2021/22 AUD	CY 22/23 ADJ	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Electricity	6.02%	7.35%	7.20%	6.00%	6.00%	6.00%	6.00%
Water	25.91%	28.25%	24.04%	24.50%	24.00%	24.00%	24.00%

Borrowed capex funding - Chart A20



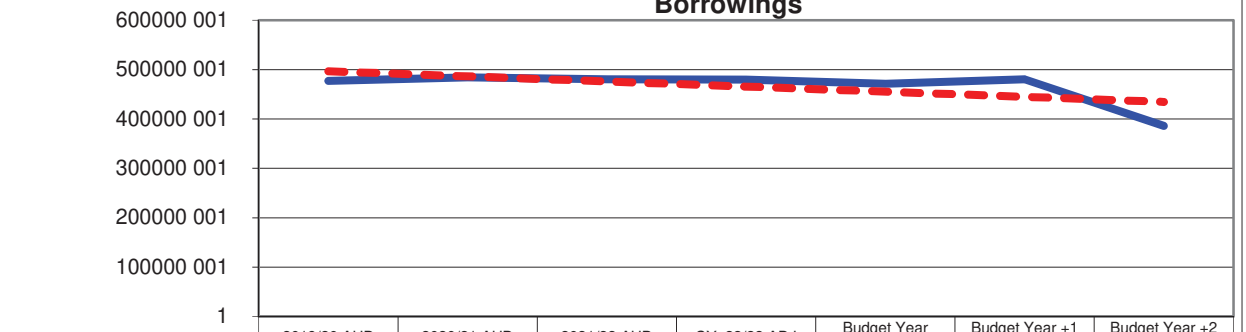
	2019/20 AUD	2020/21 AUD	2021/22 AUD	CY 22/23 ADJ	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Borrowed capex funding	60%	37%	49%	73%	46%	100%	100%

Expenditure analysis (of Total Revenue) - Chart A21

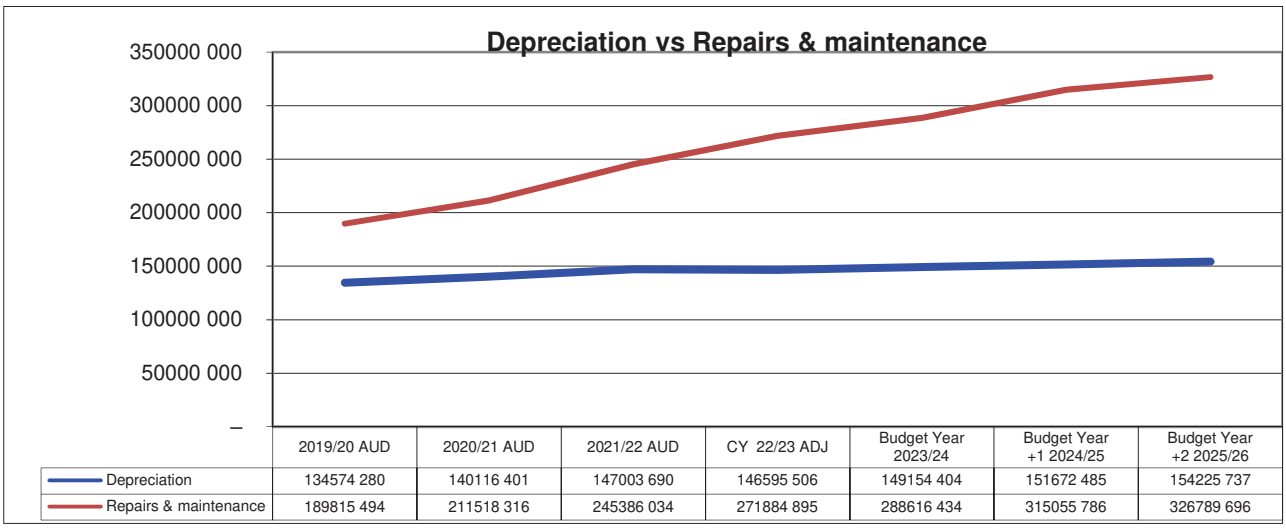


	2019/20 AUD	2020/21 AUD	2021/22 AUD	CY 22/23 ADJ	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Employee costs	29.5%	33.7%	30.7%	33.5%	31.8%	30.0%	29.6%
Remuneration	30.4%	34.6%	31.5%	34.3%	32.6%	30.7%	30.2%
Repairs & Maintenance	14.7%	16.3%	16.7%	18.0%	17.1%	17.2%	16.7%
Finance charges & Depreciation	14.1%	14.6%	13.2%	12.9%	11.8%	11.1%	10.4%

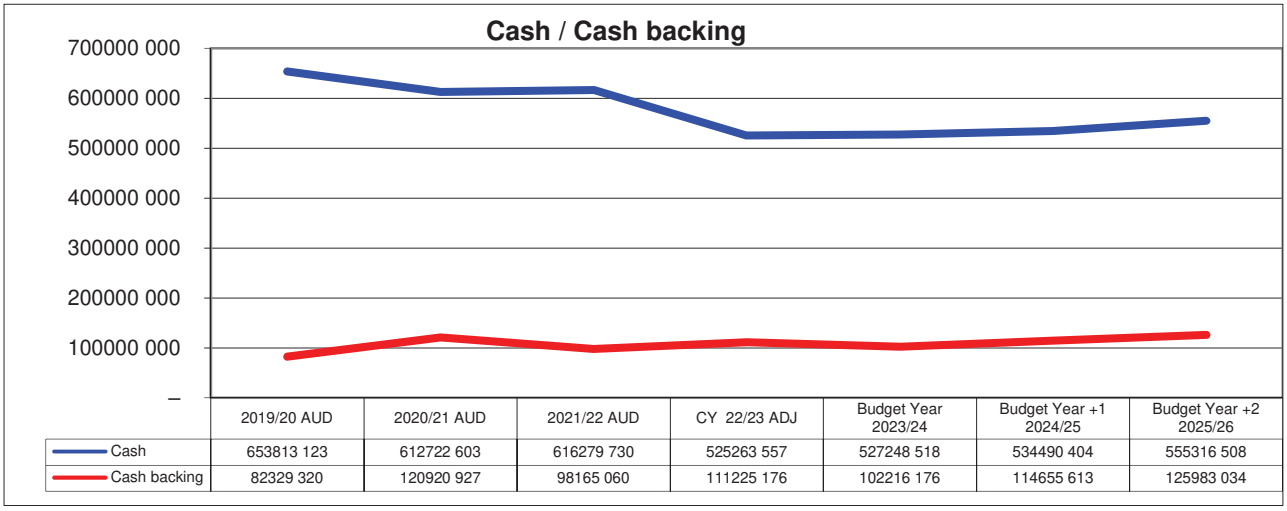
Borrowings



	2019/20 AUD	2020/21 AUD	2021/22 AUD	CY 22/23 ADJ	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Borrowings	476933 001	484356 748	480400 209	479776 719	471531 392	480624 735	385885 091



	2019/20 AUD	2020/21 AUD	2021/22 AUD	CY 22/23 ADJ	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Depreciation	134574 280	140116 401	147003 690	146595 506	149154 404	151672 485	154225 737
Repairs & maintenance	189815 494	211518 316	245386 034	271884 895	288616 434	315055 786	326789 696



	2019/20 AUD	2020/21 AUD	2021/22 AUD	CY 22/23 ADJ	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Cash	653813 123	612722 603	616279 730	525263 557	527248 518	534490 404	555316 508
Cash backing	82329 320	120920 927	98165 060	111225 176	102216 176	114655 613	125983 034

ANNEXURE C

RATES AND TARIFFS

RATES TARIFFS

Tariff Code	Detail	2023/2024		2022/2023		1.0950 / 1.0400
		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	0.007368	0.007368	0.00994	0.00994	-26%
RATE2*	Residential Land with Improvements	0.004210	0.004210	0.00657	0.00657	-36%
	**** 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	0.00000	0.00000	
RATE6	Building Clause	Equals to tariff for rates on property	Equals to tariff for rates on property	Equals to tariff for rates on property	Equals to tariff for rates on property	
RATE7	Farm/Agriculture (Bona-fide)	0.001053	0.001053	0.00164	0.00164	-36%
RATE8	Undeveloped erven	0.006315	0.006315	0.00899	0.00899	-30%
	Special Rating Areas					
RAT11	HSRA (Hermanus)	0.000423	0.000423	0.000660	0.000660	-35.91%
RAT12	KSRA (Kleinmond)	0.000333	0.000333	0.000520	0.000520	-35.96%
RAT13	OVSRA (Onrus-Vermont)	0.000231	0.000231	0.000360	0.000360	-35.83%

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

ATTACHMENTS TO THE RATES TARIFF SCHEDULE

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

EXEMPTIONS FROM PROPERTY RATES (Rates Policy)

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

SUNDRY TARIFF LIST (ROUNDING APPLICABLE)

Tariff Code	Detail	2023/2024		2022/2023		1.060 / 1.060
		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	1 080.00	1 242.00	1 019.13	1 172.00	5.97%
S1J2A	Category B1: Shark-view operators/whale-watching (Incl on-site parking) pa	45 321.74	52 120.00	42 756.52	49 170.00	6.00%
S1J2B	Category B2: Shark-view operators/whale-watching (excl on-site parking) pm	3 469.57	3 990.00	3 273.04	3 764.00	6.00%
S1J2C	Category B2: Shark-view operators/whale-watching (excl on-site parking) pa	34 592.17	39 781.00	32 633.91	37 529.00	6.00%
S1J4A	Kelp Collectors pm	4 333.91	4 984.00	4 088.70	4 702.00	6.00%
S1J4B	Kelp Collectors pa	42 850.44	49 278.00	40 793.91	46 913.00	5.04%
S1J4C	Kelp Collectors, Whale Watching and Shark Diving per launch	280.87	323.00	265.22	305.00	5.90%
S1J5	Oversize vessel	tariff + 50%	applicable vat	tariff + 50%	applicable vat	
S1J6A	Nature Conservation	no charge	no vat	no charge	no vat	
S1J6B	Support Service per month	820.87	944.00	774.78	891.00	5.95%
S1J6C	Support Service per launch	109.57	126.00	103.48	119.00	5.88%
S1J7A1	Recreational Fishing (Overstrand Consumers) Vessels < 7m pa	553.04	636.00	521.74	600.00	6.00%
S1J7A1A	Recreational Fishing (Overstrand Consumers) Vessels < 7m from 01 July - 31 Dec	276.52	318.00	260.87	300.00	6.00%
S1J7A1B	Recreational Fishing (Overstrand Consumers) Vessels < 7m frrp, 01 January - 30 June	368.70	424.00	347.83	400.00	6.00%
S1J7A2	Recreational Fishing Vessels < 7m per Launch	69.57	80.00	65.22	75.00	6.66%
S1J7A3	Recreational Fishing (Overstrand Consumers) Vessels > 7m pa	737.39	848.00	695.66	800.00	6.00%
S1J7A4	Recreational Fishing Vessels > 7m per Launch	92.18	106.00	86.96	100.00	6.00%
S1J7B1	Commercial Fishing (Overstrand Consumers) Vessels < 7m pa	737.39	848.00	695.65	800.00	6.00%
S1J7B2	Commercial Fishing Vessels > 7m pa	921.74	1 060.00	869.57	1 000.00	6.00%
S1J7B3	Commercial Fishing Vessels < 7m per launch	92.18	106.00	86.96	100.00	6.00%
S1J7B4	Commercial Fishing Vessels > 7m per launch	110.44	127.00	104.35	120.00	5.83%
S1J8A	Passenger Boats pm	1 613.04	1 855.00	1 521.74	1 750.00	6.00%
S1J8B	Passenger Boats per launch	161.74	186.00	152.17	175.00	6.29%
S1J9	Use of Tractor for Boat Launching per month	293.04	337.00	276.52	318.00	5.97%
S1J11	Formal Shop Rental / month	1 006.96	1 158.00	949.57	1 092.00	6.04%
S1J12	Informal Trader under cover rental / month	662.61	762.00	625.22	719.00	5.98%
S1M	**Kleinmond Slipway:**					
S1M1	Recreational Fishing (Overstrand Consumers) Vessels < 7m pa	731.30	841.00	689.57	793.00	6.05%
S1M1A	Recreational Fishing (Overstrand Consumers) Vessels < 7m from 01 July - 31 Dec	276.52	318.00	260.87	300.00	6.00%
S1M1B	Recreational Fishing (Overstrand Consumers) Vessels < 7m frrp, 01 January - 30 June	368.70	424.00	347.83	400.00	6.00%
S1M2	Recreational Fishing Vessels < 7m per Launch	69.57	80.00	65.22	75.00	6.66%
S1M3	Recreational Fishing (Overstrand Consumers) Vessels > 7m pa	878.26	1 010.00	828.70	953.00	5.98%
S1M4	Recreational Fishing Vessels > 7m per Launch	113.91	131.00	107.83	124.00	5.64%
S1M5	Commercial Fishing (Overstrand Consumers) Vessels < 7m pa	737.39	848.00	695.65	800.00	6.00%
S1M6	Commercial Fishing Vessels > 7m pa	1 056.52	1 215.00	996.52	1 146.00	6.02%
S1M7	Commercial Fishing Vessels < 7m per launch	100.87	116.00	94.78	109.00	6.43%
S1M8	Commercial Fishing Vessels > 7m per launch	120.00	138.00	113.04	130.00	6.16%

S1M9	Passenger Boats pm	1 809.57	2 081.00	1 706.96	1 963.00	6.01%
S1M10	Passenger Boats per launch	175.13	201.40	165.22	190.00	6.00%
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	255.65	294.00	240.87	277.00	6.14%
S1T1B	Monthly	153.04	176.00	144.35	166.00	6.02%
S1T1C	Weekly	76.52	88.00	72.17	83.00	6.03%
S1T1D	Daily	26.96	31.00	25.22	29.00	6.90%
S1T2	**Non- Affiliated Members**					
S1T2A	Annually	509.57	586.00	480.87	553.00	5.97%
S1T2B	Monthly	229.57	264.00	216.52	249.00	6.02%
S1T2C	Weekly	127.83	147.00	120.87	139.00	5.76%
S1T2D	Daily	40.00	46.00	37.39	43.00	6.98%
S2	**BUILDING CONTROL**					
S2A1	Building Plan Fees : Minor Building Works	292.17	336.00	275.65	317.00	5.99%
S2A2	Building Plan Fees : 0 up to 30 m² (Fixed fee)(S2A3 x 30)	1 106.09	1 272.00	1 043.40	1 199.91	6.01%
S2A3	Building Plan Fees : Greater than 30 m² up to 100 m² (R/m²)	36.52	42.00	34.78	40.00	5.00%
S2A4	Building Plan Fees : Greater than 100 m² up to 200 ²m (R/m²)	43.48	50.00	40.87	47.00	6.39%
S2A5	Building Plan Fees : Greater than 200 m² up to 300 m² (R/m²)	50.44	58.00	47.83	55.00	5.45%
S2A6	Building Plan Fees : Greater than 300 m² (R/m²)	56.52	65.00	53.04	61.00	6.56%
S2A7	Building Plan Fees : Government Subsidized Housing Schemes smaller than 80 m² (privatly constructed)	260.87	300.00	246.09	283.00	6.01%
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)	24.35	28.00	22.61	26.00	7.70%
S2A11	Building Plan Fees : Industrial buildings (excluding offices)(R/m²)	24.35	28.00	22.61	26.00	7.70%
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.)	648.70	746.00	612.17	704.00	5.97%
S2A14	Buildng Plan Fees : Application for temporary structures (Tents for events)	648.70	746.00	612.17	704.00	5.97%
S2B1	Plan Scrutiny Fees : 0 up to 200 m² (Fixed Fee)	648.70	746.00	612.17	704.00	5.97%
S2B2	Plan Scrutiny Fees : Greater than 200 m² (R/m²)	5.57	6.40	5.22	6.00	6.61%
S2C1	Demolition application	660.87	760.00	623.48	717.00	6.00%
S2D1	Re-inspection fees and Inspections on complaints, rates clearance etc.	372.17	428.00	351.30	404.00	5.94%
S2E1	Administration / Viewing Request, Filing retrieval and Copying of Plans	73.04	84.00	68.70	79.00	6.33%
S2F1	Plan validity extension	293.91	338.00	277.39	319.00	5.96%
S2G1	Heritage Investigation Minor Alterations (no additions)	584.35	672.00	551.30	634.00	5.99%
S2G2	Heritage Investigation add and alt smaller than 30 m² (2 X S2G1)	1 168.70	1 344.00	1 102.61	1 268.00	5.99%
S2G3	Heritage Investigation add and alt greater than 30 m² (2 X S2G2)	2 337.40	2 688.00	2 205.22	2 536.00	5.99%
S2H1	Signage : Application to erect a sign	648.70	746.00	612.17	704.00	5.97%
S2H2	Signage : Application fee for consent (S4.2.1)	571.30	657.00	539.13	620.00	5.97%
S2H3	Signage : Application fee for departure (S4.3.1)	571.30	657.00	539.13	620.00	5.97%

S2H4	Signage : Advertising Costs Local newspapers for departure application	4 503.48	5 179.00	4 248.70	4 886.00	6.00%
S3	**BUILDING CONTROL: PLAN PRINTING FEES**					
S3A1	Per sheet - Size A0 (Private copy)	76.52	88.00	72.17	83.00	6.03%
S3A2	Size A1 (Private copy)	60.00	69.00	56.52	65.00	6.16%
S3A3	Size A2 (Private copy)	44.35	51.00	41.74	48.00	6.25%
S3A4	Per sheet - Size A0 (Official copy)	60.00	69.00	56.52	65.00	6.16%
S3A5	- Size A1 (Official copy)	44.35	51.00	41.74	48.00	6.25%
S3A6	- Size A2 (Official copy)	34.78	40.00	28.70	33.00	21.21%
S3B1	Per sheet - Size A0 (Private copy) Colour	380.00	437.00	358.26	412.00	6.07%
S3B2	Size A1 (Private copy) Colour	290.44	334.00	273.91	315.00	6.03%
S3B3	Size A2 (Private copy) Colour	193.91	223.00	182.61	210.00	6.19%
S3B4	Per sheet - Size A0 (Official copy) Colour	193.91	223.00	182.61	210.00	6.19%
S3B5	- Size A1 (Official copy) Colour	144.35	166.00	136.52	157.00	5.74%
S3B6	- Size A2 (Official copy) Colour	97.39	112.00	92.17	106.00	5.66%
S5	**BUSINESS LICENSE**					
S5B1	Business Licence - Formal	927.83	1 067.00	875.65	1 007.00	5.96%
S5B2	Business Licence - Informal	333.04	383.00	313.91	361.00	6.09%
S5B3	Re-inspection Fee	182.61	210.00	172.17	198.00	6.06%
S5B4	Duplicate Licence Fee	182.61	210.00	172.17	198.00	6.06%
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	2 003.48	2 304.00	1 890.44	2 174.00	5.98%
S5B5B	Application for extended Liquor (Trading on Sunday) per annum ** (to be applicable according By-law)	2 003.48	2 304.00	1 890.44	2 174.00	5.98%
S15	**CEMETERY**					
	Residents (RES):					
S15A	**Plot Cost (Fixed)**					
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	720.87	829.00	680.00	782.00	6.01%
S15A2	All cemeteries - Doubble graves - depth for two coffins	1 117.39	1 285.00	1 053.91	1 212.00	6.02%
S15A4	Children under 12years	540.87	622.00	510.44	587.00	5.96%
S15A5	Wall of Remembrance Fees	263.48	303.00	248.70	286.00	5.95%
S15A6	Overstrand Reginal Cemetary: COVID-19 related funerals	0.00	0.00	0.00	0.00	0.00%
S15B	**Indication of grave**					
S15B1	New graves (include inspection before and after funeral)	714.78	822.00	673.91	775.00	6.06%
S15B2	Existing graves	229.57	264.00	216.52	249.00	6.02%
S18	**COMMERCIAL FILMING/PHOTOGRAPHING (Tariff of 50% less charged, when compliant to pre-determined criteria)**					

S18A	Large per day or part thereof ≥ 50 people	17 056.52	19 615.00	16 091.30	18 505.00	6.00%
S18B	Small per day or part thereof more than 10 but < 50 people	8 295.65	9 540.00	7 826.09	9 000.00	6.00%
S18C	Small per day or part thereof ≤ 10 people	4 608.70	5 300.00	4 347.83	5 000.00	6.00%
S18D	Application Fee per application	1 953.91	2 247.00	1 843.48	2 120.00	5.99%
S18F	**Addition to Shoot**					
S18F1	Animals (per animal per day or part of a day)	213.91	246.00	201.74	232.00	6.03%
S18F2	Area required for production and catering (per m² per day or part of a day)	48.70	56.00	46.09	53.00	5.65%
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	500.87	576.00	472.17	543.00	6.08%
S18F5	Vehicles off Public Roads per Parking Bay (per vehicle per day/part of a day)	180.00	207.00	169.57	195.00	6.15%
S20	**CREDIT CONTROL AND DEBT COLLECTION**					
S20A1	Admin fee on arrear accounts Notices	239.13	275.00	226.09	260.00	5.77%
S20A2	Admin fee on 24 hour Notices - Bulk users	239.13	275.00	226.09	260.00	5.77%
S20B	Admin fee on arrear accounts Disconnection and Reconnection Fee	561.74	646.00	530.44	610.00	5.90%
S20C	SMS admin fee on arrear accounts Notices	18.26	21.00	17.39	20.00	5.00%
S23	**FIRE SERVICES & DISASTER MANAGEMENT**					
S23A	Plot Clearing	Actual Cost + R1 296.23 admin. Fee	applicable vat	Actual Cost + R1 222.86 admin. Fee	applicable vat	#DIV/0!
S23B	Re-inspection Fee under By-law	193.91	223.00	182.61	210.00	6.19%
S23C	**Extinghuising of Fires**					
S23C1	Extinguishing of structural fires per hour or part thereof per incident	R2 193.43 + add cost incurred	applicable vat	R2 069.27 + add cost incurred	applicable vat	6.00%
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	R653.10 + add cost incurred	applicable vat	R616.13 + add cost incurred	applicable vat	6.00%
S23C4	Extinguishing of vehicle/equipment fires per hour or part thereof	R557.57 + add cost incurred	applicable vat	R526.01 + add cost incurred	applicable vat	6.00%
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	732.17	842.00	690.44	794.00	6.04%
S23E	**Fire Prevention Inspections**					
S23E1	Tank installation - per tank	413.91	476.00	390.44	449.00	6.01%
S23E2	LP Gas - per installation 48Kg and more incl bulk tanks	413.91	476.00	390.44	449.00	6.01%
S23F	**Fire Safety (excluding municipal buildings)**					
S23F1	1st compliance inspection per 20 minutes	168.70	194.00	159.13	183.00	6.01%
S23F2	2nd and continuing compliance inspection per 20 minutes	168.70	194.00	159.13	183.00	6.01%
S23F3	Rates Clearance Inspection	224.35	258.00	211.30	243.00	6.18%
S23F5	Fire Compliance Certificate excluding goFPA members	558.26	642.00	526.96	606.00	5.94%
S23G	**Events**					
S23G1	Inspection of location and issuing of Population Certificate	276.52	318.00	260.87	300.00	6.00%
S23G2	Standby at event per event per day or part thereof for vehicle and fire fighters	1 379.13	1 586.00	1 300.87	1 496.00	6.02%
S23H	**Burn Permits**					
S23H1	Burn Permit Inspection	346.09	398.00	326.09	375.00	6.13%
S23J	**Special Services**					

S23J1	Ad hoc services	752.17	865.00	709.57	816.00	6.00%
S23J2	Water Supply per hour, excluding water tariff as set out in the water tariff structure	752.17	865.00	709.57	816.00	6.00%
S23L	Transportation Certification					
S23L1	Danterous Goods Transportation Certification	606.00	696.90	new	new	
S25	**LAW ENFORCEMENT**					
S25B	**Impoundment of Abanded or Obstructing items**					
S25B1	Per Impoundment	823.48	947.00	776.52	893.00	6.05%
S25B2	Storage Fee per day	219.13	252.00	206.96	238.00	5.88%
S25C	**Impoundment of Informal Traders (Hawkers) Goods**					
S25C1	Per Impoundment	823.48	947.00	776.52	893.00	6.05%
S25C2	Removal of illegal structure per structure	3 377.39	3 884.00	3 186.09	3 664.00	6.00%
S25C3	Storage Fee per day	219.13	252.00	206.96	238.00	5.88%
S25D	**Pound fee: Dogs and Cats**					
S25D1	Impoundment of Dogs and Cats per animal	90.44	104.00	85.22	98.00	6.12%
S25D2	Pound fee: from day 2 per day per animal	57.39	66.00	53.91	62.00	6.46%
S25E	**Pound fee: Other Animals (not listed here)**					
S25E1	Impoundment fee per week per animal	885.22	1 018.00	834.78	960.00	6.04%
S25F	**Pound fee: Horses**					
S25F1	Impoundment of Horses per animal	893.04	1 027.00	842.61	969.00	5.98%
S25F2	Pound fee: per day per animal	224.35	258.00	211.30	243.00	6.18%
S25G	**Pound fee: Sheep and Goats**					
S25G1	Impoundment of Sheep and Goats per animal	224.35	258.00	211.30	243.00	6.18%
S25G2	Pound fee: per day per animal	112.17	129.00	106.09	122.00	5.73%
S25H	**Pound fee: Cattle**					
S25H1	Impoundment of Cattle per animal	893.04	1 027.00	842.61	969.00	5.98%
S25H2	Pound fee: per day per animal	168.70	194.00	159.13	183.00	6.01%
S25I	**Pound fee: Pigs**					
S25I1	Impoundment of Pigs per animal	446.96	514.00	421.74	485.00	5.98%
S25I2	Pound fee: per day per animal	168.70	194.00	159.13	183.00	6.01%
S25J	**Pound fee: Poultry**					
S25J1	Impoundment of Poultry per animal	112.17	129.00	106.09	122.00	5.73%
S25J2	Pound fee: per day per animal	23.04	26.50	21.74	25.00	5.98%
S25K	**Pound fee: Shopping Trolley**					
S25K1	Impoundment of Shopping Trolley per trolley	500.87	576.00	472.17	543.00	6.08%
S25P	**Bylaw on Outdoor Advertising**					
S25P1	Impoundment of illegal Advertising/Agent boards (per board) - small <2400cm²	90.44	104.00	85.22	98.00	6.12%
S25P2	Impoundment of illegal Advertising/Agent boards (per board) - large >2400cm²	886.96	1 020.00	836.52	962.00	6.03%
S25R	**Business & Other Events**					
S25R1	Per officer per hour or part thereof - Mon - Sat	563.48	648.00	531.30	611.00	6.06%
S25R2	Per officer per hour or part thereof - Sundays and public Holidays	644.35	741.00	607.83	699.00	6.01%
S25R3	Administrative fee for provision of officers - per application	153.91	177.00	145.22	167.00	5.98%
S28	**LIBRARY**					
S28A1	Copies: A3 / page	3.65	4.20	3.48	4.00	4.89%
S28A3	Copies: A3 page Colour	5.57	6.40	5.22	6.00	6.61%

S28A5	Copies: A4/page (Library content only)	0.91	1.05	0.87	1.00	4.60%
S28A6	Copies: A4/page (Non-Library content)	1.83	2.10	1.74	2.00	5.17%
S28A7	Copies: A4 page Colour	3.65	4.20	3.48	4.00	4.89%
S28B1	Deposit to person/s non-residents - Fiction & Non-Fiction	477.00	no vat	450.00	no vat	6.00%
S28D1	Lost Cards: Laminated (R/card) first time	18.43	21.20	17.39	20.00	6.00%
S28D1A	Lost Cards: Laminated (R/card)(subsequent lost card)	36.87	42.40	34.78	40.00	6.01%
S28D2	Laminated Cost A3	4.61	5.30	4.35	5.00	5.98%
S28D3	Laminated Cost A4	3.65	4.20	3.48	4.00	4.89%
S28E1	Penalty per book per week	2.10	no vat	2.00	no vat	5.00%
S28E2	Penalty per record/CD per week	2.10	no vat	2.00	no vat	5.00%
S28E3	Penalty per video/DVD per day	2.10	no vat	2.00	no vat	5.00%
S28F1	Scanning of Document - Black & White	0.91	1.05	0.87	1.00	4.60%
S28F2	Scanning of Document - Colour	1.83	2.10	1.74	2.00	5.17%
S28G1	Special Requests - Hold per Book	6.44	7.40	6.09	7.00	5.67%
S28G2	Special Requests - ILL per Book	13.91	16.00	13.04	15.00	6.67%
S28H1	Subscriptions/ reader - Adults (Non residents)	180.87	208.00	170.44	196.00	6.12%
S28H2	Subscriptions/ reader - Children (Non residents)	113.91	131.00	107.83	124.00	5.64%
S28H3	Subscriptions/ reader - Family max 5 (Non residents)	445.22	512.00	420.00	483.00	6.00%
S28L1	Hire of Library Hall per Hour - Fundraising event	174.78	201.00	165.22	190.00	5.79%
S28L2	Hire of Library Hall per Hour - NON- Fundraising event	32.17	37.00	30.44	35.00	5.70%
S28M1	Minor Damage to book (per book)	27.83	32.00	26.09	30.00	6.67%
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**					
S34A1	Lease or purchase of/or encroachment on municipal land (excluding Sport Facilities/Stalls and organs of state)	2 608.70	3 000.00	2 608.70	3 000.00	0.00%
S34A2	Lease or purchase of municipal land - Social Care Institutions / Registered Organisations / NPO's / PBO's/Community organisations	600.00	690.00	600.00	690.00	0.00%
S34A3	Tempory lease of municipal land for the storage of building materials next to building sites or general short term purposes	635.65	731.00	600.00	690.00	5.94%
S34A4	General consents issued in terms of the Administration of Immovable Property Policy (as amended)	600.00	690.00	new	new	
S34C	**Encroachment Fee:**					
S34C1	Encroachments of Veranda, Balcony, Sign, Signboards or similar structure over/onto municipal land (per annum)	553.04	636.00	521.74	600.00	6.00%
S34C2	Encroachments onto municipal land where a lease is not applicable (per annum)	553.04	636.00	521.74	600.00	6.00%
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)	2.46	2.83	15.04	17.30	-83.64%
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)	6.43	7.40	6.09	7.00	5.65%
S34G2	Lease of municipal land for outdoor seating adjoining a Restaurant (per m² per month)	35.91	41.30	33.91	39.00	5.90%
S34G3	Lease of municipal land to Social Care Institutions / Registered Organisations / NPO's/ PBO's/ Sport facilities/Community organisations (per month)	178.26	205.00	167.83	193.00	6.21%
S34G6	Lease of municipal land for the displaying or parking of vehicles (per m² per month)	6.70	7.70	6.35	7.30	5.43%
S34H	**Radio Mast**					
S34H1	Equipment on municipal mast or municipal assets/infrastructure - per month per mast	2 446.09	2 813.00	2 307.83	2 654.00	5.99%
S34H2	Space in building adjacent to the mast (per m² per month)	644.35	741.00	607.83	699.00	6.01%
S34H3	Space outside the building adjacent to the mast (per m² per month)	323.48	372.00	305.22	351.00	5.98%
S34H4	Lease of municipal land with a mast on or for the erection of a new mast (per m² per month)	81.74	94.00	77.39	89.00	5.62%
S34J	**Memorial Benches / Picnic tables**					
S34J1	Application for a new memorial bench on municipal land	4 347.83	5 000.00	3 794.78	4 364.00	14.57%
S34J2	Fee for a memorial bench/picnic table on municipal land (per annum)	323.48	372.00	305.22	351.00	5.98%
S34J3	Application for the allocation of a existing memorial bench	2 608.70	3 000.00	new	new	
S34J4	Application for a new memorial / picnic table (including two concrete seats) installed on a concrete slab on municipal land	7 826.09	9 000.00	new	new	
S36	**PROPERTY INFORMATION**					
S36A1	Clearance Certificate (R/certificate) - ELECTRONIC	122.61	141.00	115.65	133.00	6.02%
S36A2	Clearance Certificate (R/certificate) - MANUAL	372.17	428.00	351.30	404.00	5.94%
S36B1	Deeds office registrations with sales information (R/100 erven or part)	161.74	186.00	152.17	175.00	6.29%
S36B2	Deeds office registrations with sales information (R/erf)	42.61	49.00	40.00	46.00	6.52%
S36C	Extract from the Valuation Roll (R/page)	13.91	16.00	13.04	15.00	6.67%
S36F	Revaluation fee	2 301.74	2 647.00	2 171.30	2 497.00	6.01%
S36G1	Valuation Certificate (R/certificate) - ELECTRONIC	57.39	66.00	53.91	62.00	6.46%
S36G2	Valuation Certificate (R/certificate) - MANUAL	193.91	223.00	182.61	210.00	6.19%
S36H	Access of valuation roll Information on CD	440.87	507.00	415.65	478.00	6.07%
S40	**RENTAL: COMMUNITY HALLS**					
S40.1	All events hosted where the municipal council or administration is the official host	free of charge	no vat	free of charge	no vat	
S40.3	Elections by the Electoral Commission	as per IEC policy	applicable vat	as per IEC policy	applicable vat	
S40.4	Events of Government Departments directly in interest of community	free of charge	no vat	free of charge	no vat	
S40A	**Auditorium & Banqueting Hall**					
S40A1	Deposit for all functions (refundable) - excluding meetings	2 189.00	no vat	2 065.00	no vat	6.00%
S40A2	Hire of Auditorium and Banqueting Hall per Hour or part of a hour	769.57	885.00	726.09	835.00	5.99%
S40A3	Hire of Auditorium per Hour or part of a hour	449.57	517.00	424.35	488.00	5.94%
S40A4	Hire of Banqueting Hall per Hour or part of a hour	449.57	517.00	424.35	488.00	5.94%
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	584.35	672.00	551.30	634.00	5.99%
S40A6	Piano per event	Actual Tuning Cost	applicable vat	Actual Tuning Cost	applicable vat	
S40A7	Sound and/or Ligthing Equipment per event per hour	122.61	141.00	115.65	133.00	6.02%

S40A8	Use of Kitchen per day	804.35	925.00	759.13	873.00	5.96%
S40A9	Hire of Glasses or Cups, Sauers and teaspoons per event	235.65	271.00	222.61	256.00	5.86%
S40A10	Local NGO's and CBO's per hour per venue - all events	251.30	289.00	237.39	273.00	5.86%
S40A12	Preparation for event - per hour	159.13	183.00	150.44	173.00	5.78%
S40A13	Meetings: Government departments (private meetings), NGO's and CBO's from outside the municipal area, per hour (Banquet hall)	354.78	408.00	334.78	385.00	5.97%
S40A14	Meetings: Local CBO's & NGO's per hour (Banquet hall only)	33.91	39.00	32.17	37.00	5.41%
S40A15	Weddings, Birthdays and Special Occasions per day (including the Kitchen)	2 232.17	2 567.00	2 106.09	2 422.00	5.99%
S40A16	Festivals/Exhibitions/Events per day (max 14 days). Both venues, excluding extras - more than 14 days refer to general tariffs	769.57	885.00	726.09	835.00	5.99%
S40C	**Rental Units - Kleinmond**					
S40C1	Hire per room per month	54.78	63.00	51.30	59.00	6.78%
S40E	**Baardskeerdersbos / Betty's Bay / Blompark / Buffelsjags /Eluxolweni/Fernkloof Hall /Hawston Abalone *Hall* /Kleinmond Youth Centre / Kleinmond Club House / Masakane / Moffat Hall / Mooiuitsig / Overhills / Pringle Bay / Proteadorp / Stanford / Stanford Committee Room / Zwelihle**					
S40E4	Fundraising: (Karaoke) Per daytime *or* evening	354.78	408.00	334.78	385.00	5.97%
S40E5	Funeral Tea (three hours)	146.96	169.00	138.26	159.00	6.29%
S40E6	Local CBO's of vulnerable groups: one booking allowed 24 hours in advance of a social gathering to be scheduled only on week days between 08:00 - 16:30	no charge	no vat	no charge	no vat	
S40E7	Non-fundraising events for Schools, other training institutions and sport & recreation	293.91	338.00	277.39	319.00	5.96%
S40E8	Meetings: Local CBO's and NGO's per hour - Meetings free of charge for Hawston Local Organisation for the Elderly	33.91	39.00	32.17	37.00	5.41%
S40E9	Non-fundraising (parties) Per daytime *or* evening	178.26	205.00	167.83	193.00	6.21%
S40E10	Use of Kitchen - Fundraising events per event	323.48	372.00	305.22	351.00	5.98%
S40E11	Use of Kitchen - Non Fundraising	323.48	372.00	305.22	351.00	5.98%
Note	**Daytime = 07:00 - 17:00 // Evening = 18:00 - 24:00 (Charge seperately)**					
S40J	**Kleinmond Civic Center Hall, & Hawston Thusong Centre**					
S40J1	Deposit: (refundable) Government Imbizos & Government Meetings.	638.00	no vat	602.00	no vat	5.98%
S40J2	Deposit (refundable): Hawston Thusong Centre	1 152.00	no vat	1 087.00	no vat	5.98%
S40J3	Fundraising: Karaoke, Disco, competitions, etc. per daytime or evening	804.35	925.00	759.13	873.00	5.96%
S40J4	Church Services per day	111.30	128.00	105.22	121.00	5.78%
S40J5	Funeral Tea (three hours)	146.96	169.00	138.26	159.00	6.29%
S40J6	Government Imbizos (per day)	2 479.13	2 851.00	2 339.13	2 690.00	5.99%
S40J7	Non-fundraising events for Schools, other training institutions and sport & recreation	293.91	338.00	277.39	319.00	5.96%
S40J8	Meetings: Government Departments (private meetings) & CBO's outside Municipal area per hour	354.78	408.00	334.78	385.00	5.97%
S40J9	Meetings: Local CBO's, NGO's, Non-fund-raising indoor sports per hour (only large groups > 30) - (No Deposits)	33.91	39.00	32.17	37.00	5.41%
S40J10	Preparation for event - per hour	83.48	96.00	79.13	91.00	5.50%
S40J11	Non-fundraising: Parties, weddings, indoor sports, etc. per daytime or evening	402.61	463.00	380.00	437.00	5.95%
S40J12	Tariff for events continuing after midnight (24h00) per hour	246.96	284.00	233.04	268.00	5.97%
S40J13	Sound OR Ligthing Equipment per event (each item) per hour	123.48	142.00	116.52	134.00	5.97%
S40J14	Use of kitchen (per event per day)	387.83	446.00	366.09	421.00	5.94%
S40J15	Use of kitchen for water jugs and glasses or tea cups & sauces (per event per day)	56.52	65.00	53.04	61.00	6.56%
Note	**Daytime = 07:00 - 17:00 // Evening = 18:00 - 24:00 (Charge seperately)**					

S43	**RENTAL: INFORMAL TRADERS' (HAWKERS') STALLS, OPEN SPACES & BEACHES (applicable Overstrand Wide)**					
S43A	**CBD**					
S43A1	All open stalls per day (demarcated area)(excluding Western Cape December Holiday plus Easter Weekend)	33.91	39.00	32.17	37.00	5.41%
S43A2	Open Stalls per day (Western Cape December Holiday plus Easter Weekend)	49.57	57.00	46.96	54.00	5.55%
S43B	**Outside the CBD**					
S43B1	Open Stalls Rental --December - January pm	110.44	127.00	104.35	120.00	5.83%
S43B2	Open Stalls Rental - February to November pm	46.96	54.00	44.35	51.00	5.89%
S43D	**Events: Any Public Open Space, 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)	44.35	51.00	41.74	48.00	6.25%
S43D2	~~Funfair, Circus etc per day~~ Profitable Organisations, sporting events, markets, music festivals etc as per the Events By-Law and Policy (Excluding other services eg. Refuse collection, electricity, etc.)	6 956.52	8 000.00	987.83	1 136.00	604.22%
S43D3	~~Welfare, churches, non profit organizations~~ Non-profitable Organisations, birthday parties, creches, school events, relligious events (Excluding other services eg. Refuse collection, electricity, etc.)	434.78	500.00	no charge	no vat	
~~S43D4~~	~~Sport Events per day~~	~~0.00~~	~~0.00~~	~~4 477.39~~	~~5 149.00~~	~~-100.00%~~
S43F	**Beaches**					
S43F1	Beach Rentals - per day (Private functions)	1 529.57	1 759.00	1 442.61	1 659.00	6.03%
S43F2	Rental December to January pm	276.52	318.00	260.87	300.00	6.00%
S43F3	Rental February to November pm	92.17	106.00	86.96	100.00	5.99%
S43G	**Leases**					
S43G4	Lease of stalls/containers on municipal land for informal trading (full stall/container) (per month)	215.65	248.00	203.48	234.00	5.98%
S43G5	Lease of stalls/containers on municipal land for informal trading (half a stall/container) (per month)	89.57	103.00	84.35	97.00	6.18%
S46	**RENTAL: OFFICE**					
S46A	Rental for office space (Hermanus Administration) (per m² per month)	146.96	169.00	138.26	159.00	6.29%
S46A1	Rental for office space (Gansbaai, Stanford & Kleinmond Administrations) (per m² per month)	73.04	84.00	68.70	79.00	6.33%
S46A2	Rental for office space to NGO's/NPO's/Government Departments/State Owned Enterprises irrespective of area (per m² per month)	44.35	51.00	41.74	48.00	6.25%
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)	201.74	232.00	190.44	219.00	5.94%
S48A2	Club House - Sport events hosted by ~~Overstrand~~ affiliated Sport and Recreation structures per ~~2 hours or part thereof~~ hour	49.57	57.00	46.96	54.00	5.55%
S48A3	Club House - Sport event hosted by Non-affiliated ~~Overstrand~~ Sport and Recreation structures - per hour	101.74	117.00	95.65	110.00	6.37%
S48A4	~~Sport grounds~~ Club House ~~-Per event hosted by non-Overstrand Sport and Recreation structures~~ Education, Welfare & NPO's/NGO's, Churches per hour	49.57	57.00	1 876.52	2 158.00	-97.36%
S48A5	Club House - Schools & Non-fundraising events per day	49.57	57.00	new	new	
S48A6	~~Sport grounds~~ Club House ~~- Functions/Events (excluding departmental events~~) All events hosted wh	no charge	no charge	1 035.65	1 191.00	#VALUE!
S48A7	Club House - All events hosted by Government Departments directly benefiting the community	no charge	no charge	new	new	

S48A8	~~Change Rooms - Sport events hosted by Overstrand Sport and Recreation Structures~~ Club House - Hiring of kitchen per day	304.35	350.00	new	new	#VALUE!
S48A9	Club House - Breakage deposit	800.00	no vat	new	new	#VALUE!
S48A10	Club House - Gatherings/meetings (non-fundraising) per hour	27.83	32.00	new	new	#VALUE!
S48A11	Club House - Gatherings/meetings/private functions & fundraising events per hour	174.78	201.00	new	new	#VALUE!
S48B	**Sport grounds**					
S48B1	Sportgrounds - Use of field: Affiliated members & schools per month per field	173.91	200.00	new	new	#VALUE!
S48B2	Sportgrounds - use of field: Affiliated members & schools per day per field	86.96	100.00	new	new	#VALUE!
S48B3	Sportgrounds - Festivals/Non-fundraising events per day	869.57	1 000.00	new	new	#VALUE!
S48B4	Sportgrounds - Exhibitions/shows/private events per day	869.57	1 000.00	new	new	#VALUE!
Note	**Sportgrounds refer to playing surfaces**					
S48C	**Affiliation fees**					
S48C1	Affiliation fees - Overstrand sport clubs per annum	173.91	200.00	new	new	#VALUE!
S48C2	Affiliation fees - Overstrand schools per annum	173.91	200.00	new	new	#VALUE!
S48D	**Tennis/Netball/Basketball Courts**					#DIV/0!
S48D1	Tennis/Netball/Basketball Courts - Affiliated members & schools per month	86.96	100.00	new	new	#VALUE!
S48D2	Tennis/Netball/Basketball Courts - Non-affiliated members & individuals per month	43.48	50.00	new	new	#VALUE!
S49	**RENTAL: VACANT SERVICED ERVEN FOR LOW COST HOUSING**					
S49A	Wetcore Stands (Social Housing) - rent per month	41.74	48.00	39.13	45.00	6.67%
S50	**SCHUSS HOUSES KLEINMOND (Meerenvlei)**					
S50A	Rental per unit per month	1 192.17	1 371.00	1 124.35	1 293.00	6.03%
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 + R55.12	applicable vat	actual cost + R52.00	applicable vat	#DIV/0!
S55B2	Administration Cost - RD cheques, Post Dated Cheques	actual cost + R55.12	applicable vat	actual cost + R52.00	applicable vat	#DIV/0!
S55B3	Administration Cost - Trace of Direct Deposit	actual cost + R112.36	applicable vat	actual cost + R106.00	applicable vat	#DIV/0!
S55D1	Copies: A3 page	4.96	5.70	4.70	5.40	5.64%
S55D2	Copies: A3 page Colour	9.04	10.40	8.52	9.80	6.10%
S55D3	Copies: A4 page	2.17	2.50	2.02	2.33	7.18%
S55D4	Copies: A4 page Colour	6.09	7.00	5.74	6.60	6.01%
S55E	Foreign Bank Cost	actual cost	applicable vat	actual cost	applicable vat	
S55F1	Fax per page - excluding 0865/6 numbers	6.09	7.00	5.74	6.60	6.10%
S55F2	Fax per page - 0865/6 numbers	10.09	11.60	9.48	10.90	6.43%
S55G1	Interest on accounts in arrear	prime + 4%	no vat	prime + 4%	no vat	
S55G2	Placard / Poster Deposit for Elections	5 584.00	no vat	5 268.20	no vat	5.99%
S55G4	Placard / Poster Deposit for Political Parties	5 584.00	no vat	5 268.20	no vat	5.99%
S55H	Placard / Poster each	20.00	23.00	19.04	21.90	5.04%
S55I	Multiple Duplicate Consumer Accounts per request	9.57	11.00	9.04	10.40	5.81%
S55I1	Duplicate PayDay pay slip	9.57	11.00	9.04	10.40	5.81%
S55J	Section 62 of local Government: Systems Act: appeal deposit (refundable if appeal is upheld)	1 800.00	no vat	1 800.00	no vat	0.00%
S55K1A	Tender objection deposit (refundable if appeal is upheld)	1 800.00	no vat	1 800.00	no vat	0.00%
S55K1B	Tender objection deposit (partially upheld -50% refundable)	900.00	no vat	1 675.00	no vat	-46.27%
S55K2	Tender documentation Fee: (less than 50 pages)	34.78	40.00	34.78	40.00	0.00%

S55K3	Tender documentation Fee: (more than 51 pages less than 200 pages)	130.44	150.00	182.61	210.00	-28.57%
S55K4	Tender documentation Fee: (more than 200 pages)	217.39	250.00	391.30	450.00	-44.44%
S55K5	Tender documentation Fee (Consultant/CIDB colour-coded pages)	521.74	600.00	695.65	800.00	-25.00%
S55L	Advertising Signs Auctioneers per 14days	297.39	342.00	563.48	648.00	-47.22%
S55K1	Laminated Cost A3	7.83	9.00	7.30	8.40	7.26%
S55K2	Laminated Cost A4	4.78	5.50	4.52	5.20	5.75%
S60	**SWIMMING POOL**					
S60A	**Daily Tariffs (01 December - 31 March & Easter Weekend & Events approved by the Administration)**					
S60A1	Persons older than 12years of age - per person per DAY or part of a day	4.35	5.00	4.35	5.00	0.00%
S60A2	Children (< 12years) per child per day or part of a day	No Charge	no vat	No Charge	no vat	
S60A4	Galas	106.09	122.00	106.09	122.00	0.00%
S60A5	Training sessions (Schools & Clubs) per season	167.83	193.00	167.83	193.00	0.00%
S65	**TOP MANAGEMENT CONSULTATIONS**					
S65A1	Consultation Fee (Top Management) per hour	1 184.35	1 362.00	1 117.39	1 285.00	5.99%
S72	**TOWN PLANNING: APPLICATION FEES**					
S72A	Amendment, deletion or additional contitions in respect of an existing approval	2 429.57	2 794.00	2 440.00	2 806.00	-0.43%
S72A1	Phasing, amendment, or cancellation of a plan of subdivion or a part thereof, including a General Plan or diagram	2 586.09	2 974.00	new	new	
S72A2	Permission required in terms of condition of approval	2 586.09	2 974.00	new	new	
S72B	Application for deviation of SDF/Sectoral Plans	3 044.35	3 501.00	2 872.17	3 303.00	5.99%
S72F	~~Removal of Title Deed Restrictions~~ Amendment, Suspension or Deletion of Restrictive Conditions					
S72F1	Erven 150m² and smaller	299.13	344.00	282.00	324.30	6.07%
S72F2	Erven between 150 m² and 400 m²	599.13	689.00	565.22	650.00	6.00%
S72F3	Erven 400 m² and larger	4 556.52	5 240.00	4 298.26	4 943.00	6.01%
S72G	**Consolidations** (if combined with a subdivision application, only the subdivision fee is payable)					
S72G1	Erven 150m² and smaller	280.00	322.00	264.35	304.00	5.92%
S72G2	Erven between 150 m² and 400 m²	564.35	649.00	532.17	612.00	6.05%
S72G3	Erven 400 m² and larger	3 216.52	3 699.00	3 034.78	3 490.00	5.99%
S72H	**Subdivision (cumulative)**					
S72H1	up to 5 erven	4 347.83	5 000.00	4 101.74	4 717.00	6.00%
S72H2	6 to 10 erven	7 400.87	8 511.00	6 981.74	8 029.00	6.00%
S72H3	More than 10	7 400.87	8 511.00	6 981.74	8 029.00	6.00%
S72H3A	Additional per erf after 10	111.30	128.00	105.22	121.00	5.78%
S72I	**Application for Consent Use**~~/Special Use/Additional Consent~~					
S72I1	Erven 150m² and smaller	254.78	293.00	240.00	276.00	6.16%
S72I2	Erven between 150m² and 400m²	677.39	779.00	639.13	735.00	5.99%
S72I3	Erven 400 m² and larger	3 217.39	3 700.00	3 035.65	3 491.00	5.99%
S72J	**Application for Rezoning** and Closure of Public Place					
S72J1	Erven 150 m² and smaller	677.39	779.00	639.13	735.00	5.99%
S72J2	Erven between 150 m² and 400 m²	1 107.83	1 274.00	1 045.22	1 202.00	5.99%
S72J3	Erven between 400m² and 5000m²	7 400.87	8 511.00	6 981.74	8 029.00	6.00%

S72J4	Erven 5000m² and larger	8 474.78	9 746.00	7 994.78	9 194.00	6.00%
S72K	**Departure ito Section 16(2)(b) and (c) of OM Land Use Planning Bylaw**					
S72K1A	Erven 150m and smaller	254.78	293.00	240.00	276.00	6.16%
S72K1B	Erven between 150m² and 400m²	563.48	648.00	531.30	611.00	6.06%
S72K1C	Erven 400 m² and larger	3 217.39	3 700.00	3 035.65	3 491.00	5.99%
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	367.00	no vat	346.00	no vat	6.07%
S72L2	Erven between 150m² and 400 m²	688.00	no vat	649.00	no vat	6.01%
S72L3	Erven 400 m² and larger	3 712.00	no vat	3 502.00	no vat	6.00%
	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	2 340.87	2 692.00	2 208.70	2 540.00	5.98%
S72N	~~Determination of~~ Zoning Determination					
S72N1	Erven 150m² and smaller	677.39	779.00	639.13	735.00	5.99%
S72N2	Erven between 150 m² and 400 m²	2 129.57	2 449.00	2 008.70	2 310.00	6.02%
S72N3	Erven 400 m² and larger	3 217.39	3 700.00	6 981.74	8 029.00	-53.92%
S72N4	Disestablishment of HOA	3 217.39	3 700.00	3 035.65	3 491.00	5.99%
S72P	**Relaxation of Title Deed** (if combined with departure application only the higest fee applies)					
S72P0	Erven 150m² and smaller	288.70	332.00	272.17	313.00	6.07%
S72P1	Erven between 150m² and 400m²	563.48	648.00	531.30	611.00	6.06%
S72P2	Erven larger than 400m²	3 203.48	3 684.00	3 021.74	3 475.00	6.01%
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	254.78	293.00	240.00	276.00	6.16%
S72Q2	Erven between 150m² and 400m²	563.48	648.00	531.30	611.00	6.06%
S72Q3	Erven 400 m² and larger	3 217.39	3 700.00	3 035.65	3 491.00	5.99%
~~S72Q4~~	~~Closure of Public Place/Part thereof (if combined with rezoning application only the highest fee is applicable~~	~~7 400.64~~	~~8 510.74~~	~~6 981.74~~	~~8 029.00~~	~~6.00%~~
S72R	Extension of ~~Time~~ period of validity of an approval	808.70	930.00	762.61	877.00	6.04%
S72S	Exemption in terms of Section 26	127.83	147.00	120.87	139.00	5.76%
S72T	Departure from trading hours in terms of the Oversrtrand Liquor Trading By-law	3 217.79	3 700.46	new	new	
S75	**TOWN PLANNING: LAND USE PLANNING FEE**					
S75A1	Advertising Costs Government Gazette	4 503.48	5 179.00	4 248.70	4 886.00	6.00%
S75A2	Advertising Costs Local newspapers	4 503.48	5 179.00	4 248.70	4 886.00	6.00%
S75A3	Advertising Costs Local Newspaper (Removal of Restriction only)	9 006.96	10 358.00	8 497.39	9 772.00	6.00%
S75A4	Advertising Costs - Placing of Final Notice in the Government Gazette	1 273.04	1 464.00	1 200.87	1 381.00	6.01%
S75B	Regulations of Zoning schemes (printing)	289.57	333.00	273.04	314.00	6.05%
S75C	Spatial Development Framework (printing)	289.57	333.00	273.04	314.00	6.05%
S75D	Zoning Certificate	323.48	372.00	305.22	351.00	5.98%
S75D1	Zoning Certificate - Non Profit Organisation (NPO)	No Charge	no vat	No Charge	no vat	0.00%
S75E	Registered Letters - more than 10 letters, applicant to pay applicable tariffs according to the South African Post Office Rates	applicable rate	applicable vat	applicable rate	applicable vat	
S75G	Search Fee	323.48	372.00	305.22	351.00	5.98%

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	1 907.83	2 194.00	1 800.00	2 070.00	5.99%
S75I	Determination of Administrative Penalty: % as determined in terms of Section 90(5) of the Overstrand Municipality Land Use Planning Amendment By-Law, 2020					
S75I1	Formal structure - habitable (erven 150m² and smaller) per sqm	5 539.13	6 370.00	5 225.22	6 009.00	6.01%
S75I2	Formal structure - habitable (erven larger than 150m²) per sqm	16 614.78	19 107.00	15 673.91	18 025.00	6.00%
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	563.48	648.00	531.30	611.00	6.06%
S80J2	Per officer per hour or part thereof - Sundays and public Holidays	644.35	741.00	607.83	699.00	6.01%
S80J4	Administrative fee for provision of officers - per application	153.91	177.00	145.22	167.00	5.98%
S80K	**Removal of Vehicles/Towing Fee**					
S80K1	Removal of Vehicles per vehicle	1 352.17	1 555.00	1 275.65	1 467.00	6.00%
S80K2	Storage Fees per day	371.30	427.00	350.44	403.00	5.95%
S80K3	Towing Charge	Cost plus 15%	applicable vat	Cost plus 15%	applicable vat	
S80K4	Wheel Clamping per vehicle	500.87	576.00	472.17	543.00	6.08%
S80L	**Traffic Cones**					
S80L1	Hire of Traffic Cones per Cone per day	80.00	92.00	75.65	87.00	5.75%
S80P	**Disabled Parking Token**					
S80P1	Disabled Parking Token per application - valid for 2year period	147.83	170.00	139.13	160.00	6.25%
S80R	**Impoundment of Boats**					
S80R1	Impoundment Fee per boat	2 003.48	2 304.00	1 890.44	2 174.00	5.98%
S80T1	NLTA impoundments of public transport vehicles according the Government Notice 5/2009	6 452.17	7 420.00	6 086.96	7 000.00	6.00%
S80T2	NLTA Deviating of the routes public transport	2 304.35	2 650.00	2 173.91	2 500.00	6.00%
S85	**WAYLEAVES AND THE USE OF MUNICIPAL ROAD RESERVES FOR THE INSTALLATION OF SERVICES.**					
S85A	**Administration and Supervision Fee**					
~~S85A1~~	~~Administration fee for a miscellaneous permit to use the road reserve for a period of one month or less other than to install an underground service **per permit/event/incident**~~	~~486.68~~	~~559.68~~	~~459.13~~	~~528.00~~	~~6.00%~~
S85A2	Administration fee for a wayleave or permit to use the road reserve to install an underground service **per permit/event/incident**	1 693.91	1 948.00	1 598.26	1 838.00	5.98%
~~S85A3~~	~~Supervision fee for a wayleave or permit to install an underground service **per permit/event/incident**~~	~~3 134.83~~	~~3 605.06~~	~~2 957.39~~	~~3 401.00~~	~~6.00%~~
~~S85A4~~	~~Unauthorised commencement of use of the road reserve **per permit/event/incident**~~	~~200% of applicable above administration and supervision fee~~	~~applicable vat~~	~~200% of applicable above administration and supervision fee~~	~~applicable vat~~	~~penalty???~~
S85B	**Remedying, Repairing and Cleaning**					

S85B1	Remedying substandard reinstatement or reinstatement which does not comply with the road reserve or other Overstrand Municipality infrastructure; cleaning the site; or ensuring compliance with any other requirement the Overstrand Municipality . For the costs incurred by the Overstrand Municipality resulting from any work in, or use of, the road reserve by any person other than the Overstrand Municipality .	Actual costs plus 10% administration fee	applicable vat	Actual costs plus 10% administration fee	applicable vat	
S85C	**Roadway Trench Fee**					
~~S85C1~~	~~Tariff for authorised trenching across a roadway: Local Road per m - measured from 0.5m behind kerb face or road edge (where no kerb is present)~~	~~250.71~~	~~288.32~~	~~236.52~~	~~272.00~~	~~6.00%~~
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)	11 490.44	13 214.00	10 840.00	12 466.00	6.00%

REFUSE (SOLID WASTE) TARIFFS (ROUNDING APPLICABLE)

Tariff Code	Detail	2023/2024		2022/2023			
		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**)	228.00	262.20	213.48	245.50	6.80%	
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)**	-228.00	-262.20	-213.48	-245.50	6.80%	
~~SA1A3~~	~~Residential Indigent subsidy as per paragraph B, C & D of the Indigent Policy (All registered erven/unit with approved building plan) 1 x removal per week **(R/Month)** from 01/03/2023 - 30/06/2023~~	~~0.00~~	~~0.00~~	~~61.83~~	~~71.10~~	~~-100.00%~~	Tariff no longer in use
	BUSINESS WASTE						
SAN1C	Commercial/Business (Hostels, Old Age Homes, Caravan Sites, Semi-permanent Resorts etc) (**R/Month)**	228.00	262.20	213.48	245.50	6.80%	
SA1N1	Bulk Container 240L (Wheeley bin) **(R/Month) 1** X per week (if available)	228.00	262.20	213.48	245.50	6.80%	
SAN1N	Bulk Container 240L (Wheeley bin) **(R/Month) 2** X per week (if available)	455.99	524.39	426.96	491.00	6.80%	
SA1N3	Bulk Container 240L (Wheeley bin) **(R/Month) 3** X per week CBD (if available)	683.97	786.57	640.42	736.48	6.80%	
SA1N4	Bulk Container 240L (Wheeley bin) **(R/Month) 4** X per week CBD (if available)	911.97	1 048.77	853.90	981.99	6.80%	
SA1N2	Bulk Container 240L (Wheeley bin) **(R/Month) 5** X per week CBD (if available)	1 139.97	1 310.97	1 067.39	1 227.50	6.80%	
SAN1O	Camphill Route **(R/Month)** (If available)	1 791.37	2 060.08	1 677.31	1 928.91	6.80%	
SAN1P	Additional Removals per week on **Saturday** per Bin **(R/Month)** per removal	341.98	393.28	320.21	368.24	6.80%	
SA1P1	Additional Removals on request Central Town (CBD) per bin **(R/Month**) (Sunday or Public Holidays) per removal	455.98	524.38	426.95	490.99	6.80%	
SA1P2	All CBD's additional Removal during normal working week, per Bin, per removal	52.72	60.63	49.36	56.76	6.81%	
SA1P3	All CBD's additional Removal on Saturday, per Bin per removal	79.07	90.93	74.04	85.14	6.80%	
SA1P4	All CBD's additional Removal during Sunday or Public Holidays, per Bin per removal	105.43	121.24	98.72	113.53	6.80%	
SA1Q	Caravan Sites, Chalets, Semi-permanent & Resorts **(R/Month)** (Uilenskraalmond Vakansieoord; Franskraal Vakansieoord; Pearly Beach Camp, Micheal Fuchs Guesthouse) **NO REMOVAL (per unit/site)**	73.35	84.35	68.68	78.98	6.80%	
SAN1R	Departmental Consumption (Municipal Consumption per removal site per **month**)	228.00	262.20	213.48	245.50	6.80%	
SAN1U	Schools **(R/Month)**	228.00	262.20	213.48	245.50	6.80%	
SAN1T	Removal outside service area (per removal per hour) (If available)	1 709.94	1 966.43	1 601.07	1 841.23	6.80%	
SAN1V	Single Quarters & Transit Camps per unit	73.28	84.27	68.61	78.90	6.81%	
SAN1W	Guesthouses, Bed & Breakfast **(R/Month)**	228.00	262.20	213.48	245.50	6.80%	
SAN1X	Removal of food waste for safe disposal (**R/per Collection**)	453.94	522.03	425.04	488.80	6.80%	
SAN2	**SELF DUMPING TRANSFER STATIONS & DROP OFF'S: SAND AND CLEAN BUILDERS RUBBLE: (rounding applicable)**						
SA2A1	Vehicles up to 1 ton load capacity: clean builders rubble (<250mm) and sand: only at Kleinmond Transfer Station, Stanford Drop Off, Pearly Beach Drop Off, Hawston Drop Off and Zwelihle Drop Off. **(All vehicles above 1 ton load capacity only to landfills).**	no Charge	no vat	no Charge	no vat		
SAN2B	**SELF DUMPING TRANSFER STATIONS & DROP OFF'S: GENERAL AND GARDEN REFUSE**						
SA2B1	Vehicles up to 1 Ton per vehicle load capacity (maximum volume of 5m³)	no Charge	no vat	no Charge	no vat		

SA2B2	Vehicles >1 & up to 2 Ton per vehicle load capacity (2 X SAN3B)	523.79	602.36	490.44	564.01	6.80%
SA2B3	Vehicles >2 & up to 3 Ton per vehicle load capacity (3 X SAN3B)	785.68	903.53	735.66	846.01	6.80%
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 ton load weighed (maximum 3 tons)	261.89	301.17	245.22	282.00	6.80%
SA2C3	Weighing - Commercial vehicles (Cars, pick-ups / bakkies, campers, caravans and trailers)	203.38	233.89	190.44	219.00	6.80%
SA2C4	Weighing - Large vehicles (trucks and busses)	521.93	600.22	488.70	562.00	6.80%
SAN3	**WEIGH BRIDGE - GANSBAAI LANDFILL (rounding applicable)**					
SAN3A	Up to 1 ton load weighed	no Charge	no vat	no Charge	no vat	
SAN3B	Above 1 ton load weighed per ton load weighed	261.89	301.17	245.22	282.00	6.80%
SAN3D	Clean builders rubble and sand	no Charge	no vat	no Charge	no vat	
SAN3F	Mixed builders rubble per ton weighed (load contaminated with waste eg wood, plasitc, paper , cardboard, etc)	261.89	301.17	245.22	282.00	6.80%
SAN3G	Weighing - Commercial vehicles (Cars, pick-ups / bakkies, campers, caravans and trailers)	203.12	233.59	190.19	218.72	6.80%
SAN3H	Weighing - Large vehicles (trucks and busses)	522.32	600.67	489.06	562.42	6.80%
SAN4	**BASIC FEE REFUSE SERVICE (Erven without approved building plans)**					
SAN4A	All registered erven without approved building plans **(R/Month)**	113.99	131.09	106.73	122.74	6.80%
SAN5	**SUNDRIES (rounding applicable)**					
SAN5A	Rental of Bulk Container per day (including disposal)	120.00	138.00	113.04	130.00	6.16%
SAN5B	Deposit - rental of bulk containers per 4 bins or less	903.00	no vat	852.00	no vat	5.99%
SAN5C	Asbestos Sheet - per unit (Limited to **max 10m² per six month period**)	145.22	167.00	137.39	158.00	5.70%
SAN5D	Baboon Resistant 240L Wheeley bin with lock delivered to homes - projects	1 422.61	1 636.00	1 341.74	1 543.00	6.03%
SAN5E	Replacement lock on baboon resistant wheelie bin	442.61	509.00	417.39	480.00	6.04%
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	

SEWER TARIFFS (ROUNDING APPLICABLE)

Tariff Code	Detail	2023/2024		2022/2023			
		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.	16.69	19.19	15.53	17.86	7.47%	
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.	148.22	170.45	137.88	158.56	7.50%	
SE7A3	Call out fee for Tank Service request but no service due to another defect/no acces to tank	677.42	779.03	634.29	729.43	6.80%	
SE7A5	Double the basic charge levied where networks are available but client is not connected	294.51	338.69	275.76	317.12	6.80%	
	SEWERAGE - REGISTERED INDIGENT HOUSEHOLDS						
SE7A4	0 - 7 kl - **subsidised**	-16.69	-19.19	-15.53	-17.86	7.47%	
SE7A5	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.	-16.69	-19.19	-15.53	-17.86	7.47%	
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	16.69	19.19	15.53	17.86	7.47%	
SE7B2	Call out fee for Tank Service request but no service due to another defect/no acces to tank	677.42	779.03	634.29	729.43	6.80%	
SE7C	**SEWERAGE - GUEST HOUSE; BED & BREAKFAST ESTABLISHMENTS**						
SE7C1	per kl (based on 70% of water usage) per unit per month.	16.69	19.19	15.53	17.86	7.47%	
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	16.69	19.19	15.53	17.86	7.47%	
SE7B2	Call out fee for Tank Service request but no service due to another defect/no acces to tan	677.42	779.03	634.29	729.43	6.80%	
SE7E	**CONSUMPTION - DEPARTMENTAL**						
SE7E1	0 - 35 kl per kl (based on 70% of max 50kl water usage) per unit per montl	16.69	19.19	15.53	17.86	7.47%	
SE8	**BASIC CHARGE**						
SE8A	Basic Monthly Charge Developed sites per erf/unit per montl	147.40	169.51	137.88	158.57	6.90%	
SE8A1	Basic Monthly Subsidy Residential Indigent as per paragraph A of the Indigent Policy per month	-147.40	-169.51	-137.88	-158.57	6.90%	
~~SE8A2~~	~~Basic Monthly Subsidy Residential Indigent as per paragraph B, C & E of the Indigent Policy per month from 01/03/2023 - 30/06/2023~~	~~0.00~~	~~0.00~~	~~38.36~~	~~44.11~~	~~-100.00%~~	Tariff no longer in use
SE8B	Basic Monthly Charge Undeveloped sites - can not connect to the network per erf/unit per month	99.32	114.22	92.91	106.85	6.90%	
SE8C	Basic Monthly Charge Undeveloped sites - can connect to the network per erf/unit per month	147.39	169.50	137.88	158.56	6.90%	
SE8D	Basic Monthly Charge Developed sites - with a septic Tank per erf/unit per montl	99.32	114.22	92.91	106.85	6.90%	
SE8E	Basic Monthly Charge - Low Cost Housing & Single Quarters per erf/unit per montl	99.32	114.22	92.91	106.85	6.90%	
SE8F	**Infrastructure**						
SE8F1	Fixed Infrastructure Basic Charge per erf/unit per month (No 1 end date 30 June 2026	9.60	11.04	9.60	11.04	0.00%	Fixed
SE8F2	Fixed Infrastructure Basic Charge per erf/unit per month (No 2 end date 30 June 2029	3.43	3.94	3.43	3.94	0.00%	Fixed

SE8F3	Subsidised Fixed Infrastructure Basic Charge per erf/unit per month - Registered Indigent Households (No 2 end date 30 June 2029)	-3.43	-3.94	-3.43	-3.94	0.00%	Fixed
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	677.42	779.03	634.29	729.43	6.80%	
SE9A2	Vacuum Tanker Service provided on request < 5kl (per 5kl or part thereof	677.42	779.03	634.29	729.43	6.80%	
SE9A4	Vacuum Tanker Service provided on request > 6kl (per 6kl or part thereof	677.42	779.03	634.29	729.43	6.80%	
SE9A5	Call out fee for Tank Service request but no service due to another defec	677.42	779.03	634.29	729.43	6.80%	
SE9A6	More than 3 pipes an additional fee per pipe for users not paying tariff SE7 abov	99.23	114.11	92.91	106.85	6.80%	
SE9B	**After Hours Vacuum Tanker Service - PROVIDED ON REQUEST**						
SE9B1	After Hours - per request < 6kl (per 6kl or part thereof	1 354.84	1 558.07	1 268.58	1 458.87	6.80%	
SE9B2	After Hours - per request > 6kl (per 6kl or part thereof	1 354.84	1 558.07	1 268.58	1 458.87	6.80%	
SE9B3	After Hours - per request < 5kl (per 5kl or part thereof	1 354.84	1 558.07	1 268.58	1 458.87	6.80%	
SE9B2	After Hours Businesses with Public Toilets per remova	406.81	467.83	380.90	438.04	6.80%	
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**	406.81	467.83	380.91	438.05	6.80%	
SE9C2	Normal ApplicableTariff (SE9A2) plus additional per km	19.86	22.84	18.60	21.39	6.77%	
	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**	406.81	467.83	380.90	438.04	6.80%	
SE9C7	After Hours Applicable Tariff (SE9B2) plus additional per km	19.86	22.84	18.60	21.39	6.79%	
SE10	**SUNDRY CHARGES**						
SE9D	**Testing and Connection Fees**						
SE9D1	Testing of the septic and conservancy tanks per tes	1 749.57	2 012.00	1 650.44	1 898.00	6.01%	
SE9D2	Smallbore sewerage connection fee + tank tes	8 027.83	9 232.00	7 573.04	8 709.00	6.01%	
SE9D3	Sewer Connection	6 023.48	6 927.00	5 682.61	6 534.99	6.00%	
SE9E	**Disposal with own tanker truck**						
SE9E1	Charge per kl or part thereof	16.52	19.00	15.65	18.00	5.56%	
SE11	**ILLEGAL CONNECTION / TAMPERING FEE**						
SE11A	1st Offence	8 250.00	no vat	7 783.00	no vat	6.00%	
SE11B	2 nd Offence (SE11A X 2)	16 500.00	no vat	15 566.00	no vat	6.00%	

NOTE: Any requests for tanker services after 15:00 will be charged at the after hour rate

Tariff Code	Detail		2023/2024		2022/2023			
			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**	3 423.00	no vat	3 229.00	no vat	6.01%	
ED4	Domestic Three Phase Credit Meter (Two Part Tariff)- Electricity	**R**	6 000.00	no vat	5 660.00	no vat	6.01%	
ED5	Commercial Three Phase Credit Meter (Two Part Tariff) - Electricity	**R**	13 713.00	no vat	12 937.00	no vat	6.00%	
ED6	Domestic & Commercial Single Phase Pre-paid (Two Part Tariff) - Electricity	**R**	789.00	no vat	744.00	no vat	6.05%	
ED7	Domestic & Commercial Three Phase Pre-paid (Two Part Tariff) - Electricity	**R**	1 576.00	no vat	1 487.00	no vat	5.99%	
ED8	Indigent Registered (including UISP)	**R**	254.00	no vat	240.00	no vat	5.83%	
EDD	**Deposit Defaulters**							
EDD1	Large Power User Group tariff E5 : Two Times average consumption during the preceding 12 months	**R**	calculated	no vat	calculated	no vat		
EDD2	Domestic & Commercial Single Phase Credit Meter (Two Part Tariff) Electricity : Two Times average consumption during the preceding 12 months	**R**	calculated	no vat	calculated	no vat		
EDD3	Domestic Three Phase Credit Meter (Two Part Tariff)- Electricity : Two Times average consumption during the preceding 12 months	**R**	calculated	no vat	calculated	no vat		
EDD4	Commercial Three Phase Credit Meter (Two Part Tariff) - Electricity : Two Times average consumption during the preceding 12 months	**R**	calculated	no vat	calculated	no vat		
EF	**FIXED CHARGES**							
EF1	Infrastructure Charge per Meter per month (No 1 end date 30 June 2026)	**R**	16.65	19.15	16.65	19.15	0.00%	fixed
E1	**SINGLE PHASE : DOMESTIC**							
E1A	**Two-Part Tariff: Credit meters up to 60 Amp (13.8 kVA BDMD) (Including Resorts)**							
E1A1	Basic Monthly charge per meter	**R**	504.46	580.13	438.66	504.46	15.00%	
	kWH Unit cost							
E1A2	IBT BLOCK 1 0 - 350 kWh	**c**	193.56	222.59	168.31	193.56	15.00%	
E1A3	IBT BLOCK 2 351 - 600 kWh	**c**	284.27	326.91	247.19	284.27	15.00%	
E1A4	IBT BLOCK 3 > 600 kWh	**c**	349.27	401.66	303.71	349.27	15.00%	
E1B	**Two-Part Tariff: Pre-paid up to 60 Amp (13.8 kVA BDMD) (Including Resorts)**							
E1B1	Basic Monthly charge per meter	**R**	504.46	580.13	438.66	504.46	15.00%	
	kWH Unit cost							
E1B2	IBT BLOCK 1 0 - 350 kWh	**c**	178.79	205.61	155.47	178.79	15.00%	
E1B3	IBT BLOCK 2 351 - 600 kWh	**c**	267.88	308.06	232.94	267.88	15.00%	
E1B4	IBT BLOCK 3 > 600 kWh	**c**	335.73	386.09	291.94	335.73	15.00%	
E1C	**SINGLE PHASE : COMMERCIAL**							
E1C1	Basic Monthly charge per meter	**R**	504.46	580.13	438.66	504.46	15.00%	
E1C2	kWH Unit cost - Credit Meters	**c**	289.69	333.14	251.90	289.69	15.00%	
E1C3	KwH Unit cost - Pre-paid meters	**c**	272.99	313.94	237.38	272.99	15.00%	
E1D	**Life Line One part tariff (Pre-paid meters only) ≤ 30 Amp with Maximum consumption of 350 kWH with average measured over twelve month period. Only available to Informal dwellings**							
	kWH Unit cost							
E1D1	IBT BLOCK 1 0 - 350 kWh	**c**	180.73	207.84	157.16	180.73	15.00%	
E1E	**One part tariff (Pre-paid meters only) Local Economic Development Projects**							
	kWH Unit cost							

E1E1	IBT BLOCK 1 0 - 350 kWh	c	312.27	359.11	271.54	312.27	15.00%	
E3	**THREE PHASE: COMMERCIAL & DOMESTIC**							
E3E	**Two-Part Tariff: Credit up to 100A (70 kVA BDMD) DOMESTIC**							
E3E1	Basic Monthly charge per meter	R	1 008.91	1 160.25	877.31	1 008.91	15.00%	
	kWH Unit cost							
E3E2	IBT BLOCK 1 0 - 350 kWh	c	195.39	224.70	169.90	195.39	15.00%	
E3E3	IBT BLOCK 2 351 - 600 kWh	c	285.44	328.26	248.21	285.44	15.00%	
E3E4	IBT BLOCK 3 > 600 kWh	c	347.10	399.17	301.83	347.10	15.00%	
E3E	**Two-Part Tariff: Pre-paid up to 100A (70 kVA BDMD) DOMESTIC**							
E3E5	Basic Monthly charge per meter	R	1 008.91	1 160.25	877.31	1 008.91	15.00%	
	kWH Unit cost							
E3E6	IBT BLOCK 1 0 - 350 kWh	c	180.49	207.56	156.95	180.49	15.00%	
E3E7	IBT BLOCK 2 351 - 600 kWh	c	268.99	309.34	233.90	268.99	15.00%	
E3E8	IBT BLOCK 3 > 600 kWh	c	333.65	383.70	290.13	333.65	15.00%	
E3E	**Two-Part Tariff: Credit up to 100A (70 kVA BDMD) COMMERCIAL**							
E3E9	Basic Monthly charge per meter	R	1 008.91	1 160.25	877.31	1 008.91	15.00%	
E3E10	**kWH Unit cost**	c	289.69	333.14	251.90	289.69	15.00%	
E3E	**Two-Part Tariff: Pre-paid up to 100A (70 kVA BDMD) COMMERCIAL**							
E3E11	Basic Monthly charge per meter	R	1 008.91	1 160.25	877.31	1 008.91	15.00%	
E3E12	**kWH Unit cost**	c	272.99	313.94	237.38	272.99	15.00%	
E3G	~~One-Part Tariff: Pre-paid only, up to 100A (70 kVA BDMD) Businesses, Flats, Sport grounds, Churches (minimum of 800kWH average for twelve months)~~							
E3G1	kWH Unit cost	c	344.56	396.24	299.62	344.56	15.00%	
E5	**TIME OF USE TARIFF**							
	Service Charge (per month) for MV and LV consumers							
E5A1	Administrative and Service Charge **Medium Voltage** per month	R	4 797.41	5 517.02	4 171.66	4 797.41	15.00%	
E5A1A	Administrative and Service Charge **Low Voltage** per month	R	4 242.87	4 879.30	3 689.45	4 242.87	15.00%	
E5A2	Network Demand Charge kVA: Utilised capacity	R	47.32	54.42	41.15	47.32	14.99%	
E5A3	Network Capacity Charge kVA: Notified Maximum Demand (NMD)	R	37.72	43.38	32.80	37.72	15.00%	
	Medium Voltage Metering Points (11000V)							
E5A4	Off Peak kWh Unit Charge	c	79.61	91.55	69.23	79.61	14.99%	
E5A5	Standard kWh Unit Charge	c	143.33	164.83	124.63	143.32	15.00%	
E5A6	Peak kWh Unit Charge	c	465.79	535.66	405.03	465.78	15.00%	
	Low Voltage Metering Points (400V)							
E5A7	Off Peak kWh Unit Charge	c	85.61	98.45	74.44	85.61	15.01%	
E5A8	Standard kWh Unit Charge	c	149.28	171.67	129.81	149.28	15.00%	
E5A9	Peak kWh Unit Charge	c	471.76	542.52	410.23	471.76	15.00%	
	Sundry Charges							
E5A10	Exceed NOTIFIED MAXIMUM DEMAND (NMD) per kVA Per month	R	1 472.64	1 693.54	1 280.56	1 472.64	15.00%	
E6	**SUBSIDIZED TARIFFS: Grant to be shown separately**							
E6A	Basic Monthly Charge: Residential Indigent as per paragraph A of the Indigent Policy per meter	R	-504.46	-580.13	-438.66	-504.46	15.00%	
~~E6B~~	~~Basic Monthly Charge: Residential Indigent as per paragraph B, C & D of the Indigent Policy per meter from 01/03/2023 - 30/06/2023~~	~~R~~	~~0.00~~	~~0.00~~	~~97.20~~	~~111.78~~	~~-100.00%~~	Tariff no longer in use

E7	**PUBLIC LIGHTING & CCTV**							
E7A1	Streetlights & CCTV (metered) per kWh (no basic charge)	c	166.68	191.68	101.84	117.12	63.67%	
E7A2	Streetlights & CCTV (consumption) (per unit/per month) (no basic charge) per 100 Watt per month	R	58.30	67.05	38.40	44.16	51.82%	
E7A5	Illuminated street sign boards per month	R	44.16	50.78	38.40	44.16	15.00%	
E7A6	Maintenance charge per light per month		31.36	36.06	new	new		
E8	**CASUAL SUPPLIES**							
E8A1	Per connection includes disconnection excluding hire of kiosk	R	1 738.57	1 999.36	1 511.80	1 738.57	15.00%	
E8A2	Consumption per day if not metered	R	112.96	129.90	98.23	112.96	15.00%	
E8A3	Hire of temporary distribution kiosk, per kiosk, per occasion	R	681.28	783.47	592.42	681.28	15.00%	
E8A4	Deposit (Usage will be subtracted)	R	2 162.00	no vat	2 039.36	no vat	6.01%	
E8A5	One part tariff : Prepaid or Credit Casual Supply	c	342.64	394.04	297.95	342.64	15.00%	
E9	**NETWORK CHARGES: SERVICED LAND**							
E9A1	Network charge per serviced plot per month	R	504.46	580.13	438.66	504.46	15.00%	
E9A2	Infrastructure per vacant plot per month	R	16.65	19.15	16.65	19.15	0.00%	FIXED
E10	**SUNDRY CHARGES**							
E10A1	Call-out Fee - office hours (Based on 2 hours for electr & assist + 30km)	R	834.78	960.00	787.83	906.00	5.96%	
E10A2	Call-out Fee - after hours: Weekdays & Saturdays (Based on 2 hrs (time and a half) for electr & assist + 30km)	R	1 172.17	1 348.00	1 106.09	1 272.00	5.97%	
E10A3	Call-out Fee - after hours: Sundays & Public Holidays (Based on 2 hrs (double time) for electr & assist + 30km)	R	1 507.83	1 734.00	1 422.61	1 636.00	5.99%	
E10A4	MV. Switching on Council's equipment office hours (Based on 3 hours for superintendent & electr + 60km)	R	2 431.30	2 796.00	2 293.91	2 638.00	5.99%	
E10A5	MV. Switching on Council's equipment -after hours: Weekdays & Saturdays (Based on 3 hours (time and a half) for a superintendent and an electrician plus 60km)	R	3 484.35	4 007.00	3 286.96	3 780.00	6.01%	
E10A6	MV. Switching on Council's equipment -after hours: Sundays & Public holidays (Based on 3 hours (double time) for a superintendent and an electrician plus 60km)	R	4 538.26	5 219.00	4 281.74	4 924.00	5.99%	
E10A7	Contractor Inspection 2nd	R	817.39	940.00	771.30	887.00	5.98%	
E10A8	Contractor Inspection 3rd	R	1 233.91	1 419.00	1 164.35	1 339.00	5.97%	
~~E10A9~~	~~Change of Circuit Breaker - S/Phase(1/annum) contact Electricity Department for approval (Based on Circuit Breaker cost + 1 hour for an electrician and assistant + 30km)~~	~~R~~	~~653.91~~	~~752.00~~	~~616.52~~	~~709.00~~	~~6.06%~~	
~~E10A10~~	~~Change of Circuit Breaker - 3 Phase(1/annum) contact Electricity Department for approval (Based on Circuit Breaker cost + 1 hour for an electrician and assistant + 30km)~~	~~R~~	~~1 666.09~~	~~1 916.00~~	~~1 572.17~~	~~1 808.00~~	~~5.97%~~	
E10A9	Disconnection	R	400.87	461.00	378.26	435.00	5.98%	
E10A10	Reconnection	R	400.87	461.00	378.26	435.00	5.98%	
E10A11	Verification of a Meter Reading	R	400.87	461.00	378.26	435.00	5.98%	
E10A12	Administration fee - recalculation due to no meter access	R	208.70	240.00	196.52	226.00	6.20%	
E10A13	Test of Meter: 1 & 3 Phase (Conditionally Refundable) External testing	R	769.57	885.00	726.09	835.00	5.99%	
E10A14	Test of Meter: All other Meters (Conditionally Refundable) External testing	R	cost + 15%	applicable vat	cost + 15%	applicable vat		
E10A15	Tariff change - change between one part and two-part	R	273.04	314.00	257.39	296.00	6.08%	
E10A16	Damage elect meter (based on meter cost + call out X 2)	R	2 737.39	3 148.00	2 582.61	2 970.00	5.99%	
E10A17	Damage elect meter 3 phase (based on meter cost + call out X 2)	R	4 180.00	4 807.00	3 943.48	4 535.00	6.00%	
E10A18	Replacement of CIU (Meter keypad) (Based on keypad cost and call out fee)	R	1 378.26	1 585.00	1 300.00	1 495.00	6.02%	
E10A19	Damage of Bulk meter ~~or change to SSEG~~ (Based on 3 hours for a superintendent and electrician + 60km + bulk meter cost + modem cost)	R	9 047.83	10 405.00	8 535.65	9 816.00	6.00%	

E10A20	Commission of Bulk meter, supplied by customer (call out fee x 3)	**R**	2 504.34	2 879.99	2 363.48	2 718.00	5.96%
E10A21	Damage of HV Cable	**R**	cost + R45 628.73	applicable vat	cost + R43 045.97	applicable vat	6.00%
E10A22	Damage of MV Cable	**R**	cost + R11 927.89	applicable vat	cost + R11 252.73	applicable vat	6.00%
E10A23	Damage of LV Cable	**R**	cost + R 4 803.88	applicable vat	cost + R 4 531.96	applicable vat	6.00%
E10A24	Damage of Service Connection Cable	**R**	cost + R 1 201.56	applicable vat	cost + R 1 133.55	applicable vat	6.00%
E10A25	Working without Way leave	**R**	6 158.26	7 082.00	5 809.57	6 681.00	6.00%
E10A26	Refundable Wayleave **deposit** for HV cables	**R**	87 940.00	no vat	82 962.00	no vat	6.00%
E10A27	Refundable Way leave **deposit** for MV cables	**R**	21 985.00	no vat	20 741.00	no vat	6.00%
E10A28	Refundable Way leave **deposit** for LV cables	**R**	4 751.00	no vat	4 482.00	no vat	6.00%
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**	996.52	1 146.00	940.00	1 081.00	6.01%
E10A31	Replacement of damaged overhead service connection cable (Tariff E13A9 - E10A18)	R	4 231.30	4 866.00	3 992.17	4 591.00	5.99%
E10A32	Removal of Meter (based on call out fee)	R	834.78	960.00	787.83	906.00	5.96%
E10A33	Repositioning of Meter (excl. cable) (based on call out fee)	R	834.78	960.00	787.83	906.00	5.96%
E10A34	Repositioning of Meter (incl. cable) (based on call out fee + 30m cable)	R	2 754.78	3 168.00	2 599.13	2 989.00	5.99%
E10A35	Request for bulk meter profile for 12 months per request (Based on 3 hours for Snr Superintendent + 30km)	R	1 390.44	1 599.00	new	new	
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	653.91	752.00	616.52	709.00	6.06%
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	1 666.09	1 916.00	1 572.17	1 808.00	5.97%
E12	**CONVERSION OF METERS**						
E12A1	Convert Credit Meter to Pre-paid: SP (no cable work) (based on meter cost + call out)	**R**	1 903.48	2 189.00	1 795.65	2 065.00	6.01%
E12A2	Convert Credit Meter to Pre-paid: 3P (no cable work) (based on meter cost + call out)	**R**	3 346.09	3 848.00	3 156.52	3 630.00	6.01%
E12A3	Convert Credit Three Phase to Singe Phase Pre-paid meter (based on meter cost + call out + CB)	**R**	2 118.26	2 436.00	1 998.26	2 298.00	6.01%
E12A4	Convert Credit Three Phase to Single Phase Credit (Commercial only)	**R**	1 297.39	1 492.00	1 224.35	1 408.00	5.97%
E12A5	Convert Pre-paid Single Phase to Three Phase Pre-paid (based on tariff E13A8) cost includes cable to boundary	**R**	R13 857.51 + ext fee	applicable vat	R13 073.12 + ext fee	applicable vat	6.00%
E12A6	Convert pre-paid Three phase to Single phase pre-paid (based on meter cost + call out + CB)	**R**	2 118.26	2 436.00	1 998.26	2 298.00	6.01%
E12A7	Change to Time of Use (with existing bulk meter) + Deposit	R	816.52	939.00	770.44	886.00	5.98%
~~E12A7~~	~~Removal of Meter (based on call out fee)~~	~~**R**~~	~~834.78~~	~~960.00~~	~~787.83~~	~~906.00~~	~~5.96%~~
E12A8	Change to Time of Use (without existing bulk meter) + Deposit	**R**	14 573.91	16 760.00	133 368.70	153 374.00	-89.07%
E12A9	Change to SSEG Three Phase	R	9 047.83	10 405.00	new	new	
E12A10	Change to SSEG Single Phase	R	4 082.61	4 695.00	new	new	
~~E12A9~~	~~Repositioning of Meter (incl. cable) (based on call out fee + 30m cable)~~	~~**R**~~	~~2 754.78~~	~~3 168.00~~	~~2 599.13~~	~~2 989.00~~	~~5.99%~~
E13	**SERVICE CONNECTIONS**						
E13A1	Builders connection (plus applicable service connection tariff)	**R**	1 058.26	1 217.00	998.26	1 148.00	6.01%
E13A4	Single Phase (Credit - 60A) option for Commercial users only (Based on 30m cable + meter cost + average labour cost + 15% admin fee)	**R**	7 506.09	8 632.00	7 080.87	8 143.00	6.01%
E13A6	Single Phase - (Pre-paid meters - 60A) applicable to Domestic users (Network Permitted) (Based on: 30m cable + meter cost + average labour cost + 15% admin fee)	**R**	7 506.09	8 632.00	7 080.87	8 143.00	6.01%

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	R14 342.5 + ext fee	applicable vat	R13 530.66 + ext fee	applicable vat	6.00%
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	R14 342.5 + ext fee	applicable vat	R13 530.66 + ext fee	applicable vat	6.00%
E13A9	Non Standard : Pre-paid 30 Amp Single phase (Sub economic connections) (Based on 30m (10mm) cable + meter cost + average labour cost + 15% admin fee)	R	6 969.57	8 015.00	6 574.78	7 561.00	6.00%
~~E13A10~~	~~Single Phase (Credit 60A- Developer install cable to boundary) option for Commercial users only (Based on meter cost + call out fee + 15% admin fee)~~	~~R~~	~~2 188.21~~	~~2 516.44~~	~~2 064.35~~	~~2 374.00~~	6.00%
~~E13A11~~	~~Single Phase (Pre-paid 60A-Developer install cable to boundary) applicable to Domestic users (Network permitted) (Based on meter cost + call out fee + 15% admin fee)~~	~~R~~	~~2 188.21~~	~~2 516.44~~	~~2 064.35~~	~~2 374.00~~	6.00%
~~E13A12~~	~~Three Phase (Credit 60A- Developer install cable to boundary) : Extension fee not applicable to Industrial erven up to 60 Amp (Based on meter cost + call out fee + 15% admin fee)~~	~~R~~	~~R3 847.25 + ext fee~~	~~applicable vat~~	~~R3 629.48 + ext fee~~	~~applicable vat~~	6.00%
~~E13A13~~	~~Three Phase (Pre-paid 60A-Developer install cable to boundary) : Extension fee not applicable to Industrial erven up to 60 Amp (Based on meter cost + call out fee + 15% admin fee)~~	~~R~~	~~R3 847.25 + ext fee~~	~~applicable vat~~	~~R3 629.48 + ext fee~~	~~applicable vat~~	6.00%
E13A14	Any other none standard connections		cost + 15% admin	applicable vat	cost + 15% admin	applicable vat	
E14	**ILLEGAL AND UNSAFE CONNECTION / TAMPERING FEE (Including SSEG and damage or bypass of the DSM Hot Water Cylinder Control Unit**						
E14A1	1 st Offence	R	4 875.00	no vat	4 599.00	no vat	6.00%
E14A2	2 nd Offence (E14A1 X 2)	R	9 750.00	no vat	9 198.00	no vat	6.00%
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	2 183.48	2 511.00	2 060.00	2 369.00	5.99%
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	1 360.00	1 564.00	1 282.61	1 475.00	6.03%
E15A2	Primary Cost p/kVA -include all MV. Equipment UP to Main Substation or identified point of supply excluding Dist. TF	R	4 049.57	4 657.00	3 820.00	4 393.00	6.01%
E15A3	Secondary Cost p/kVA -include all MV. Equipment UP to Main Substation or identified point of supply including Dist. TF	R	4 934.78	5 675.00	4 655.65	5 354.00	6.00%
E15A4	Secondary Cost p/kVA -include all MV. Equipment UP to Main Substation or identified point of supply including Dist. TF and Kiosk	R	6 439.13	7 405.00	6 074.78	6 986.00	6.00%
E15A5	Buying/Refund of spare capacity cost/kVA	R	100% of approved installation cost	applicable vat	100% of approved installation cost	applicable vat	
E15A6	Investigation Fee	R	4 837.39	5 563.00	4 563.48	5 248.00	6.00%
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 (~~kWh~~ R) against purchases from the Municipality, provided that their purchases exceed their generation (~~kWh~~ R), ~~This tariff will only be implemented after NERSA's approved Guidelines have been received~~. The consumer will stay on his existing tariff (All prepaid customers excluded) Prepaid customers to convert to credit meter and tariff:						
E18A2	Feed-in Tariff c/kWh (based on 85% of Eskom Standard Rate proportional over 12 months)	c	100.00	115.00	90.17	103.70	10.90%
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**	32 195.65	37 025.00	30 373.90	34 929.99	6.00%
DC2B	**New Developments**						
DC2B1	Standard fee per Singel Phase Domestic erf - infrastructure provide by developer (13.8 kVA xE15A2 x.36)	**R**	20 116.52	23 134.00	18 977.76	21 824.42	6.00%
DC2B2	Standard fee per Three Phase Domestic erf - infrastructure provide by developer (42kVA x E15A2x.36)	**R**	61 224.35	70 408.00	57 758.40	66 422.16	6.00%
DC2C	MV/LV Bulk Supply with metering point cost / kVA= Tariff E15A2	**R**	4 080.00	4 692.00	3 819.86	4 392.84	6.81%
DC2C1	LV Bulk Supply if capacity is available on existing TF cost / kVA = Tariff E15A3	**R**	4 972.17	5 718.00	4 656.08	5 354.49	6.79%

WATER TARIFFS (ROUNDING APPLICABLE)

Tariff Code	Detail	2023/2024		2022/2023			
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%		
WD	**CONSUMER DEPOSITS**						
WD1	Domestic - Water	719.00	no vat	678.00	no vat	6.05%	
WD2	Commercial - Water - Consumption < 40kl	2 872.00	no vat	2 709.00	no vat	6.02%	
WD3	Commercial - Water - Consumption 40 - 100kl	10 048.00	no vat	9 479.00	no vat	6.00%	
WD4	Commercial - Water - Consumption 100 kl +	17 224.00	no vat	16 249.00	no vat	6.00%	
WD5	Domestic - Water RUE's	Applicable Rue's X WD1A	no vat	Applicable Rue's X WD1A	no vat		
WD6	Indigent - registered (including UISP)	230.00	no vat	217.00	no vat	5.99%	
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	165.74	190.60	155.62	178.96	6.50%	
W1A2A	Basic Monthly Subsidy : Residential Indigent as per paragraph A of the Indigent Policyper erf/unit per month	-165.74	-190.60	-155.62	-178.96	6.50%	
~~W1A2B~~	~~Basic Monthly Subsidy: Residential Indigent as per paragraph B, C & D of the Indigent Policy per erf/unit per month from 01/03/2023 - 30/06/2023~~	~~43.05~~	~~49.51~~	~~43.05~~	~~49.51~~	~~0.00%~~	Tariff no longer in use
W1A3	**Infrastructure**						
W1A3A	Fixed Infrastructure Basic Charge per erf/unit per month (No 1 end date 30 June 2026)	15.45	17.77	15.45	17.77	0.00%	Fixed
W1A3B	Fixed Infrastructure Basic Charge per erf/unit per month (No 2 end date 30 June 2029)	8.41	9.67	8.41	9.67	0.00%	Fixed
W1A3C	Subsidised Fixed Infrastructure Basic Charge per erf/unit per month - Registered Indigent Households (No 2 end date 30 June 2029)	-8.41	-9.67	-8.41	-9.67	0.00%	Fixed
	See attachment for the amount of RUE's allocated to different household consumers						
W1B	**CONSUMPTION - HOUSEHOLDS**						
	Normal Tariff & Level 1 water restrictions						
W1B1	0 - 6 kl per kl	6.81	7.83	6.38	7.34	6.74%	
W1B2	7 - 18 kl per kl	13.97	16.07	13.08	15.04	6.80%	
~~W1B3~~	~~19 - 30 kl per kl~~	~~0.00~~	~~0.00~~	~~21.22~~	~~24.40~~	~~-100.00%~~	
W1B4	19 ~~31~~ - 45 kl per kl	34.90	40.14	32.68	37.58	6.79%	
W1B5	46 - 60 kl per kl	45.32	52.12	42.43	48.79	6.81%	
W1B6	>60kl per kl	60.43	69.49	56.58	65.07	6.80%	
	Restriction Tariff 1 (level 2 & 3 water restrictions)						
W1B7	0 - 6 kl per kl	6.81	7.83	6.38	7.34	6.74%	
W1B8	7 - 18 kl per kl	18.16	20.89	17.00	19.55	6.80%	

~~W1B9~~	~~19 - 30 kl per kl~~	~~0.00~~	~~0.00~~	~~27.59~~	~~31.72~~	~~-100.00%~~
W1B10	19 ~~31~~ - 45 kl per kl	45.37	52.18	42.48	48.86	6.79%
W1B11	46 - 60 kl per kl	58.92	67.75	55.16	63.43	6.81%
W1B12	>60kl per kl	78.56	90.34	73.55	84.59	6.80%
	Restriction Tariff 2 (level 4 & 5 water restrictions)					
W1B13	0 - 6 kl per kl	6.81	7.83	6.38	7.34	6.74%
W1B14	7 - 18 kl per kl	22.35	25.70	20.93	24.07	6.80%
~~W1B15~~	~~19 - 30 kl per kl~~	~~0.00~~	~~0.00~~	~~33.95~~	~~39.04~~	~~-100.00%~~
W1B16	19 ~~31~~ - 45 kl per kl	55.84	64.22	52.29	60.13	6.79%
W1B17	46 - 60 kl per kl	72.51	83.39	67.89	78.07	6.81%
W1B18	>60kl per kl	96.69	111.19	90.53	104.11	6.80%
	Restriction Tariff 3 (level 6 water restrictions)					
W1B19	0 - 6 kl per kl	6.81	7.83	6.38	7.34	6.74%
W1B20	7 - 18 kl per kl	27.94	32.13	26.16	30.08	6.80%
~~W1B21~~	~~19 - 30 kl per kl~~	~~0.00~~	~~0.00~~	~~42.44~~	~~48.81~~	~~-100.00%~~
W1B22	19 ~~31~~ - 45 kl per kl	69.80	80.27	65.36	75.16	6.79%
W1B23	46 - 60 kl per kl	90.64	104.24	84.86	97.59	6.81%
W1B24	>60kl per kl	120.86	138.99	113.16	130.13	6.80%
W1BI	**CONSUMPTION - REGISTERED INDIGENT HOUSEHOLDS**					
	Normal Tariff & Level 1 water restrictions					
W1BI1	0 - 10 kl per kl - **subsidised**	-6.81	-7.83	-6.38	-7.34	6.74%
W1BI2	11 - 18 kl per kl	13.97	16.07	13.08	15.04	6.80%
~~W1BI3~~	~~19 - 30 kl per kl~~	~~0.00~~	~~0.00~~	~~21.22~~	~~24.40~~	~~-100.00%~~
W1BI4	19 ~~31~~ - 45 kl per kl	34.90	40.14	32.68	37.58	6.79%
W1BI5	46 - 60 kl per kl	45.32	52.12	42.43	48.79	6.81%
W1BI6	>60kl per kl	60.43	69.49	56.58	65.07	6.80%
	Restriction Tariff 1 (level 2 & 3 water restrictions)					
W1BI7	0 - 10 kl per kl - **subsidised**	-6.81	-7.83	-6.38	-7.34	6.74%
W1BI8	11 - 18 kl per kl	18.16	20.89	17.00	19.55	6.80%
~~W1BI9~~	~~19 - 30 kl per kl~~	~~0.00~~	~~0.00~~	~~27.59~~	~~31.72~~	~~-100.00%~~
W1BI10	19 ~~31~~ - 45 kl per kl	45.37	52.18	42.48	48.86	6.79%
W1BI11	46 - 60 kl per kl	58.92	67.75	55.16	63.43	6.81%
W1BI12	>60kl per kl	78.56	90.34	73.55	84.59	6.80%
	Restriction Tariff 2 (level 4 & 5 water restrictions)					
W1BI13	0 - 10 kl per kl - **subsidised**	-6.81	-7.83	-6.38	-7.34	6.74%
W1BI14	11 - 18 kl per kl	22.35	25.70	20.93	24.07	6.80%
~~W1BI15~~	~~19 - 30 kl per kl~~	~~0.00~~	~~0.00~~	~~33.95~~	~~39.04~~	~~-100.00%~~
W1BI16	19 ~~31~~ - 45 kl per kl	55.84	64.22	52.29	60.13	6.79%
W1BI17	46 - 60 kl per kl	72.51	83.39	67.89	78.07	6.81%
W1BI18	>60kl per kl	96.69	111.19	90.53	104.11	6.80%
	Restriction Tariff 3 (level 6 water restrictions)					
W1BI19	0 - 10 kl per kl - **subsidised**	-6.81	-7.83	-6.38	-7.34	6.74%
W1BI20	11 - 18 kl per kl	27.94	32.13	26.16	30.08	6.80%
~~W1BI21~~	~~19 - 30 kl per kl~~	~~0.00~~	~~0.00~~	~~42.44~~	~~48.81~~	~~-100.00%~~
W1BI22	19 ~~31~~ - 45 kl per kl	69.80	80.27	65.36	75.16	6.79%
W1BI23	46 - 60 kl per kl	90.64	104.24	84.86	97.59	6.81%

W1BI24	>60kl per kl	120.86	138.99	113.16	130.13	6.80%	
W1C	**CONSUMPTION - ALL OTHER**						
	Normal Tariff & Level 1 water restrictions						
W1C1	0 - 18 kl per kl	15.45	17.77	14.47	16.64	6.77%	
~~W1C2~~	~~19 - 30 kl per kl~~	~~0.00~~	~~0.00~~	~~21.22~~	~~24.40~~	~~-100.00%~~	
W1C3	19 ~~31~~ - 45 kl per kl	34.90	40.14	32.68	37.58	6.79%	
W1C4	46 - 60 kl per kl	45.32	52.12	42.43	48.79	6.81%	
W1C5	>60 kl per kl	60.43	69.49	56.58	65.07	6.80%	
	Restriction Tariff 1 (level 2 & 3 water restrictions)						
W1C6	0 - 18 kl per kl	20.09	23.10	18.81	21.63	6.77%	
~~W1C7~~	~~19 - 30 kl per kl~~	~~0.00~~	~~0.00~~	~~27.59~~	~~31.72~~	~~-100.00%~~	
W1C8	19 ~~31~~ - 45 kl per kl	45.37	52.18	42.48	48.86	6.79%	
W1C9	46 - 60 kl per kl	58.92	67.75	55.16	63.43	6.81%	
W1C10	>60 kl per kl	78.56	90.34	73.55	84.59	6.80%	
	Restriction Tariff 2 (level 4 & 5 water restrictions)						
W1C11	0 - 18 kl per kl	24.72	28.43	23.15	26.62	6.77%	
~~W1C12~~	~~19 - 30 kl per kl~~	~~0.00~~	~~0.00~~	~~33.95~~	~~39.04~~	~~-100.00%~~	
W1C13	19 ~~31~~ - 45 kl per kl	55.84	64.22	52.29	60.13	6.79%	
W1C14	46 - 60 kl per kl	72.51	83.39	67.89	78.07	6.81%	
W1C15	>60 kl per kl	96.69	111.19	90.53	104.11	6.80%	
	Restriction Tariff 3 (level 6 water restrictions)						
W1C16	0 - 18 kl per kl	30.90	35.54	28.94	33.28	6.77%	
~~W1C17~~	~~19 - 30 kl per kl~~	~~0.00~~	~~0.00~~	~~42.44~~	~~48.81~~	~~-100.00%~~	
W1C18	19 ~~31~~ - 45 kl per kl	69.80	80.27	65.36	75.16	6.79%	
W1C19	46 - 60 kl per kl	90.64	104.24	84.86	97.59	6.81%	
W1C20	>60 kl per kl	120.86	138.99	113.16	130.13	6.80%	
W1D	**OTHER CONSUMERS**						
W1D1	Departmental per Kl (Including temporary connection for municipal purposes)	29.63	34.07	28.46	32.73	4.11%	Cost Price
W1D2	Fire Hoses: Basic per Month	211.51	243.24	198.04	227.75	6.80%	
W1D3	Bulk usage (Unconnected to networks) per Kl - Consumers Permanently residing within Overstrand municipality area	17.11	19.68	16.02	18.42	6.80%	
W1D3A	Restriction Tariff 1 (level 2 & 3 water restrictions)	22.24	25.58	20.83	23.95	6.80%	
W1D3B	Restriction Tariff 2 (level 4 & 5 water restrictions)	27.38	31.48	25.63	29.48	6.80%	
W1D3C	Restriction Tariff 3 (level 6 water restrictions)	34.22	39.35	32.04	36.85	6.80%	
W1D4	Kid Brooke (Van Cauter 0 - 8000kl per year)	0.08	0.09	0.08	0.09	0.00%	fixed
W1D5	Onrus Small Holdings tariff 2 (Van Cauter)	0.08	0.09	0.08	0.09	0.00%	fixed
W1D6	Onrus Small Holdings tariff 4 (Per agreement)	1.11	1.28	1.11	1.28	0.00%	fixed
W1D7	Contractors water consumption - temporary connection (only for municipal purposes)	29.63	34.07	28.46	32.73	4.11%	Cost Price
W1D8	Bulk usage (Unconnected to networks) per Kl - People residing outside the Overstrand municipal area	63.44	72.96	59.40	68.31	6.80%	
W1D8A	Restriction Tariff 1 (level 2 & 3 water restrictions)	82.47	94.84	77.22	88.80	6.80%	
W1D8B	Restriction Tariff 2 (level 4 & 5 water restrictions)	101.50	116.73	95.04	109.30	6.80%	
W1D8C	Restriction Tariff 3 (level 6 water restrictions)	126.88	145.91	118.80	136.62	6.80%	
W1E	**WET COMMERCIAL, SPORT, PARKS etc (must apply for this tariff)**						
	Normal Tariff & Level 1 water restrictions						
W1E1	0 - 500kl per kl	22.48	25.85	21.05	24.21	6.79%	

W1E2	501 - 1000kl per kl	34.01	39.11	31.84	36.62	6.82%	
W1E3	>1000kl per kl	45.34	52.14	42.45	48.82	6.81%	
	Restriction Tariff 1 (level 2 & 3 water restrictions)						
W1E4	0 - 300kl per kl	29.22	33.61	27.37	31.47	6.79%	
W1E5	301 - 700kl per kl	44.21	50.84	41.39	47.60	6.82%	
W1E6	>700kl per kl	58.94	67.78	55.19	63.46	6.81%	
	Restriction Tariff 2 (level 4 & 5 water restrictions)						
W1E7	0 - 250kl per kl	35.97	41.36	33.68	38.73	6.79%	
W1E8	251 - 500kl per kl	54.42	62.58	50.94	58.59	6.82%	
W1E9	>500kl per kl	72.54	83.43	67.92	78.11	6.81%	
	Restriction Tariff 3 (level 6 water restrictions)						
W1E10	0 - 100kl per kl	44.96	51.70	42.10	48.42	6.79%	
W1E11	>100 kl per kl	90.68	104.28	84.90	97.64	6.81%	
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	23.42	26.93	21.93	25.22	6.79%	
W1F2	> 5800kl per kl	45.34	52.14	42.45	48.82	6.81%	
	Restriction Tariff 1 (level 2 & 3 water restrictions)						
W1F3	0 - 5800kl per kl	30.45	35.01	28.51	32.79	6.79%	
W1F4	> 5800kl per kl	58.94	67.78	55.19	63.46	6.81%	
	Restriction Tariff 2 (level 4 & 5 water restrictions)						
W1F5	0 - 5800kl per kl	37.47	43.09	35.09	40.35	6.79%	
W1F6	> 5800kl per kl	72.54	83.43	67.92	78.11	6.81%	
	Restriction Tariff 3 (level 6 water restrictions)						
W1F7	0 - 5 800kl per kl	46.84	53.87	43.86	50.44	6.79%	
W1F8	>5 800 kl per kl	90.68	104.28	84.90	97.64	6.81%	
W2A	**AVAILABILITY CHARGES**						
W2A1	Overstrand per month	165.74	190.60	155.62	178.96	6.50%	
W2A2	Farms connected to water pipe line	165.74	190.60	155.62	178.96	6.50%	
W2J	**~~REBATES~~REBATED COST (This can be granted by the Municipal Manager after application) refer to Policy # 6.8.1**						
W2J1	Kl above average - per kl	17.78	20.45	28.46	32.73	-37.53%	Cost Price
W3A	**IRRIGATION WATER ("LEI WATER") & RAW WATER**						
W3A1	Use and pump water (80-90 min) per MONTH Stanford	50.79	58.41	47.56	54.69	6.79%	
W3A2	Pearly Beach Small Holdings: Basic	61.99	71.29	58.04	66.75	6.81%	
W3A3	Pearly Beach Small Holdings: Consumption 0- 70 kl per kl	4.83	5.55	4.52	5.20	6.86%	
W3A4	Pearly Beach Small Holdings: Consumption >70 kl per kl	11.35	13.05	10.63	12.22	6.77%	
W3A5	Others per kl	4.83	5.55	4.52	5.20	6.86%	
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	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	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	4.83	5.55	4.52	5.20	6.86%	
W3A6C	Farm 7/722 Stanford as per agreement, raw water consumption up to 100 kl/month	0.00	0.00	new	new	New	
W3A6D	Farm 7/722 Stanford as per agreement, raw water consumption in excess of 100 kl/month	4.83	5.55	new	new	New	
W3A7	Farm 586 Volmoed raw water from De Bos pipeline consumption 0 - 300 kl/month per kl	0.00	0.00	0.00	0.00	0.00%	

W3A8	Farm 586 Volmoed raw water from De Bos pipeline consumption >300 kl/month per kl	4.83	5.55	4.52	5.20	6.86%	
W3B	**IRRIGATION WATER - (TREATED EFFLUENT)**						
W3B2	Hermanus Golf Club per month	55 141.16	63 412.33	51 630.30	59 374.85	6.80%	
W3B3	All other per kl	3.11	3.58	2.91	3.35	6.87%	
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	3.11	3.58	2.91	3.35	6.87%	
W4	**SUNDRY CHARGES**						
W4A1	Testing of a Meter (Call-out Fee incl)	1 097.39	1 262.00	1 035.65	1 191.00	5.96%	
W4A2	Testing of a Meter (Ind/Bulk Meter) ****Minimum charge of R500***	Cost plus 15%	applicable vat	Cost plus 15%	applicable vat		
W4A3	Disconnection	497.39	572.00	469.57	540.00	5.93%	
W4A4	Reconnection	497.39	572.00	469.57	540.00	5.93%	
W4A5	Reconnection After Normal Working Hours	996.52	1 146.00	940.00	1 081.00	6.01%	
W4A6	Administration fee - recalculation due to no meter access	193.91	223.00	182.61	210.00	6.19%	
W4A7	Verification of a Meter Reading	273.04	314.00	257.39	296.00	6.08%	
W4A8	Final and Special Readings	249.57	287.00	235.65	271.00	5.90%	
W4A9	Call-out Fee - Normal Working Hours	496.52	571.00	468.70	539.00	5.94%	
W4A10	Call-out Fee - After Hours	994.78	1 144.00	938.26	1 079.00	6.02%	
W4A11	Replacement of damage meter	1 334.78	1 535.00	1 259.13	1 448.00	6.01%	
W4A12	Removal of Meter (based on call out fee)	1 097.39	1 262.00	1 035.65	1 191.00	5.96%	
W4A13	Registration of Borehole (Including inspection fee)	372.17	428.00	351.30	404.00	5.94%	
W4A14	Repositioning of Meter (excl. pipe)	1 093.04	1 257.00	1 031.30	1 186.00	5.99%	
W4A15	Convert to Water Flow Restrictor Meter	3 559.13	4 093.00	3 357.39	3 861.00	6.01%	
W4A16	Temporary Connections - Deposit	9 365.00	no vat	8 835.00	no vat	6.00%	
W4A17	Temporary Connection - Usage per kl	29.63	34.07	28.46	32.73	4.11%	cost price
W4A18	Damage of Water Meter	Actual cost plus 15%	applicable vat	Actual cost plus 15%	applicable vat		
W4A19	Damage of Watermain	Actual cost plus R3 764.76	applicable vat	Actual cost plus R3 551.66	applicable vat	6.00%	
W4A20	Damage of Service Connection (including water meter)	Actual cost plus R989.57	applicable vat	Actual cost plus R933.56	applicable vat	6.00%	
W5	**ILLEGAL CONNECTION / TAMPERING FEE**						
W5A1	1st Offence	8 308.00	no vat	7 838.00	no vat	6.00%	
W5A2	2 nd Offence Must convert to a flow-restriction watermeter at applicable tariff plus	9 748.00	no vat	9 196.00	no vat	6.00%	
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	6 086.09	6 999.00	5 741.74	6 603.00	6.00%	
W6A2	20 mm Connection Water Flow Restrictor Meter	7 228.70	8 313.00	6 819.13	7 842.00	6.01%	
W6A3	Other Connections	Actual cost plus 15%	applicable vat	Actual cost plus 15%	applicable vat		
W6A4	Connections (Erf Boundary - by Developer)	1 582.61	1 820.00	1 493.04	1 717.00	6.00%	
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) (ROUNDING APPLICABLE)

Tariff Code	Detail	2023/2024		2022/2023		1.060
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%	
		R	R	R	R	
DC1	**WATER**					
DC1A	Standard Fee per Equivalent Unit	23 998.40	27 598.16	22 640.00	26 036.00	6.00%
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	32 195.65	37 025.00	30 373.90	34 929.99	6.00%
DC2B	**New Developments**					
DC2B1	Standard fee per Singel Phase Domestic erf - infrastructure provide by developer (Based on 13.8 kVA xE15A2 x.36)	20 118.26	23 136.00	18 977.76	21 824.42	6.01%
DC2B2	Standard fee per Three Phase Domestic erf - infrastructure provide by developer (Based on 42kVA x E15A2x.36)	61 229.57	70 414.00	57 758.40	66 422.16	6.01%
DC2C	MV/LV Bulk Supply with metering point cost / kVA= Tariff E15A2	4 049.57	4 657.00	3 819.86	4 392.84	6.01%
DC2C1	LV Bulk Supply if capacity is available on existing TF cost / kVA = Tariff E15A3	4 760.87	5 475.00	4 656.08	5 354.49	2.25%
DC3	**SEWERAGE**					
DC3A	Standard Fee per Equivalent Unit	16 181.13	18 608.30	15 265.22	17 555.00	6.00%
DC4	**ROADS**					
DC4A	Standard Fee per Equivalent Unit	7 255.93	8 344.32	6 845.22	7 872.00	6.00%
DC5	**STORMWATER**					
DC5A	Standard Fee per Equivalent Unit	8 371.23	9 626.92	7 897.39	9 082.00	6.00%
DC6	**SOLID WASTE**					
DC6A	Standard Fee per Equivalent Unit	1 450.82	1 668.44	1 368.70	1 574.00	6.00%
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	10 051.30	11 559.00	9 482.61	10 905.00	6.00%
DC8A3	11 - 25	16 925.22	19 464.00	15 966.96	18 362.00	6.00%
DC8A4	26 - 50	23 286.96	26 780.00	21 968.70	25 264.00	6.00%
DC8A5	51 - 100	26 721.74	30 730.00	25 209.57	28 991.00	6.00%
DC8A6	101 - 250	29 648.70	34 096.00	27 970.44	32 166.00	6.00%
DC8A7	251 - 500	34 611.30	39 803.00	32 652.17	37 550.00	6.00%
DC8A8	501 - 2000	39 064.35	44 924.00	36 853.04	42 381.00	6.00%
DC8A9	2000 – 5000	46 953.91	53 997.00	44 296.52	50 941.00	6.00%

DC8A10	> 5001	53 317.39	61 315.00	50 299.13	57 844.00	6.00%
DC8E	**Sanitation**					
	No. of Equivalent units					
DC8E1	1 - 4	no charge	no vat	no charge	no vat	
DC8E2	5 - 10	10 051.30	11 559.00	9 482.61	10 905.00	6.00%
DC8E3	11 - 25	16 925.22	19 464.00	15 966.96	18 362.00	6.00%
DC8E4	26 - 50	23 286.96	26 780.00	21 968.70	25 264.00	6.00%
DC8E5	51 - 100	26 721.74	30 730.00	25 209.57	28 991.00	6.00%
DC8E6	101 - 250	29 648.70	34 096.00	27 970.44	32 166.00	6.00%
DC8E7	251 - 500	34 611.30	39 803.00	32 652.17	37 550.00	6.00%
DC8E8	501 - 2000	39 064.35	44 924.00	36 853.04	42 381.00	6.00%
DC8E9	2000 – 5000	46 953.91	53 997.00	44 296.52	50 941.00	6.00%
DC8E10	> 5001	53 317.39	61 315.00	50 299.13	57 844.00	6.00%

RESORTS TARIFF LIST (ROUNDING APPLICABLE)

Tariff Code	Detail	2023/2024		2022/2023		1.060
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%	1.14680
	** A deposit of 50% of the total amount payable is applicable to secure the booking					electricity
	** On cancellation of the booking an administration fee of 15% will deducted from the deposit					
	** On cancellation of the booking less than 14 days prior to the commencement of the booking period, the deposit **will not** be paid back					
R 1	**PALMIET & KLEINMOND CARAVAN PARKS**					
R1A	**Peak Season - 1 December - 31 January & Easter Weekend**					
R1A1	A Stands per day	477.39	549.00	450.44	518.00	5.98%
R1A2	B Stands per day	383.48	441.00	361.74	416.00	6.01%
R1A3	C Stands per day	340.87	392.00	321.74	370.00	5.95%
R1B	**Off-Peak Season - 1 February - 30 November (Excluding Easter Weekend)**					
R1B1	A Stands per day	264.35	304.00	249.57	287.00	5.92%
R1B2	B Stands per day	227.83	262.00	214.78	247.00	6.08%
R1B3	C Stands per day	208.70	240.00	196.52	226.00	6.20%
	The above tariffs include for up to four (4) persons and one (1) vehicle with one trailor or caravan or small boat per day					
R1F	**Sundry Costs**					
R1F1	Electricity if available per stand per day	32.16	36.98	28.04	32.25	14.68%
R1F2	Additional persons up to a maximum of two (2) - per person per day	69.57	80.00	65.22	75.00	6.66%
R1F3	Additional vehicle or small trailer or small boat to maximum of 2 units - per unit per day	40.00	46.00	37.39	43.00	6.98%
R1F4	Day visitors for campers up to a maximum of four (4) per person per day	69.57	80.00	65.22	75.00	6.66%
R1F5	Day visitors vehicle per day	52.17	60.00	49.57	57.00	5.26%
	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)	33.91	39.00	32.17	37.00	5.41%
R1F8	Gate Card / Key Deposit per set - Refundable	200.00	no vat	189.00	no vat	5.82%
R1J	**Off-Peak: Pensioners,Caravan Clubs more than 10 caravans, Mobile Camper Vehicles & RV groups (not caravans) more than 20 campers**					
	Note: Pensioners to be defined as persons sixty (60) years and older					
R1J1	May get a discount on the stands	50%	applicable vat	50%	applicable vat	
R1J2	Qulify for a reduced tariff for a period of 30 days	3 216.52	3 699.00	3 034.78	3 490.00	5.99%
R 10	**KLEINMOND: FRANK ROBB HUT**					
R10A	Camping per person per day (Maximum of 10 persons)	113.04	130.00	106.96	123.00	5.68%
R 20	**ONRUS CARVAN PARK: PLETT HOUSE**					
R20A	Peak Season - 1 December - 31 January & Easter Weekend	527.83	607.00	498.26	573.00	5.93%
R20B	Off-Peak Season - 1 February - 30 November (Excluding Easter Weekend)	326.96	376.00	308.70	355.00	5.92%
R 30	**ONRUS CARVAN PARK**					
R30A	**Peak Season - 1 December - 31 January & Easter Weekend**					
R30A1	A Stands per day	550.44	633.00	490.44	564.00	12.23%
R30A2	B Stands per day	475.65	547.00	376.52	433.00	26.33%

R30A3	C Stands per day	365.22	420.00	344.35	396.00	6.06%
R30B	**Off-Peak Season - 1 February - 30 November (Excluding Easter Weekend)**					
R30B1	A Stands per day	318.26	366.00	271.30	312.00	17.31%
R30B2	B Stands per day	320.00	368.00	229.57	264.00	39.39%
R30B3	C Stands per day	269.57	310.00	214.78	247.00	25.51%
	The above tariffs include for up to four (4) persons and one (1) vehicle with one trailor or caravan or small boat per day					
R30F	**Sundry Costs**					
~~R30F1~~	~~Electricity if available per stand per day~~	~~0.00~~	~~0.00~~	~~28.04~~	~~32.25~~	~~-100.00%~~
R30F2	Additional persons up to a maximum of two (2) - per person per day	76.50	87.98	72.17	83.00	6.00%
R30F3	Additional vehicle or small trailer or small boat to maximum of 2 units - per unit per day	41.48	47.70	39.13	45.00	6.00%
~~R30F4~~	~~Children under two (2) years~~	~~no charge~~	~~no vat~~	~~no charge~~	~~no vat~~	
~~R30F5~~	~~Children under twelve (12)~~	~~0.00~~	~~0.00~~	~~37.39~~	~~43.00~~	~~-100.00%~~
~~R30F6~~	~~Daily Functions (pre-arrangement) per day~~	~~0.00~~	~~0.00~~	~~178.26~~	~~205.00~~	~~-100.00%~~
R30F7	Full 30 day Rental	5 142.61	5 914.00	4 851.30	5 579.00	6.00%
R30F8	Gate Card / Key Deposit per set - Refundable	200.00	no vat	192.00	no vat	4.17%
R30J	**Annual Rental**					
R30J1	Rental per annum	16 825.22	19 349.00	15 873.04	18 254.00	6.00%
	Plus:					
R30J2	Pergola with covering per annum	1 803.48	2 074.00	1 701.74	1 957.00	5.98%
R30J3	Water tap per annum	384.35	442.00	362.61	417.00	6.00%
R30J4	Structure for storing purposes per annum	384.35	442.00	362.61	417.00	6.00%
R30J5	Permanent fireplace structure per annum	384.35	442.00	362.61	417.00	6.00%
R30J6	Electricity per stand per annum	1 628.42	1 872.68	1 419.97	1 632.97	14.68%
R30J7	Additional caravan at semi-permanent per day	26.09	30.00	new	new	
R30L	**Off-Peak: Pensioners,Caravan Clubs more than 10 caravans, Mobile Camper Vehicles & RV groups (not caravans) more than 20 campers**					
	Note: Pensioners to be defined as persons sixty (60) years and older					
R30L1	May get a discount on the stands	50%	applicable vat	50%	applicable vat	
R30L2	Qualify for a reduced tariff for a period of 30 days	3 535.65	4 066.00	3 335.65	3 836.00	6.00%
R 60	**GANSBAAAI CARAVAN PARK**					
R60A	**Peak Season - 1 December - 31 January & Easter Weekend**					
R60A1	A+ Stands per day	424.35	488.00	400.00	460.00	6.09%
R60A2	A Stands per day	337.39	388.00	318.26	366.00	6.01%
R60A3	B Stands per day	264.35	304.00	249.57	287.00	5.92%
R60A4	C Stands per day	240.87	277.00	226.96	261.00	6.13%
R60B	**Off-Peak Season - 1 February - 30 November (Excluding Easter Weekend)**					
R60B1	A+ Stands per day	289.57	333.00	273.04	314.00	6.05%
R60B2	A Stands per day	250.44	288.00	236.52	272.00	5.88%
R60B3	B Stands per day	226.96	261.00	213.91	246.00	6.10%
R60B4	C Stands per day	207.83	239.00	195.65	225.00	6.23%
	The above tariffs include for up to four (4) persons and one (1) vehicle with one trailor or caravan or small boat per day					

R60F	**Sundry Costs**					
R60F1	Additional persons up to a maximum of two (2) - per person per day	69.57	80.00	65.22	75.00	6.66%
R60F2	Additional vehicle or small trailer or small boat - per unit per day	49.57	57.00	46.96	54.00	5.55%
R60F3	Children under two (2) years	no charge	no vat	no charge	no vat	
R60F4	Children under twelve (12)	33.91	39.00	32.17	37.00	5.41%
R60F5	Day visitors for campers up to a maximum of four (4) per person per day	49.57	57.00	46.96	54.00	5.55%
R60F6	Gate Card / Key Deposit per set - Refundable	199.00	no vat	188.00	no vat	5.85%
R60J	**Annual Rental**					
R60J1	Rental per annum	9 445.22	10 862.00	8 910.44	10 247.00	6.00%
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	
R 80	**HAWSTON DAY CAMPING SITE**					
R80A	**Peak Season - 1 December - 31 January & Easter Weekend**					
R80A1	Camping Sites	227.83	262.00	214.78	247.00	6.08%
R80A2	Parking Fees per vehicle (excluding busses >20 seats)	17.39	20.00	16.52	19.00	5.27%
R80A3	Per Bus >20 seats	194.78	224.00	183.48	211.00	6.16%
R80A4	Entrance Fee: Adults (per person)	17.39	20.00	16.52	19.00	5.27%
R80A5	Entrance Fee: Children (per child < 12)	4.78	5.50	4.52	5.20	5.75%
R80B	**Off-Peak Season - 1 February - 30 November (Excluding Easter Weekend)**					
R80B1	Camping Sites	123.48	142.00	116.52	134.00	5.97%
R80B2	Parking Fees per vehicle (excluding busses >20 seats)	17.39	20.00	16.52	19.00	5.27%
R80B3	Per Bus >20 seats	194.78	224.00	183.48	211.00	6.16%
R80B4	Entrance Fee: Adults (per person)	17.39	20.00	16.52	19.00	5.27%
R80B5	Entrance Fee: Children (per child < 12)	4.78	5.50	4.52	5.20	5.75%
R80B6	The above tariffs include for up to six (6) persons and one (1) vehicle with one trailor or caravan or small boat per day					
R80E	**Sundry Costs**					
R80E1	Electricity if available per stand per day	32.16	36.98	28.70	33.00	12.06%
R80E2	Additional vehicle or small trailer or small boat - per unit per day	46.96	54.00	44.35	51.00	5.89%

R80J	**Off-Peak: Pensioners,Caravan Clubs more than 10 caravans, Mobile Camper Vehicles & RV groups (not caravans) more than 20 campers**					
	Note: Pensioners to be defined as persons sixty (60) years and older					
R80J1	May get a discount on the stands	50%	applicable vat	50%	applicable vat	

ANNEXURE D

TARIFF BASKETS

MONTHLY BASKET OF TARIFFS - SINGLE RESIDENTIAL 2022/2023 and 2023/2024

Residential			Year	Year	Increase/Decrease	
High Consumption with credit elect meter			2022/2023	2023/2024	Amount	%
	Valuation	R3 500 000				
Sewer	**SE7A1+SE8A**		355.30	381.06	25.76	7.25
Infrastructure Basic Charge Water, Electricity & Sewer			53.54	53.54	0.00	0.00
Refuse	**1X Per Week**		213.48	228.00	14.52	6.80
Water		20 kl	393.30	444.04	50.74	12.90
SUB TOTAL			**1 015.62**	**1 106.64**	**91.02**	**8.96**
VAT		15%	152.34	166.00	13.65	8.96
TOTAL			1 167.97	1 272.64	104.67	8.96
SRA Rate as might be applicable to be added						

High Consumption with prepaid elect meter			2022/2023	2023/2024	Amount	%
	Valuation	R3 500 000				
Sewer	**SE7A1+SE8A**		355.30	381.06	25.76	7.25
Infrastructure Basic Charge Water, Electricity & Sewer			53.54	53.54	0.00	0.00
Refuse	**1X Per Week**		213.48	228.00	14.52	6.80
Water		20 kl	393.30	444.04	50.74	12.90
SUB TOTAL			**1 015.62**	**1 106.64**	**91.02**	**8.96**
VAT		15%	152.34	166.00	13.65	8.96
TOTAL			1 167.97	1 272.64	104.67	8.96
SRA Rate as might be applicable to be added						

Medium Consumption with credit elect meter			2022/2023	2023/2024	Amount	%
	Valuation	R2 500 000				
Sewer	**SE7A1+SE8A**		300.95	322.65	21.70	7.21
Infrastructure Basic Charge Water, Electricity & Sewer			53.54	53.54	0.00	0.00
Refuse	**1X Per Week**		213.48	228.00	14.52	6.80
Water		15 kl	311.62	332.33	20.71	6.65
SUB TOTAL			**879.59**	**936.52**	**56.93**	**6.47**
VAT		15%	131.94	140.48	8.54	6.47
TOTAL			1 011.53	1 076.99	65.46	6.47
SRA Rate as might be applicable to be added						

Medium Consumption with prepaid elect meter			2022/2023	2023/2024	Amount	%
	Valuation	R2 500 000				
Sewer	**SE7A1+SE8A**		300.95	322.65	21.70	7.21
Infrastructure Basic Charge Water, Electricity & Sewer			53.54	53.54	0.00	0.00
Refuse	**1X Per Week**		213.48	228.00	14.52	6.80
Water		15 kl	311.62	332.33	20.71	6.65
SUB TOTAL			**879.59**	**936.52**	**56.93**	**6.47**
VAT		15%	131.94	140.48	8.54	6.47
TOTAL			1 011.53	1 076.99	65.46	6.47
SRA Rate as might be applicable to be added						

Low Consumption with credit meter			2022/2023	2023/2024	Amount	%
	Valuation	R1 000 000				
Sewer	**SE7A1+SE8A**		300.95	322.65	21.70	7.21
Infrastructure Basic Charge Water, Electricity & Sewer			53.54	53.54	0.00	0.00
Refuse	**1X Per Week**		213.48	228.00	14.52	6.80
Water		15 kl	311.62	332.33	20.71	6.65
SUB TOTAL			**879.59**	**936.52**	**56.93**	**6.47**
VAT		15%	131.94	140.48	8.54	6.47
TOTAL			1 011.53	1 076.99	65.46	6.47
SRA Rate as might be applicable to be added						

Low Consumption with prepaid elect meter			2022/2023	2023/2024	Amount	%
	Valuation	R1 000 000				
Sewer	**SE7A1+SE8A**		300.95	322.65	21.70	7.21
Infrastructure Basic Charge Water, Electricity & Sewer			53.54	53.54	0.00	0.00
Refuse	**1X Per Week**		213.48	228.00	14.52	6.80
Water		15 kl	311.62	332.33	20.71	6.65
SUB TOTAL			**879.59**	**936.52**	**56.93**	**6.47**
VAT		15%	131.94	140.48	8.54	6.47
TOTAL			1 011.53	1 076.99	65.46	6.47
SRA Rate as might be applicable to be added						

Life-Line Consumption (ONE PART) (Indigent)			2022/2023	2023/2024	Amount	%
	Valuation	R50 000				
Sewer	**SE7A1**		0.00	0.00	0.00	0.00
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	41.70	0.00	0.00
Refuse	**1X Per Week**		0.00	0.00	0.00	0.00
Water	8 kl		0.00	0.00	0.00	0.00
SUB TOTAL			**41.70**	**41.70**	**0.00**	**0.00**
VAT		15%	6.26	6.26	0.00	0.00
TOTAL			47.96	47.96	0.00	0.00
SRA Rate as might be applicable to be added						

Conservancy Tanks					
If tariff SE7 is not applicable	2022/2023	2023/2024	Amount	%
Smaller than 6kl	634.29	677.42	43.13	6.80
Greater than 6kl	634.29	677.42	43.13	6.80
Outside urban area Plus per km	18.60	19.86	1.26	6.79
Plus Per hour	380.90	406.81	25.91	6.80
After hours				
Smaller than 6kl	1 268.58	1 354.84	86.26	6.80
Greater than 6kl	1 268.58	1 354.84	86.26	6.80

Sub-Economic Consumption (Indigent)			2022/2023	2023/2024	Amount	%
	Valuation	R50 000				
Sewer	**SE7A1**		0.00	0.00	0.00	0.00
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	41.70	0.00	0.00
Refuse	**1X Per Week**		0.00	0.00	0.00	0.00
Water	6 kl		0.00	0.00	0.00	0.00
SUB TOTAL			**41.70**	**41.70**	**0.00**	**0.00**
VAT		15%	6.26	6.26	0.00	0.00
TOTAL			47.96	47.96	0.00	0.00
SRA Rate as might be applicable to be added						

Sub-Economic Consumption (Indigent)			2022/2023	2023/2024	Amount	%
	Valuation	R220 000				
Sewer	**SE7A1**		86.97	93.46	6.50	7.47
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	41.70	0.00	0.00
Refuse	**1X Per Week**		0.00	0.00	0.00	0.00
Water	18 kl		104.64	111.76	7.12	6.80
SUB TOTAL			**233.31**	**246.92**	**13.62**	**5.84**
VAT		15%	35.00	37.04	2.04	5.84
TOTAL			268.30	283.96	15.66	5.84
SRA Rate as might be applicable to be added						

Sub-Economic Consumption (Non Indigent)			2022/2023	2023/2024	Amount	%
	Valuation	R220 000				
Sewer	**SE7A1**		333.56	357.69	24.13	7.23
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	41.70	0.00	0.00
Refuse	**1X Per Week**		213.48	228.00	14.52	6.80
Water	18 kl		350.86	374.24	23.38	6.66
SUB TOTAL			**939.60**	**1 001.63**	**62.03**	**6.60**
VAT		15%	140.94	150.25	9.30	6.60
TOTAL			1 080.54	1 151.88	71.34	6.60
SRA Rate as might be applicable to be added						

MONTHLY BASKET OF TARIFFS - BUSINESS

Business - Large (Time of Use)				2022/2023	2023/2024	Amount	%
	Valuation		R35 000 000				
Sewer	SE7D1+SE8A		30	10 565.96	11 331.66	765.70	7.25
Infrastructure Basic Charge Water, Electricity & Sewer				53.54	53.54	0.00	0.00
Refuse	Bins 2X Per Week		30	12 808.65	13 679.70	871.05	6.80
Water		460 kl		24 429.37	26 656.74	2 227.37	9.12
SUB TOTAL				**47 857.52**	**51 721.64**	**3 864.12**	**8.07**
VAT			15%	7 178.63	7 758.25	579.62	8.07
TOTAL				55 036.15	59 479.89	4 443.74	8.07
SRA Rate as might be applicable to be added							

Business - Medium (Three Phase)				2022/2023	2023/2024	Amount	%
	Valuation		R3 200 000				
Sewer	SE7D1+SE8A		1	417.42	447.82	30.40	7.28
Infrastructure Basic Charge Water, Electricity & Sewer				53.54	53.54	0.00	0.00
Refuse	1X Per Week		3	640.44	684.00	43.56	6.80
Water		20 kl		458.52	513.64	55.12	12.02
SUB TOTAL				**1 569.92**	**1 699.00**	**129.08**	**8.22**
VAT			15%	235.49	254.85	19.36	8.22
TOTAL				1 805.41	1 953.85	148.44	8.22
SRA Rate as might be applicable to be added							

Business - Small (Three Phase)				2022/2023	2023/2024	Amount	%
	Valuation		R3 200 000				
Sewer	SE7D1+SE8A		1	417.42	447.82	30.40	7.28
Infrastructure Basic Charge Water, Electricity & Sewer				53.54	53.54	0.00	0.00
Refuse	1X Per Week		2	426.96	456.00	29.04	6.80
Water		20 kl		458.52	513.64	55.12	12.02
SUB TOTAL				**1 356.44**	**1 471.00**	**114.56**	**8.45**
VAT			15%	203.47	220.65	17.18	8.45
TOTAL				1 559.91	1 691.65	131.74	8.45
SRA Rate as might be applicable to be added							

Business - Small (Three Phase)				2022/2023	2023/2024	Amount	%
	Valuation		R3 200 000				
Sewer	SE7D1+SE8A		1	417.42	447.82	30.40	7.28
Infrastructure Basic Charge Water, Electricity & Sewer				53.54	53.54	0.00	0.00
Refuse	1X Per Week		2	426.96	456.00	29.04	6.80
Water		20 kl		458.52	513.64	55.12	12.02
SUB TOTAL				**1 356.44**	**1 471.00**	**114.56**	**8.45**
VAT			15%	203.47	220.65	17.18	8.45
TOTAL				1 559.91	1 691.65	131.74	8.45
SRA Rate as might be applicable to be added							

Business - Small (Three Phase) Prepaid Electricity				2022/2023	2023/2024	Amount	%
	Valuation		R3 200 000				
Sewer	SE7D1+SE8A		1	417.42	447.82	30.40	7.28
Infrastructure Basic Charge Water, Electricity & Sewer				53.54	53.54	0.00	0.00
Refuse	1X Per Week		2	426.96	456.00	29.04	6.80
Water		20 kl		458.52	513.64	55.12	12.02
SUB TOTAL				**1 356.44**	**1 471.00**	**114.56**	**8.45**
VAT			15%	203.47	220.65	17.18	8.45
TOTAL				1 559.91	1 691.65	131.74	8.45
SRA Rate as might be applicable to be added							

MONTHLY BASKET OF TARIFFS - VACANT ERVEN

Valuation High			2022/2023	2023/2024	Amount	%
	Valuation	R780 000				
Sewer can connect	Availability		137.88	147.39	9.51	6.90
Refuse	Availability		106.73	113.99	7.26	6.80
Water	Availability		155.62	165.74	10.12	6.50
Infrastructure Basic Charge Water, Electricity & Sewer			53.54	53.54	0.00	0.00
VAT		15%	68.07	72.10	4.03	5.93
TOTAL			**521.84**	**552.76**	**30.92**	**5.93**
SRA Rate as might be applicable to be added						

Valuation Average			2022/2023	2023/2024	Amount	%
	Valuation	R250 000				
Sewer can connect	Availability		137.88	147.39	9.51	6.90
Refuse	Availability		106.73	113.99	7.26	6.80
Water	Availability		155.62	165.74	10.12	6.50
Infrastructure Basic Charge Water, Electricity & Sewer			53.54	53.54	0.00	0.00
VAT		15%	68.07	72.10	4.03	5.93
TOTAL			**521.84**	**552.76**	**30.92**	**5.93**
SRA Rate as might be applicable to be added						

Valuation Lower			2022/2023	2023/2024	Amount	%
	Valuation	R110 000				
Sewer can connect	Availability		137.88	147.39	9.51	6.90
Refuse	Availability		106.73	113.99	7.26	6.80
Water	Availability		155.62	165.74	10.12	6.50
Infrastructure Basic Charge Water, Electricity & Sewer			53.54	53.54	0.00	0.00
VAT		15%	68.07	72.10	4.03	5.93
TOTAL			**521.84**	**552.76**	**30.92**	**5.93**
SRA Rate as might be applicable to be added						

Valuation Low			2022/2023	2023/2024	Amount	%
	Valuation	R15 000				
Sewer can connect	Availability		137.88	147.39	9.51	6.90
Refuse	Availability		106.73	113.99	7.26	6.80
Water	Availability		155.62	165.74	10.12	6.50
Infrastructure Basic Charge Water, Electricity & Sewer			53.54	53.54	0.00	0.00
VAT		15%	68.07	72.10	4.03	5.93
TOTAL			**521.84**	**552.76**	**30.92**	**5.93**
SRA Rate as might be applicable to be added						

MONTHLY BASKET OF TARIFFS - SINGLE RESIDENTIAL 2022/2023

Residential				Year	Year	Increase/Decrease	
High Consumption with credit elect meter				2022/2023	2023/2024	Amount	%
	Valuation	R3 500 000					
Electricity Credit Meter	1500 kWh		60A	4 379.11	5 036.03	656.92	15.00
VAT			15%	656.87	755.40	98.54	15.00
TOTAL				**5 035.98**	**5 791.43**	**755.45**	**15.00**

High Consumption with prepaid elect meter				2022/2023	2023/2024	Amount	%
	Valuation	R3 500 000					
Electricity Prepaid Meter	1500 kWh		60A	4 192.62	4 821.50	628.88	15.00
VAT			15%	628.89	723.22	94.33	15.00
TOTAL				**4 821.51**	**5 544.72**	**723.21**	**15.00**

Medium Consumption with credit elect meter				2022/2023	2023/2024	Amount	%
	Valuation	R2 500 000					
Electricity Credit Meter	800 kWh		60A	544.15	625.77	81.62	15.00
VAT			15%	81.62	93.86	12.24	15.00
TOTAL				**625.77**	**719.63**	**93.86**	**15.00**

Medium Consumption with prepaid elect meter				2022/2023	2023/2024	Amount	%
	Valuation	R2 500 000					
Electricity Prepaid Meter	800 kWh		60A	2 253.14	2 591.14	338.00	15.00
VAT			15%	337.97	388.67	50.70	15.00
TOTAL				**2 591.11**	**2 979.81**	**388.69**	**15.00**

Low Consumption with credit meter				2022/2023	2023/2024	Amount	%
	Valuation	R1 000 000					
Electricity Credit Meter	600 kWh		30A	1 645.72	1 892.60	246.88	15.00
VAT			15%	246.86	283.89	37.03	15.00
TOTAL				**1 892.58**	**2 176.48**	**283.91**	**15.00**

Low Consumption with prepaid elect meter				2022/2023	2023/2024	Amount	%
	Valuation	R1 000 000					
Electricity Prepaid Meter	600 kWh		30A	1 565.16	1 799.93	234.77	15.00
VAT			15%	234.77	269.99	35.22	15.00
SUB TOTAL				**1 799.93**	**2 069.91**	**269.99**	**15.00**

Life-Line Consumption (ONE PART) (Indigent)				2022/2023	2023/2024	Amount	%
	Valuation	R50 000					
Electricity Pre-paid	300 kWh		30A	471.48	542.19	70.71	15.00
VAT			15%	70.72	81.33	10.61	15.00
TOTAL				**542.20**	**623.52**	**81.32**	**15.00**

Sub-Economic Consumption (Indigent)				2022/2023	2023/2024	Amount	%
	Valuation	R50 000					
Electricity Prepaid Meter	150 kWh		30A	233.21	268.19	34.98	15.00
VAT			15%	34.98	40.23	5.25	15.00
TOTAL				**268.19**	**308.41**	**40.23**	**15.00**

MONTHLY BASKET OF TARIFFS - BUSINESS

Business - Large (Time of Use)				2022/2023	2023/2024	Amount	%
	Valuation	R35 000 000					
Electricity Credit Meter	108751 + 436kVA		TOU	194 691.05	223 893.99	29 202.94	15.00
VAT			15%	29 203.66	33 584.10	4 380.44	15.00
TOTAL				**223 894.71**	**257 478.09**	**33 583.38**	**15.00**

Business - Medium (Three Phase)				2022/2023	2023/2024	Amount	%
	Valuation	R3 200 000					
Electricity Credit Meter	7000 kWh		60A	18 510.31	21 287.21	2 776.90	15.00
VAT			15%	2 776.55	3 193.08	416.54	15.00
TOTAL				**21 286.86**	**24 480.29**	**3 193.44**	**15.00**

Business - Small (Three Phase)				2022/2023	2023/2024	Amount	%
	Valuation	R3 200 000					
Electricity Credit Meter	4000 kWh		60A	10 953.31	12 596.51	1 643.20	15.00
VAT			15%	1 643.00	1 889.48	246.48	15.00
TOTAL				**12 596.31**	**14 485.99**	**1 889.68**	**15.00**

Business - Small (Three Phase)				2022/2023	2023/2024	Amount	%
	Valuation	R3 200 000					
Electricity Credit Meter	1000 kWh		60A	3 396.31	3 905.81	509.50	15.00
VAT			15%	509.45	585.87	76.43	15.00
TOTAL				**3 905.76**	**4 491.68**	**585.93**	**15.00**

Business - Small (Three Phase) Prepaid Electricity				2022/2023	2023/2024	Amount	%
	Valuation	R3 200 000					
Electricity Pre-paid	1000 kWh		60A	3 396.31	3 905.81	509.50	15.00
VAT			15%	509.45	585.87	76.43	15.00
TOTAL				**3 905.76**	**4 491.68**	**585.93**	**15.00**

MONTHLY BASKET OF TARIFFS - VACANT ERVEN

Valuation High			2022/2023	2023/2024	Amount	%
	Valuation	R780 000				
Electricity	Network Charges		438.66	504.46	65.80	15.00
VAT		15%	65.80	75.67	9.87	15.00
TOTAL			**504.46**	**580.13**	**75.67**	**15.00**

Valuation Average			2022/2023	2023/2024	Amount	%
	Valuation	R250 000				
Electricity	Network Charges		438.66	504.46	65.80	15.00
VAT		15%	65.80	75.67	9.87	15.00
TOTAL			**504.46**	**580.13**	**75.67**	**15.00**

Valuation Lower			2022/2023	2023/2024	Amount	%
	Valuation	R110 000				
Electricity	Network Charges		438.66	504.46	65.80	15.00
VAT		15%	65.80	75.67	9.87	15.00
TOTAL			**504.46**	**580.13**	**75.67**	**15.00**

Valuation Low			2022/2023	2023/2024	Amount	%
	Valuation	R15 000				
Electricity	Availability		438.66	504.46	65.80	15.00
VAT		15%	65.80	75.67	9.87	15.00
TOTAL			**504.46**	**580.13**	**75.67**	**15.00**

ANNEXURE E

CAPITAL BUDGET & HOUSING PROGRAMME

DRAFT CAPITAL BUDGET 2023/24 MTREF

						2023/24 BUDGET			2024/25 BUDGET			2025/26 BUDGET		
Area	Local Area	Ward	Project Description	Project Manager	Funding Source	COUNCIL FUNDED	EXTERNAL (GRANTS)	TOTAL	COUNCIL FUNDED	EXTERNAL (GRANTS)	TOTAL	COUNCIL FUNDED	EXTERNAL (GRANTS)	TOTAL
			EXECUTIVE & COUNCIL			**5 005 000**		**5 005 000**						
Overstrand	Overstrand	Overstrand	MINOR ASSETS COUNCIL	D Arrison	Surplus	5 000		5 000						
Overstrand	Overstrand	Overstrand	COMMUNITY PROJECTS(SUBJECT TO FUNCTION CLARRIFICATION)	D O'Neill	Surplus	5 000 000		5 000 000						
			FINANCE AND ADMINISTRATION			**4 070 000**		**4 070 000**						
Overstrand	Overstrand	Overstrand	DELL POWEREDGE R750 SERVER (X3)	C Johnson	Surplus	1 800 000		1 800 000						
Overstrand	Overstrand	Overstrand	UPS REPLACEMENT	C Johnson	Surplus	500 000		500 000						
Overstrand	Overstrand	Overstrand	EMERGENCY AND OPERATIONAL DIGITAL RADIO SYSTEMS	C Johnson	Surplus	700 000		700 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS FINANCE	S Reyneke	Surplus	60 000		60 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS MANAGEMENT SERVICES	D Arrison	Surplus	10 000		10 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS ICT ORGANIZATION WIDE	C Johnson	Surplus	1 000 000		1 000 000						
			PUBLIC SAFETY			**300 000**		**300 000**						
Overstrand	Overstrand	Overstrand	MINOR ASSETS PROTECTION SERVICES	N Micheals	Surplus	300 000		300 000						
			PLANNING & DEVELOPMENT			**390 000**		**390 000**						
Overstrand	Overstrand	Overstrand	MINOR ASSETS LED	S Madikane	Surplus	45 000		45 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS INFRASTRUCTURE &PLANNING	S Muller	Surplus	345 000		345 000						
			COMMUNITY SERVICES			**735 000**		**735 000**						
Overstrand	Overstrand	Overstrand	MINOR ASSETS COMMUNITY SERVICES	R Williams	Surplus	735 000		735 000						
			SPORT & RECREATION			**874 674**	**6 554 350**	**7 429 024**		**11 698 250**	**11 698 250**		**16 240 550**	**16 240 550**
Hermanus	Hawston	Ward 08	UPGRADE HAWSTON SPORT COMPLEX	D Hendriks	MIG		6 554 350	6 554 350		3 698 250	3 698 250		8 240 550	8 240 550
Hermanus	Mount Pleasa	Ward 04	UPGRADE MOUNT PLEASANT SPORT GROUNDS	D Hendriks	MIG					6 000 000	6 000 000			
Kleinmond	Kleinmond	Ward 09	UPGRADE OF KLEINMOND SPORT FACILITIES	D Hendriks	MIG								3 000 000	3 000 000
Kleinmond	Mooiuitsig	Ward 10	MOOIUITSIG SPORTS GROUNDS	D Hendriks	MIG								2 000 000	2 000 000
Kleinmond	Overhills	Ward 10	REFURBISHMENT OF OVERHILLS SOCCER COMPLEX	D Van Rhodie	Surplus-Insurance	874 674		874 674						
Hermanus	Hawston	Ward 08	UPGRADE HAWSTON SWIMMING POOL	D Hendriks	MIG					2 000 000	2 000 000		3 000 000	3 000 000
			HOUSING				**41 890 000**	**41 890 000**		**30 090 000**	**30 090 000**		**63 220 000**	**63 220 000**
Overstrand	Overstrand	Overstrand	LCH SERVICES CONSTRUCTION CONTRACTS	D Hendriks	Construction Contracts		41 890 000	41 890 000		30 090 000	30 090 000		63 220 000	63 220 000
			ROADS				**5 000 000**	**5 000 000**					**2 981 350**	**2 981 350**
Gansbaai	Blompark	Ward 14	REHABILITATE ROADS BLOMPARK	D Hendriks	MIG		2 000 000	2 000 000						
Gansbaai	Masakhane	Ward 02	REHABILITATE ROADS AND SIDEWALKS MASAKHANE	D Hendriks	MIG								2 981 350	2 981 350
Stanford	Stanford	Ward 01	REHABILITATE ROADS STANFORD	D Hendriks	MIG		3 000 000	3 000 000						
			ELECTRICITY			**32 147 897**	**24 380 000**	**56 527 897**	**18 500 000**	**15 000 000**	**33 500 000**	**19 000 000**	**15 000 000**	**34 000 000**
Gansbaai	Gansbaai	Multi-ward G	FKRAAL KBAAI BHEAD NEW 66 11KV SUBSTATION (F1/4)	D Maree	EL24	5 000 000		5 000 000						
Gansbaai	Gansbaai	Multi-ward G	FKRAAL KBAAI BHEAD NEW 66 11KV SUBSTATION (F2/4)	D Maree	EL23-R/O	5 800 000		5 800 000						
Gansbaai	Gansbaai	Multi-ward G	FKRAAL KBAAI BHEAD NEW 66 11KV SUBSTATION (F3/4)	D Maree	EL22-R/O	7 100 000		7 100 000						
Gansbaai	Gansbaai	Multi-ward G	FKRAAL KBAAI BHEAD NEW 66 11KV SUBSTATION (F4/4)	D Maree	BICL-R/O-22	516 897		516 897						
Gansbaai	Gansbaai	Multi-ward G	GANSBAAI STANFORD MV LV UPGRADE REPLACEMENT	D Maree	EL25/26				3 500 000		3 500 000	4 000 000		4 000 000
Overstrand	Overstrand	Overstrand	ELECTRIFICATION OF LOW COST HOUSING AREAS (F1/2)	K d Plessis	INEP		24 380 000	24 380 000		15 000 000	15 000 000		15 000 000	15 000 000
Overstrand	Overstrand	Overstrand	ELECTRIFICATION OF LOW COST HOUSING AREAS (F1/2)	K d Plessis	EL24/25	3 000 000		3 000 000	3 000 000		3 000 000			
Hermanus	Hermanus	Ward 03	HERMANUS MV LV UPGRADE REPLACEMENT(F1/3)	K d Plessis	EL25/26				5 000 000		5 000 000	6 500 000		6 500 000
Hermanus	Hermanus	Ward 03	HERMANUS MV LV UPGRADE REPLACEMENT(F2/3)	K d Plessis	EL23-R/O	2 600 000		2 600 000						
Hermanus	Hermanus	Ward 03	HERMANUS MV LV UPGRADE REPLACEMENT(F3/3)	K d Plessis	EL22-R/O	2 600 000		2 600 000						
Kleinmond	Kleinmond	Ward 09	KLEINMOND MV LV NETWORK UPGRADE(F1/2)	K d Plessis	EL25/26				2 500 000		2 500 000	4 000 000		4 000 000
Kleinmond	Kleinmond	Ward 09	KLEINMOND MV LV NETWORK UPGRADE(F2/2)	K d Plessis	EL22-R/O	2 016 000		2 016 000						
Hermanus	Hawston	Ward 08	HAWSTON MV LV UPGRADE REPLACEMENT(F1/2)	K d Plessis	EL25/26				2 500 000		2 500 000	2 500 000		2 500 000
Hermanus	Hawston	Ward 08	HAWSTON MV LV UPGRADE REPLACEMENT(F1/2)	K d Plessis	EL22-R/O	2 015 000		2 015 000						
Overstrand	Overstrand	Overstrand	ELECTRICITY TRANSFORMERS CAPITAL REPLACEMENT CONTINGEN	S Muller	EL24/25/26	1 500 000		1 500 000	2 000 000		2 000 000	2 000 000		2 000 000

DRAFT CAPITAL BUDGET 2023/24 MTREF

						2023/24 BUDGET			2024/25 BUDGET			2025/26 BUDGET		
Area	**Local Area**	**Ward**	**Project Description**	**Project Manager**	**Funding Source**	**COUNCIL FUNDED**	**EXTERNAL (GRANTS)**	**TOTAL**	**COUNCIL FUNDED**	**EXTERNAL (GRANTS)**	**TOTAL**	**COUNCIL FUNDED**	**EXTERNAL (GRANTS)**	**TOTAL**
			WATER			**20 603 437**	**5 000 000**	**25 603 437**	**33 500 000**		**33 500 000**	**25 700 000**		**25 700 000**
Overstrand	Overstrand	Overstrand	REFURBISHMENT OF BULK WATER INFRASTRUCTURE	H Blignaut	EL24/25/26	1 000 000		1 000 000	1 000 000		1 000 000	1 000 000		1 000 000
Overstrand	Overstrand	Overstrand	WATER MASTER PLAN IMPLEMENTATION	H Blignaut	Surplus-Retention	953 437		953 437						
Overstrand	Overstrand	Overstrand	FENCING AT WATER INSTALLATIONS	H Blignaut	EL24/25/26	550 000		550 000	500 000		500 000	500 000		500 000
Overstrand	Overstrand	Overstrand	REPLACEMENT OF OVERSTRAND WATER PIPES(F1/2)	H Blignaut	EL24/25/26	8 000 000		8 000 000	7 000 000		7 000 000	6 000 000		6 000 000
Overstrand	Overstrand	Overstrand	REPLACEMENT OF OVERSTRAND WATER PIPES(F2/2)	H Blignaut	EL23-R/O	3 450 000		3 450 000						
Overstrand	Overstrand	Overstrand	WATER FACILITIES CONTINGENCY	H Blignaut	EL24/25/26	500 000		500 000	500 000		500 000	500 000		500 000
Kleinmond	Kleinmond	Multi-ward K	REFURBISHMENT OF KLEINMOND BUFFELS RIVER WTW	H Blignaut	EL25/26				13 100 000		13 100 000	13 000 000		13 000 000
Hermanus	Hermanus	Multi-ward H	UPGRADE HERMANUS WELL FIELDS PHASE 2(F1/2)	H Blignaut	EL24/25/26	2 000 000		2 000 000	2 100 000		2 100 000	4 700 000		4 700 000
Hermanus	Hermanus	Multi-ward H	UPGRADE HERMANUS WELL FIELDS PHASE 2(F1/2)	H Blignaut	WSIG		5 000 000	5 000 000						
Gansbaai	De Kelders	Ward 14	DE KELDERS WTW MEMBRANE REPLACEMENT	H Blignaut	EL25				800 000		800 000			
Gansbaai	Pearly Beach	Ward 11	PEARLY BEACH WATER TOWER REFURBISH	H Blignaut	EL24	750 000		750 000						
Hermanus	Hermanus	Multi-ward H	PREEKSTOEL BIO PLANT FILTERS REFURBISH	H Blignaut	EL24	400 000		400 000						
Gansbaai	Pearly Beach	Ward 11	PEARLY BEACH WTW PROCESS UPGRADE	H Blignaut	EL24	3 000 000		3 000 000						
Hermanus	Hermanus	Multi-ward H	NEW DISINFECTION SYSTEM AT PREEKSTOEL WTW	H Blignaut	EL25				8 500 000		8 500 000			
			SEWERAGE			**43 532 608**		**43 532 608**	**8 000 000**	**6 536 600**	**14 536 600**	**10 800 000**	**7 000 000**	**17 800 000**
Overstrand	Overstrand	Overstrand	SEWERAGE FACILITIES CONTINGENCY	H Blignaut	EL24/25/26	700 000		700 000	700 000		700 000	700 000		700 000
Kleinmond	Kleinmond	Multi-ward K	KLEINMOND WWTW REFURBISH UPGRADE (F1/3)	H Blignaut	EL24	8 900 000		8 900 000						
Kleinmond	Kleinmond	Multi-ward K	KLEINMOND WWTW REFURBISH UPGRADE (F2/3)	H Blignaut	EL23-R/O	16 400 970		16 400 970						
Kleinmond	Kleinmond	Multi-ward K	KLEINMOND WWTW REFURBISH UPGRADE (F3/3)	H Blignaut	EL22-R/O	3 231 638		3 231 638						
Overstrand	Overstrand	Overstrand	FENCING AT SEWERAGE INSTALLATIONS	H Blignaut	EL24/25/26	800 000		800 000	600 000		600 000	600 000		600 000
Overstrand	Overstrand	Overstrand	UPGRADING OF PUMPSTATIONS & RISING MAINS	H Blignaut	EL24/25	4 800 000		4 800 000	2 000 000		2 000 000			
Hermanus	Hermanus	Multi-ward H	HERMANUS WWTW UPGRADE SCREENS RAS SLUDGE DEWATERING	H Blignaut	EL24/25/26	1 200 000		1 200 000	3 200 000		3 200 000	1 500 000		1 500 000
Hermanus	Hawston	Ward 08	HAWSTON WWTW REFURBISH AND UPGRADE(F1/2)	H Blignaut	MIG					6 536 600	6 536 600		7 000 000	7 000 000
Hermanus	Hawston	Ward 08	HAWSTON WWTW REFURBISH AND UPGRADE(F2/2)	H Blignaut	EL26							5 000 000		5 000 000
Gansbaai	Gansbaai	Multi-ward G	GANSBAAI WWTW 2ND REACTOR COMMISSION	H Blignaut	EL26							2 000 000		2 000 000
Overstrand	Overstrand	Overstrand	TELEMETRY SYSTEM UPGRADE	H Blignaut	EL24/25	500 000		500 000	500 000		500 000			
Overstrand	Overstrand	Overstrand	NEW DISINFECTION SYSTEMS AT WASTEWATER TREATMENT	H Blignaut	EL24/25/26	7 000 000		7 000 000	1 000 000		1 000 000	1 000 000		1 000 000
			STORMWATER				**12 732 400**	**12 732 400**		**7 000 000**	**7 000 000**			
Gansbaai	Masakhane	Ward 02	MASAKHANE HOUSING PROJECT BULK STORMWATER (PHASE 2)	D Hendriks	MIG		4 500 000	4 500 000						
Kleinmond	Proteadorp	Ward 09	UPGRADE STORMWATER INFRASTRUCTURE- PROTEADORP, MOUNT	D Hendriks	MIG		8 232 400	8 232 400		7 000 000	7 000 000			
			WASTE MANAGEMENT			**400 000**		**400 000**				**4 500 000**		**4 500 000**
Kleinmond	Kleinmond	Multi-ward K	UPGRADING OF KLEINMOND TRANSFER STATION	C Mitchell	EL26							500 000		500 000
Gansbaai	Gansbaai	Multi-ward G	TROMMEL SCREEN FOR GANSBAAI LANDFILL	C Mitchell	EL26							4 000 000		4 000 000
Stanford	Stanford	Ward 01	REPLACE STANFORD DROP-OFF FENCE	C Mitchell	EL24	400 000		400 000						
			GRAND TOTAL			**108 058 616**	**95 556 750**	**203 615 366**	**60 000 000**	**70 324 850**	**130 324 850**	**60 000 000**	**104 441 900**	**164 441 900**
			FUNDING:											
			EXTERNAL LOAN 24/25/26(GENERAL CAPITAL)			50 000 000		50 000 000	60 000 000		60 000 000	60 000 000		60 000 000
			EXTERNAL LOAN 23(ROLL OVER)			28 250 970		28 250 970						
			EXTERNAL LOAN 22(ROLL OVER)			16 962 638		16 962 638						
			SURPLUS			10 500 000		10 500 000						
			SURPLUS -INSURANCE			874 674		874 674						
			SURPLUS-RETENTION			953 437		953 437						
			BULK CONTRIBUTIONS INFRASTRUCTURE LEVY 21-22(BCIL)(ROLL OVER)			516 897		516 897						
			CONSTRUCTION CONTRACTS				41 890 000	41 890 000		30 090 000	30 090 000		63 220 000	63 220 000
			MUNICIPAL INFRASTRUCTURE GRANT				24 286 750	24 286 750		25 234 850	25 234 850		26 221 900	26 221 900
			INTERGRATED NATIONAL ELECTRIFICATION PROGRAMME				24 380 000	24 380 000		15 000 000	15 000 000		15 000 000	15 000 000
			WATER SERVICES INFRASTRUCTURE GRANT				5 000 000	5 000 000						
			GRAND TOTAL			**108 058 616**	**95 556 750**	**203 615 366**	**60 000 000**	**70 324 850**	**130 324 850**	**60 000 000**	**104 441 900**	**164 441 900**

DRAFT 3 YEAR HOUSING BUDGET 2023-2026

Project	2023/2024	2024/2025	2025/2026	COMMENTS
Blompark TS Phase 3 (150)	R 23 700 000	R 21 962 000		Project is in progress and will be implemented in phases over various financial years. 2022/2023 (250 TS) completed, 2023/2024 (150 TS) planned , 2024-2025 (139 TS) planned. The proposed budget is aligned as per the proposed (prescribe) annual DoHS Business Plan. Please take not that the budget is constantly subject to changes due to "circumstances" by DOHS which is beyond the control of the Muncipality.
Masakhane TS Phase 2 (145)	R 23 068 000			Project is in progress and Phase 1 - 150 TS will be completed by end March 2023 and Phase 2 - 145 TS, the reminder will be completed in the 2023/2024 financial year.
Stanford TS Phase 1 (150)	R 23 700 000	R 39 500 000	R 34 918 000	Approval Is awaited from DoHS. The proposed budget is aligned as per the proposed (prescribe) annual DoHS Business Plan. Please take not that the budget is constantly subject to changes due to "circumstances" by DOHS which is beyond the control of the Muncipality. Phase 1 - 150 TS(, 2023/2024) , Phase 2 - 200 TS (2024/2025), Phase 3 - 171 TS (2025/2026)
TOTAL OPEX	**R 70 468 000**	**R 61 462 000**	**R 34 918 000**	
Masakhane UISP (148 sites)	R 15 240 000			Of the 1184 sites, 899 were completed to date. Phase 4, consisting of 137 sites to be serviced in the 2022/2023 financial year, Balance of 148 sites is planned for the 2023/2024 financial year, after which the total of 1184 sites will be completed.
Hawston IRDP Boundary Wall				Funding application submitted - approval is awaited
Masakhane UISP Wetcores Phase 4	R 5 700 000			Project is in progress and will be implemented in phases over various financial years. Funding is allocated annually in line with DoHS Business Plan
Tambo Square & New Camp (82)			R 10 320 000	
Mount Pleasant IRDP Infill Phase 3 (85 sites)	R 9 200 000			Of the 300 sites, 215 sites will be completed in the 2022/2023 financial year, The balance of 85 sites is planned for the 2023/2024 financial year.
Buffeljagsbaai				
Kleinmond IRDP	R 250 000	R 620 000	R 10 800 000	Await Pre-planning fnding approval - expected during April 2023 - project to be implemented in phases over various financials once all the planning rights has been obtained. The planning will happen during 2023/2024 -2024/2025. The implementation will be executed over three financial years from 2025/2026 - 2026/2027 - 2027/2028
Kleinmond Overhills UISP	R 1 500 000	R 1 470 000		Await Pre-planning fnding approval - expected during April 2023 - project to be implemented in phases over various financials once all the planning rights has been obtained. The planning will happen during 2023/2024 -2024/2025. The implementation will be executed over three financial years from 2025/2026 - /2026/2027 - 2027/2028
Schulphoek (Internal Services)	R 10 000 000	R 6 000 000	R 32 100 000	Tender for Implementing Agent advertised and closed on 24 February, SCM processes will now follow. Planning funding has been allocated on DoHS Business Plan annually and Municipal Budget will be adjusted accordingly once confirmation of amounts per annum is received.
Greater Hermanus (Hawston Seafarms)		R 1 000 000		Forms part of the Greater Hermanus West Project (PHSDA area) - planned as mixed use development and planning funding has been made availabe by DoHS
Schulphoek (Bulk Services)		R 18 000 000	R 10 000 000	
Afdaksrivier Purchase		R 3 000 000	R -	Forms part of the Greater Hermanus West Project (PHSDA area) - planned as mixed use development and requestto purchase the property was submitted to DoHS
TOTAL CAPEX	**R 41 890 000**	**R 30 090 000**	**R 63 220 000**	
GRAND TOTAL	**R 112 358 000**	**R 91 552 000**	**R 98 138 000**	

HSDG GRANT	R 79 918 000	R 66 082 000	R 45 718 000
ISUP GRANT	R 32 440 000	R 25 470 000	R 52 420 000
TOTAL DORA ALLOCATION	**R 112 358 000**	**R 91 552 000**	**R 98 138 000**

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 2023/2024**
Solid Waste Removal	
Premise based removal (Residential Frequency)	WEEKLY
Premise based removal (Business Frequency)	UP TO 7 TIMES PER WEEK (AS PER REQUEST)
Bulk Removal (Frequency)	NO
Removal Bags provided(Yes/No)	NO
Garden refuse removal Included (Yes/No)	YES (1 bag)
Street Cleaning Frequency in CBD	DAILY
Street Cleaning Frequency in areas excluding CBD	DAILY ON ROTATIONAL BASIS
How soon are public areas cleaned after events (24hours/48hours/longer)	WITHIN 24 HRS
Clearing of illegal dumping (24hours/48hours/longer)	48 HOURS (from notification)
Recycling or environmentally friendly practices(Yes/No)	Yes
Licenced landfill site(Yes/No)	Yes
Water Service	
Water Quality rating (Blue/Green/Brown/N0 drop)	Overstrand Green Drop Score 2022: 89% Blue Drop Assessment Report 2023 being awaited
Is free water available to all? (All/only to the indigent consumers)	Indigent Consumers only
Frequency of meter reading? (per month, per year)	Monthly
Are estimated consumption calculated on actual consumption over (two month's/three month's/longer period)	Estimate consumption are calculated over a 12 months period (Estimates are only done in exceptional cases eg meter readers capacity challenges)
On average for how long does the municipality use estimates before reverting back to actual readings? (months)	1 Month
Duration (hours) before availability of water is restored in cases of service interruption (complete the sub questions)	
One service connection affected (number of hours)	4.00
Up to 5 service connection affected (number of hours)	4.00
Up to 20 service connection affected (number of hours)	8.00
Feeder pipe larger than 800mm (number of hours)	N/A
What is the average minimum water flow in your municipality?	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)	YES
How much do you estimate is the cost saving in utilizing the ripple control system?	R 1 477 732.00 p/a
What is the frequency of meters being read? (per month, per year)	PER MONTH
Are estimated consumption calculated at consumption over (two month's/three month's/longer period)	N/A
On average for how long does the municipality use estimates before reverting back to actual readings? (months)	N/A
Duration before availability of electricity is restored in cases of breakages (immediately/one day/two days/longer)	IMMEDIATE
Are accounts normally calculated on actual readings? (Yes/no)	YES
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	NO
How long does it take to replace faulty meters? (days)	1

Description	
Standard	**Service Level 2023/2024**
Do you have a plan to prevent illegal connections and prevention of electricity theft? (Yes/No)	YES
How effective is the action plan in curbing line losses? (Good/Bad)	GOOD
How soon does the municipality provide a quotation to a customer upon a written request? (days)	7
How long does the municipality takes to provide electricity service where existing infrastructure can be used? (working days)	5
How long does the municipality takes to provide electricity service for low voltage users where network extension is not required? (working days)	5
How long does the municipality takes to provide electricity service for high voltage users where network extension is not required? (working days)	21
Sewerage Service	
Are your purification system effective enough to put water back in to the system after purification?	YES, effective to put water back into water resources in accordance with license conditions.
To what extent do you subsidize your indigent consumers?	Basic charges plus 7kl of sewer unit charges
How long does it take to restore sewerage breakages on average	
Severe overflow? (hours)	6.00 (from notification)
Sewer blocked pipes: Large pipes? (Hours)	6.00 (from notification)
Sewer blocked pipes: Small pipes? (Hours)	8.00 (from notification)
Spillage clean-up? (hours)	8.00
Replacement of manhole covers? (Hours)	4 (from notification)
Road Infrastructure Services	
Time taken to repair a single pothole on a major road? (Hours)	24 (from notification)
Time taken to repair a single pothole on a minor road? (Hours)	72 (from notification)
Time taken to repair a road following an open trench service crossing? (Hours)	72 (from notification)
Time taken to repair walkways? (Hours)	72 (from notification)
Property valuations	
How long does it take on average from completion to the first account being issued? (one month/three months or longer)	3 months
Do you have any special rating properties? (Yes/No)	yes
Financial Management	
Is there any change in the situation of unauthorised and wasteful expenditure over time? (Decrease/Increase)	Decrease
Are the financial statement outsources? (Yes/No)	No
Are there Council adopted business process tsructuing the flow and managemet of documentation feeding to Trial Balalnce?	Standard Operating Procedures
How long does it take for an Tax/Invoice to be paid from the date it has been received?	30 days
quaterly and annualy including for the next two to three years procurement plans?	Yes
Administration	
Reaction time on enquiries and requests?	1 to 10
Time to respond to a verbal customer enquiry or request? (working days)	1 to 10
Time to respond to a written customer enquiry or request? (working days)	10
Time to resolve a customer enquiry or request? (working days)	10
What percentage of calls are not answered? (5%,10% or more)	1
How long does it take to respond to voice mails? (hours)	N/A
Does the municipality have control over locked enquiries? (Yes/No)	yes
Is there a reduction in the number of complaints or not? (Yes/No)	no

Description	
Standard	**Service Level 2023/2024**
How long does in take to open an account to a new customer? (1 day/ 2 days/ a week or longer)	1 day
How many times does SCM Unit, CFO's Unit and Technical unit sit to review and resolve SCM process delays other than normal monthly management meetings?	Weekly progress reports and monthly Demand Management Plan reports
Community safety and licensing services	
How long does it take to register a vehicle? (minutes)	30min
How long does it take to renew a vehicle license? (minutes)	10min
How long does it take to issue a duplicate registration certificate vehicle? (minutes)	72hours
How long does it take to de-register a vehicle? (minutes)	10min
How long does it take to renew a drivers license? (minutes)	30min
What is the average reaction time of the fire service to an incident? (minutes)	
What is the average reaction time of the ambulance service to an incident in the urban area? (minutes)	
What is the average reaction time of the ambulance service to an incident in the rural area? (minutes)	
Economic development	
How many economic development projects does the municipality drive?	99
How many economic development programme are deemed to be catalytic in creating an enabling environment to unlock key economic growth projects?	50
What percentage of the projects have created sustainable job security?	40
Does the municipality have any incentive plans in place to create an conducive environment for economic development? (Yes/No)	No
Other Service delivery and communication	
Is a information package handed to the new customer? (Yes/No)	Yes - available on www.overstrand.gov.za Monthly news letters and Social Media
Does the municipality have training or information sessions to inform the community? (Yes/No)	Yes
Are customers treated in a professional and humanly manner? (Yes/No)	Yes

ANNEXURE G

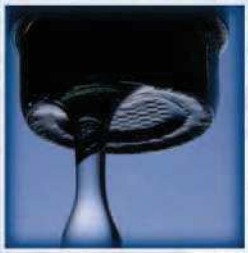
WATER & WASTE WATER QUALITY

2014 Blue Drop Report











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

blue drop
CERTIFICATION
drinking water quality
REGULATION

Blue Drop Requirements for 2014

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

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

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

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

2014 NO DROP REQUIREMENTS (Water use efficiency)

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

(6.1) WATER BALANCE (30%)

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

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

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

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

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

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

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

(Reg 509 of 2001 Clause 10)

(6.3) COMPLIANCE and PERFORMANCE (40%)

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

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

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

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

Quality of Drinking Water

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

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

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

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

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

Regulatory Impression

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Site Inspection Scores

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

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

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

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



Flocculent dosing at point of high turbulence tanks



Bunded area for chemical storage

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

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



Gravity flow dosing system of flocculent



Chemical tanks not bunded

GREEN DROP

National Report

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

12.18 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	**Unit**	**Gansbaai**	**Hawston**	**Hermanus**	**Kleinmond**
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
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	**Unit**	**Pearly Beach**	**Stanford**
Green Drop Score (2021)		**88%**	**90%->89%**
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
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%

Technical Site Assessment: **Hermanus WWTW** **74%**

ANNEXURE H

NT & PT BUDGET CIRCULARS & FINANCIAL RATIOS AND NORMS

NATIONAL TREASURY

MFMA Circular No. 122

Municipal Finance Management Act No. 56 of 2003

Municipal Budget Circular for the 2023/24 MTREF

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Introduction

This budget circular provides guidance to municipalities with their compilation of the 2023/24 Medium Term Revenue and Expenditure Framework (MTREF). It is linked to the Municipal Budget and Reporting Regulations (MBRR) and the Municipal Standard Chart of Accounts *(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 is not covered in this circular.

1. The South African economy and inflation targets

The National Treasury forecasts real economic growth of 1.9 per cent in 2022, compared with 2.1 per cent projected in the 2022 Budget Review, in response to global and domestic shocks. Growth is projected to average 1.6 per cent from 2023 to 2025. Implementing structural reforms, especially in the energy sector, remains crucial to improve the economy's productive capacity and competitiveness.

The recovery in economic activity that began in 2021 was driven by a strong rebound in global economic activity, high commodity prices and easing COVID-19 restrictions. The scarring impact of the pandemic on employment and investment decisions will likely weigh on the recovery over the medium term. Investment remains well below pre-pandemic levels.

The economy grew by 1.4 per cent in the first half of 2022 compared with the first half of 2021. Real GDP grew more than expected in the first quarter of 2022, with output returning to pre-pandemic levels. However, a deteriorating global environment, flooding in KwaZulu-Natal and the Eastern Cape, industrial action in the electricity and mining sectors, and prolonged and intense power cuts resulted in a broad-based contraction across most sectors during the second quarter. The third quarter was marked by frequent and prolonged power cuts, which significantly disrupted economic activity.

The following macro-economic forecasts must be considered when preparing the 2023/24 MTREF municipal budgets.

Table 1: Macroeconomic performance and projections, 2021 - 2026

Fiscal year	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Estimate	Forecast		
CPI Inflation	5.2%	6.8%	4.7%	4.6%	4.6%

Source: Medium Term Budget Policy Statement 2022.

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

It is noted that variations in regional specifics are possible, however, any variation of assumptions must be explicitly set out and well explained in the budget narratives, in the absence of which the Treasuries will refer the budget back to council for alignment to the macroeconomic performance projections.

2. Key focus areas for the 2023/24 budget process

2.1 Local government conditional grants allocations

Over the 2023 MTEF period, conditional grant allocations to municipalities will grow below inflation. This is due to a higher 2022/23 baseline (R3.8 billion) added to local government conditional grants in the 2022 Division of Revenue Amendment Act. Over the next three years, total local government resources, including the equitable share and indirect conditional grants increase at an annual average rate of 6 per cent.

The local government equitable share increases at an annual average rate of 7.8 per cent and municipal conditional grants increase by 3.6 per cent over the 2023 MTEF period. The local government equitable share formula has been updated to account for projected household growth, inflation and estimated increases in bulk water and electricity costs over the 2023 MTEF period.

The annual Division of Revenue Bill will be published in February 2023 after the Minister of Finance's budget speech. The Bill will specify grant allocations and municipalities must reconcile their budgets to the numbers published herein.

Municipalities are advised to use the indicative numbers presented in the 2022 Division of Revenue Act to compile their 2023/24 MTREF. In terms of the outer year allocations (2025/26 financial year), it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as presented in the 2022 Division of Revenue Act for 2022/23. The DoRA is available at:
http://www.treasury.gov.za/documents/national%20budget/2022/default.aspx

2.2 Re-enforcing the 2023 Division of Revenue Bill, (DoRB) to facilitate improved intergovernmental relations

Towards enforcing a system of good intergovernmental relations as envisaged in the Chapter 3 of the Constitution and subsequent related legislation, the National Treasury would like to remind municipalities of Section 31 of DoRA that articulates the facilitation of personal liability for unnecessary litigation. Going forward, a municipality may therefore only institute litigation against any organ of state, state-owned enterprise, public-and/ or municipal entity after exhausting all dispute resolution mechanisms required and/ or available to the municipality in terms of existing intergovernmental relations processes, policy and/ or any related contract with the municipality, including in terms of the Municipal Finance Management Act, 2003, the Intergovernmental Relations Framework Act, 2005, and/ or the Electricity Regulation Act, 2006 (dispute processes administered by NERSA).

The 2023 DoRB will facilitate the personal liability of and refund of any expenditure related to such litigation to the national revenue fund (NRF) by any person responsible for the institution of litigation by a municipality without having exhausted all the available dispute resolution mechanisms. This will be done through the equitable share off-setting processes. Municipalities, parallel to instituting any litigation against any organ of state, must report such litigation to the Auditor-General, the National Treasury and to the relevant provincial treasury. The report must provide the details of all the dispute resolution processes that were attempted, supported by information explaining the failure of these attempts.

Division of Revenue Amendment Bill, 2022 (DoRAB)

Disaster response funding

Conversion of disaster response grants – To allow for adequate response to the April 2022 floods, funding was shifted between the disaster relief grants in August 2022. R145 million

was shifted from the Provincial Disaster Response Grant to the Municipal Disaster Response Grant and R120 million was shifted from the Municipal Emergency Housing Grant to the Provincial Emergency Housing Grant.

Additional funding for disaster response grants – In response to disasters that have occurred, most of the disaster funding for 2022/23 had been depleted by the time of the tabling of the DoRAB. To enable for response should a disaster(s) occur in the remaining months of the current financial year, R248 million is added to the Municipal Disaster Response Grant to enable immediate response by municipalities.

Additional funding for disaster reconstruction and rehabilitation[1] – For the reconstruction and rehabilitation of municipal infrastructure damaged by flash floods in the Western Cape (Overberg District Municipality, Cape Winelands District Municipality and Garden Route District Municipality) in December 2021 and the April 2022 floods in the Eastern Cape (Winnie Madikizela-Mandela Local Municipality) and KwaZulu-Natal (eThekwini Metropolitan Municipality, uMhlathuze Local Municipality, uThukela District Municipality, uMgungundlovu District Municipality and iLembe District Municipality), R3.3 billion is added to the Municipal Disaster Recovery Grant.

Purchasing of land for relocation of flood victims – R92 million is added to the Informal Settlements Upgrading Partnership Grant: Municipalities for eThekwini Metropolitan Municipality for the purchase of land identified for the relocation of displaced flood victims.

Changes to local government allocations

Roll-over of funds in the Integrated National Electrification Programme (municipal) Grant – R1 million is rolled over in the Integrated National Electrification Programme (municipal) Grant to fund 50 electrification connections in Swellendam in Dikgatlong Local Municipality.

Roll-over of funds in the indirect Regional Bulk Infrastructure Grant – R15 million is rolled over in the indirect Regional Bulk Infrastructure Grant to fund operational payments for the Vaal River pollution remediation project in Emfuleni Local Municipality.

Reprioritisation in the Neighbourhood Development Partnership Grant – R100 million of the Neighbourhood Development Partnership Grant is shifted from Schedule 5, Part B (direct) to Schedule 6, Part B (indirect) to fund project preparation, planning and implementation for municipalities that are having administrative and financial challenges that are affecting project implementation. These funds will be used for projects they were allocated for in the direct component. Affected municipalities are Mogale City Local Municipality, KwaDukuza Local Municipality and Emfuleni Local Municipality.

Changes to gazetted frameworks and allocations

Municipal Disaster Response Grant – The grant framework for the Municipal Disaster Response Grant is amended to allow for spending to respond to the disasters that occurred in December 2021 and April 2022.

Informal Settlements Upgrading Partnership Grant: Municipalities – The grant framework for the Informal Settlements Upgrading Partnership Grant is amended to ring-fence funds for

[1] There was an oversight in the allocations to Western Cape and KwaZulu-Natal, wherein the allocations or parts thereof allocated to the district municipalities in the DoRAB ought to have been allocated to the respective local municipalities in these districts. This is explained in detail in the section "*Correction of errors in the Municipal Disaster Recovery Grant framework and allocations to municipalities*" below.

the purchase of identified land for the relocation of flood victims who were previously residing in informal settlements that were washed away by April 2022 floods in eThekwini Metropolitan Municipality.

Municipal annexures – Changes to previously gazetted municipal allocations include a change of the name of a municipality. The name of Engcobo Local Municipality in the Eastern Cape is updated to Dr A.B. Xuma Local Municipality as per the Gazette published in terms of section 12 of the Local Government: Municipal Structures Act, on 30 May 2022.

Correction of errors in the Municipal Disaster Recovery Grant framework and allocations to municipalities

The National Disaster Management Centre (NDMC) has requested changes to the in-year allocations for the Municipal Disaster Recovery Grant in the DoRAB tabled in Parliament. Part of the funding allocated to uThukela and iLembe district municipalities in KwaZulu Natal (page 36 of the DoRAB), should have been allocated to Alfred Duma and KwaDukuza local municipalities, respectively. The allocations made to the Cape Winelands, Overberg, and Garden Route district municipalities in the Western Cape (page 39 of the DoRAB), should have been made to Breede Valley; Theewaterskloof and Swellendam; and Oudtshoorn and George local municipalities, respectively. These corrections also affect the ring-fencing in the grant framework (page 28 of the DoRAB).

Parliament has approved that the National Treasury correct the allocations and effect the required changes to the MDRG framework, as part of section 15(1) of the 2022 DoRA to ensure that MDRG allocations are correctly allocated to the municipalities assigned for the functions.

3. Pension fund defaults

There has been a growing trend where municipalities are deducting pension from the employees but are not paying it over to their pension fund. This in our view is inconsistent with the intent and spirit of the MFMA and constitute an act of financial misconduct in terms of section 171 of the MFMA read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings and potentially also a criminal offence in terms of section 173 of the MFMA read with other applicable legislation. Municipal Councils should refer these actions to the Disciplinary Boards for further investigation and should also consider laying criminal charges against the accounting officer and other responsible officials that has failed to perform the responsibility outlined in terms of section 65(2)(f) of the MFMA which states that “the accounting officer of a municipality must take all reasonable steps to ensure that the municipality complies with its tax, levy, duty, pension, medical aid, audit fees and other statutory commitments”. Municipal Councils should also consider further measures and actions in terms of the Pension Funds Administration Act, as may be applicable.

4. Municipal Standard Chart of Accounts (*m*SCOA)

4.1 Release of Version 6.7 of the Chart

On an annual basis, the *m*SCOA chart is reviewed to address implementation challenges and correct chart related errors. Towards this end, Version 6.7 is released with this circular.

Version 6.7 of the chart will be effective from 2023/24 and must be used to compile the 2023/24 MTREF and will be available from 20 December on the link below:

http://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChartOfAccountsFinal/Pages/default.aspx

Kindly note that, in accordance with section 8(2)(j) of the Municipal Property Rates Act (MPRA) as amended in 2014, municipalities may apply for categories other than the categories in 8(2)(a) to (i). Towards this end the Minister of Cooperative Governance and Traditional Affairs approved the following categories:

- Sports Clubs and Fields for Bitou Municipality and
- Residential sectional title garages for Drakenstein Municipality.

These categories were only approved for use by municipalities indicated above. System vendors must therefore block the use of these categories for all other municipalities. The Project Summary Document (PSD) on the National Treasury webpage will be aligned to the chart changes in version 6.7 where applicable. The PSD is also available on the above link.

For the National Treasury to consider a new chart change in version 6.8 of the chart, the issue must be logged with all relevant background and details on the *m*SCOA FAQ portal by 31 August 2023. The *m*SCOA FAQ portal can be accessed by all registered GoMuni users on the following link. https://lg.treasury.gov.za/ibi_apps/signin

4.2 Amendments to the regulated A1 schedules

The following tables of the A1 Schedule that was regulated in terms of the Municipal Budget and Reporting Regulations (MBRR), have been aligned to the *m*SCOA and Generally Recognised Accounting Standards (GRAP):

- A4: Statement of Financial Performance; and
- A6: Statement of Financial Position

In addition, tables A8 and A10 have been linked to the *m*SCOA data strings and will be included in the 2023/24 budget reports available on the GoMuni portal from 01 July 2023.

The amended and protected version of the A1 schedule will be available from 20 December on the link below:
http://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChartOfAccountsFinal/Pages/default.aspx

System vendors and municipalities that are managing their own in-house systems must programme the amended schedules on their financial systems. Input fields for supporting tables that are not part of the non-financial data string must be created to ensure that a complete A schedule is generated from the core municipal financial system.

The *m*SCOA Regulations require that municipalities budget, transact and report on legislated *m*SCOA segments and directly on the core financial system and submit the required data strings directly from this system to the GoMuni Upload portal. To ensure that the data strings submitted are credible, municipalities must:

- Lock the budget adopted by Council on the core municipal financial system before submitting the budget (ORGB) data string to the GoMuni Upload portal;
- Close the core financial system at month-end as required in terms of the MFMA before submitting the monthly data string to the GoMuni Upload portal; and
- Generate the regulated MBRR Schedules (A, B and C) directly from the core municipal financial system.

The preparation of budgets on excel spreadsheets that is captured in the system at a later stage and manual correction of data strings by municipal officials or system providers are not allowed in terms of the *m*SCOA Regulations. Where a municipality makes use of a stand-alone 3rd party sub-system or a system provider has entered into an agreement or consortium for the provision of certain functionality with a 3rd party sub-system provider, such a 3rd party sub-system should host the relevant part of the *m*SCOA chart to seamlessly integrate with the core financial system without manual intervention.

4.3 Credibility of *m*SCOA data strings

The credibility and accuracy of the data strings must be verified by municipalities before submission as the data strings submitted will be used as the single source for all analysis and publications in the 2023/24 municipal financial year.

Municipalities have been given access to the GoMuni portal in April 2022 and should use the reports on GoMuni to verify the credibility of their submissions. It should be emphasized that errors in the data can only be corrected in the next open period. e.g., errors in the tabled budget (TABB) data string can only be corrected in the adopted budget data string (ORGB). Municipalities are not allowed to open closed periods to make corrections.

Municipalities are reminded that incorrect or incomplete data string submissions is considered as non-submission.

The credibility of the *m*SCOA data strings remains a concern in the following areas:

The inclusion of opening balances in data strings

Municipalities and system vendors must ensure that opening balances are included in the budget and in-year data strings. The opening balances at year end (month 12 – M12) of the previous financial year must be rolled over to the first month (M01) and updated with pre-audited (PAUD) and audit (AUDA) adjustments in the current financial year in the *applicable open period*. In other words, if the audit is completed on 31 October, then the changes in the opening balances must be reflected in the in-year submission for November 2022 (M05 submission). If opening balances and changes thereto are not included in the budget and in-year data strings, the C schedules will not populate correctly. This means that the movement of the balance sheet items will not have a starting point and the Statement of Financial Position (balance sheet) will be incorrect.

Accounting for Water Inventory

As per the guidance in MFMA Budget Circular No.115 (dated 04 March 2022), municipalities must budget and account for bulk water purchases as **inventory** under current assets in the Statement of Financial Position as per GRAP 12 (paragraph. 07).

In terms of GRAP 12:

Inventories are assets:

a. In the form of materials or supplies to be consumed in the production process;
b. In the form of materials or supplies to be consumed or distributed in the rendering of services; and
c. Held for sale or distribution in the ordinary course of operations, or
d. In the process of production for sale or distribution.

Inventory acquired through non-exchange transactions should be recorded at its fair value as at the date it is acquired. The cost of inventory, except for non-purified water, will be determined or recognised in accordance with paragraph 25 and 26, which is the primary and secondary costs in getting the water either to the treatment works or to the users of the water.

It is important to note that water cannot be issued if it was not purchased or brought into the inventory through system input transactions. Therefore, the total input volume of water related to water purified and water from natural sources should include both primary and secondary cost components. The allocation of secondary cost to the input volume of water will necessitate the utilisation of the Costing Segment in the *m*SCOA. This is crucial in determining cost reflective tariffs for water.

The fair value of water from natural resources such as boreholes, springs and fountains may be determined by the primary and secondary cost components. Secondary costs include:

- Labour
- Extraction cost
- Distribution cost
- Chemicals/ Treatment
- Maintenance
- Infrastructure
- Depreciation charges

The municipality must account for water from natural resources as follows:

Debit: System Input Volume: Natural Resources
Credit: Gains and Losses: Water at fair value

Water inventory must be budgeted to be acquired and recorded in the Current Assets: Inventory: Water as indicated below. The movement accounts in the *m*SCOA structure makes provision for the different methods of acquiring and the consumption/ issuing of Water inventory.

Current assets:
- Inventory: Water Opening balance: Non-Funding Transactions
- Inventory: Water: System Input volume: Bulk Purchases: Water Treatment/Natural Resources
- Water Authorised Consumption:
  a) Billed Unmetered Consumption
  b) Un-Billed Authorised Consumption
  c) Billed Metered Consumption
- Inventory: Water Losses (Apparent and Real Losses)

Water that is issued to Consumers must be issued from the inventory and expensed in the **Expenditure:** Inventory: Consumed -Water.

Water losses will reduce the Water inventory in current assets and the corresponding amounts should be captured in **Gains and Losses:** Inventory: Water: Fair value

It is important to note that the change in accounting for water through the inventory purchased process and the change of using a methodology to report the balance of water as at year-end may impact on the Annual Financial Statements (AFS). Municipalities must ensure that they update their accounting policy, document this process, and provide comparative figures when assessing and reporting their water balance to ensure that the GRAP guidelines of changes in reporting and materiality is applied correctly.

The Local Government Municipal Property Rates (MPRA) Amendment Act, 2014

Municipalities are reminded that section 8 of the MPRA on the determination of categories of rateable properties has been revised through the Local Government Municipal Property Rates Amendment Act, 2014 ("the Amendment Act").

Municipalities were required to implement the new property categorisation framework by not later than 01 July 2021. The *m*SCOA chart Version 6.7 will only make provision for the new framework. The old framework has been retired and municipalities must prepare their 2023/24 MTREF Budgets accordingly.

Fixed Asset Register

Municipal financials systems must comply with the minimum business processes and system requirements on fixed asset registers as articulated for the asset management module in MFMA Circular No 80. The asset management module should be embedded in the core financial system or seamlessly integrate from a third-party sub-system to the core financial system. This will enable the regular and seamless updating of the fixed asset register. The register must contain the following information as a minimum requirement:

- Description of the asset
- Date of acquisition or brought into use
- Purchase cost
- Location of the asset
- Function responsible for the asset
- Current value
- Depreciation and method utilised
- Remaining life of the asset
- Maintenance information
- Insurance Coverage

Municipalities will be required to upload their updated fixed asset register in a PDF format on the GoMuni Upload portal as part of their 2023/24 MTREF tabled and adopted budget submission and thereafter on a quarterly basis as part of their in-year reporting.

Recording of Schedule 6B Grants in *m*SCOA

Grants allocated in terms of Schedule 6B of DoRA should be recorded in terms of *m*SCOA as an allocation-in-kind. This means that the municipality will only record the transaction once they received a completed asset.

Importantly, a Schedule 6B grant may not be transferred to the end-user of the asset to construct the asset as this is in contravention with the conditional grant framework. If a transferring officer of a Schedule 6B grant consider the municipality capable of constructing its own asset, the grant should be re-gazetted and reclassified as a Schedule 5B grant. The grant will then be transferred directly to the municipality to construct the asset and the receipt and expenditure of the grant must be in accordance with GRAP 17. An adjustments budget in terms of Section 28(2)(b) of the MFMA and Regulation 23(3) of the MBRR must be adopted to include the grant funding and project in the MTREF budget.

In the case where a municipality is constructing an asset for a national department but will not be the end-user of the asset being constructed, the accounting must be done in terms of GRAP 11. There will be VAT implications as the municipality will be a contractor and act as an agent. It is important to ensure that the contract between the municipality and the department outlines the responsibilities of all parties.

Municipalities must ensure that they are making provision for VAT in accordance with the VAT Act, 1991 (Act No. 89 of 1991) and the VAT 419 guide issued by SARS. The National Treasury issued *m*SCOA Circular No.12 (dated 01 October 2021) that provides guidance on the recording of VAT in the *m*SCOA.

Impact of Balance Sheet Budgeting and Movement Accounting on Cash Flow Tables

From the analysis of the *m*SCOA data strings it is evident that the cash flow tables (A7, B7 and C7) are still not populating correctly or completely. This can be contributed to the fact that a number of municipalities still do not use balance sheet budgeting and movement accounting. Guidance on the use of balance sheet budgeting and movement accounting to populate tables A7, B7 and C7 correctly was provided in MFMA Budget Circular No. 107 (dated 04 December 2020) and *m*SCOA Circular No. 11 (dated 04 December 2020).

4.4 Regulation of Minimum Business Processes and System Specifications

National Treasury will review and regulate minimum business processes and system specifications for *m*SCOA by the end of 2024/25. In preparation for the regulation of the minimum requirements, municipalities should ensure that they comply fully with the current minimum business processes and system specifications articulated in MFMA Circular No. 80 (dated 08 March 2016).

Where a municipality is not fully compliant with the *m*SCOA requirements, a *m*SCOA Road Map must be in place to drive and fast track the *m*SCOA implementation in the municipality. The *m*SCOA Steering Committee, chaired by the Accounting Officer or his/ her delegate, must use the *m*SCOA Road Map to track progress and take correction actions where required.

Road Maps must be reviewed and updated annually as part of the budget process is updated and submitted to Council for approval together with their 2023/24 MTREF budget. Municipalities will be required to upload their updated *m*SCOA Road Maps in a PDF format on the GoMuni Upload portal as part of their 2023/24 MTREF tabled and adopted budget submission and thereafter on a quarterly basis as part of their in-year reporting.

Municipalities should ensure that they budget sufficiently to become and remain mSCOA compliant.

Guidance on the content of the *m*SCOA Road Map was provided in MFMA Budget Circular No. 115 (dated 04 March 2022).

4.5 *m*SCOA Training Initiatives

Training to municipalities and municipal system vendors

The National Treasury, in conjunction with CIGFARO, will conduct monthly training sessions aimed at municipalities, municipal system vendors and other relevant role-players. The training will focus on technical aspects of budgeting, transacting and reporting in the *m*SCOA and is aimed at improving the quality of *m*SCOA data strings. The draft programme is attached as **Annexure A.**

***m*SCOA eLearning Course**

The National School of Government is hosting the *m*SCOA eLearning Course that was developed by the National Treasury. The *m*SCOA eLearning Course provides government officials with the basic knowledge on the reform and how to record transactions using the *m*SCOA.

Government institutions can enrol their employees for this course by sending a request for training to the NSG at contactcentre@thensg.gov.za. If your institution has not attended any training with the NSG previously, then you will also be required to register on the NSG database. The *m*SCOA eLearning Course will be offered as no cost until 31 March 2023. Thereafter, delegates will have to pay to attend the course.

Any queries in this regard must be directed to the NSG at contactcentre@thensg.gov.za or tel number: 086 100 8326.

5. The revenue budget

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

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

- Decisively address unfunded budgets by reducing non-priority spending and improving revenue management processes to enable collection; and
- Address service delivery failures by ensuring adequate maintenance, upgrading and renewal of existing assets to enable reliable service delivery.

5.1 Maximising the revenue generation of the municipal revenue base

Reference is made to MFMA Circulars No. 93, paragraph 3.1 and No. 98, paragraph 4.1. The emphasis is on municipalities to comply with Section 18 of the MFMA and ensure that they fund their MTREF budgets from realistically anticipated revenues to be collected. Municipalities are cautioned against assuming collection rates that are unrealistic and unattainable as this is a fundamental reason for municipalities not attaining their desired collection rates.

The purpose of the above mentioned MFMA Circulars is to ensure that the municipalities are using their entire revenue base as the basis for the revenue budget. It is essential that municipalities reconcile their most recent consolidated valuation roll data to that of the current billing system data to ensure that revenue anticipated from property rates is realistic. The municipalities should implement a data management strategy and develop internal capacity to perform these reconciliations and investigations to improve completeness of billing.

One of the aims of the reconciliation process is to identify exceptions, i.e. records on the roll and not on the billing system and records on the billing system and not on the roll. In addition, the reconciliation must identify duplicated records, missing data, and data errors. These exceptions should then be investigated, and remedial action strategies developed for data cleansing and other corrective actions. The Debtors Ageing data should also form part of the reconciliation process so that "debtors" can be tracked and assessed at a property record level and prioritised for verification of rates liability measured against a MPRA property and owner.

To facilitate reconciliation of the separate databases (Roll and Billing), a unique property identifier (common primary unique link code) must be created and populated for each rateable property on the roll system and on the rates billing system. This property identifier must be unique, without duplicates, and remain constant for the life of the property. The standards adopted by the South African Council for the Property Valuers Profession (SACPVP), namely South African Standard: Municipal Valuations for Property Rating, specifies that the Surveyor General Code SG 21-digit Code, derived, and created from the property description, be applied for all registered full title property defined in terms of part (a) of the definition of property.

For all other MPRA defined property, Part (a) Sectional Title, Part (b) Registered Rights, Part (c) Land Tenure Rights and Part (d) PSI, and apportioned multiple use property in terms of sections 8(2)(i) and 9(2), an added suffixed 5 digits to the SG 21-digit code must be assigned by the designated municipal valuer, thereby creating a unique 26-digit code. The municipality must ensure that the SG21 digit code and 26-digit coding system is applied in their valuation roll management system and billing system and engage with their designated municipal valuer and systems service providers to implement the unique property identifier.

Further it is important that municipalities who are performing a general valuation (GV) to implement a new valuation roll on 1 July 2023, must also as best practice compare the current consolidated roll to the new valuation roll. This can identify any anomalies and errors of category of property and market values for review and investigation and the option of lodging an objection by the municipality, where applicable. This process should also identify outliers and shifts in market values by category and area so that tariffs on the new roll can be modelled and determined in an equitable manner to avoid rates shocks.

Municipalities should undertake this exercise as a routine practice during the budget process so that supplementary adjustments to the valuation roll are kept up to date. In order to ensure that the most updated information is used for the reconciliations, municipalities are reminded to adhere and comply with s23(1)(2) of the MPRA and therefore use the Part A register as the basis for performing the reconciliations going forward.

Furthermore, municipalities are also advised and expected to comply with s8(1) of the MPRA in terms of the billing methodology that needs to be specified within their policies to ensure that the correct categories (based on the selection made by the municipality) are used in the reconciliation process.

The list of exceptions derived from this reconciliation will indicate where the municipality may be compromising its revenue generation in respect of property rates or whether the municipality is overstating its revenue budget.

A further test would be to reconcile this information with the Deeds Office registry. In accordance with the MFMA Circular No. 93, municipalities are once more requested to submit their reconciliation of the Valuation roll/Part A register to the billing system to the National Treasury on a quarterly basis by no later than the 10th working day. A detailed action plan must accompany the reconciliation where variances are noted.

The above information must be uploaded by the municipality's approved registered user(s) using the GoMuni Upload Portal at: https://lg.treasury.gov.za/ibi_apps/signin. If the municipality experience any challenge uploading the information, a request for an alternative arrangement may be emailed to linda.kruger@treasury.gov.za.

No operation can be sustainable if it does not collect its revenue. A municipality is no different. There is a misconception that a municipality may not interrupt or restrict the supply of water services of a defaulting consumer. The National Treasury confirms that neither the

Water Services Act, 1997 (Act No. 108 of 1997) or any other legislation prevents a municipality from cutting the supply of water to a defaulting consumer unless the consumer is an indigent in which case the water services to that household must be restricted to the national free basic water limit of 6 kilolitre water monthly (or 50 kilowatt hours in the case of free basic electricity monthly). This was confirmed by the Constitutional Court in the matter of Mazibuko and Others v City of Johannesburg and Others (CCT 39/09) [2009] ZACC 28; 2010 (3) BCLR 239 (CC); 2010 (4) SA 1 (CC) (8 October 2009).

Municipalities are urged to use the restriction/ interruption of supply of both water and electricity services as a collection tool. Effective from the tabling and adoption of the 2023/24 MTREF, municipalities' By-laws and policies must facilitate this and clearly stipulate the order in which any partial payment of the consolidated municipal bill (including property rates) will be applied as well as the process before the supply of water and electricity services will be cut. The National Treasury recommended that any partial payment firstly be applied to property rates, wastewater, waste management, water and lastly to electricity. When interrupting or restricting the supply of water it is important that such is undertaken together with the municipal engineer(s) to ensure a continued minimum supply of waste water.

5.2 Setting cost-reflective tariffs

Reference is made to MFMA Circular No. 98, paragraph 4.2. The setting of cost-reflective tariffs is a requirement of Section 74(2) of the Municipal Systems Act which is meant to ensure that municipalities set tariffs that enable them to recover the full cost of rendering the service. This forms the basis of compiling a credible budget. A credible budget is one that ensures the funding of all approved items and is anchored in sound, timely and reliable information on expenditure and service delivery (Financial and Fiscal Commission (FFC), 2011). Credible budgets are critical for local government to fulfil its mandate and ensure financial sustainability.

A credible expenditure budget reflects the costs necessary to provide a service efficiently and effectively, namely:

- A budget adequate to deliver a service of the necessary quality on a sustainable basis; and
- A budget that delivers services at the lowest possible cost.

The National Treasury issued a tariff setting tool and guide as part of MFMA Budget Circular No. 98 (refer item 4.2) on 6 December 2019 and since 2019, encouraged municipalities to utilise the tool. **With effect, the 2023/24 MTREF, all municipalities** (**except** *metropolitan cities and district municipalities that do not provide any services*) **as part of both the tabled and adopted MTREF submissions must submit the completed National Treasury tariff tool (in excel format)** illustrating that the revenue component of the budget is credible and funded and that the municipality's tariffs are cost reflective. If the municipality's initial calculation results in high increases to facilitate cost-reflectiveness, it is recommended that such are phased in over 3 to 5 years. The municipality's strategy in this regard should be included as part of the budget narratives.

This tool will assist in setting tariffs that are cost-reflective and enable a municipality to recover costs to fulfil its mandate. Going forward it is also imperative that every municipality fully embrace the Municipal Standard Chart of Accounts (*m*SCOA): costing component. Considering, *m*SCOA implementation is entering its sixth year of implementation, all municipalities must fully embrace and report also utilising the costing segment correctly. The National Treasury Municipal Costing Guide is available on the link below on the National Treasury website.

http://mfma.treasury.gov.za/Guidelines/Documents/Forms/AllItems.aspx?RootFolder=%2fGuidelines%2fDocuments%2fMunicipal%20Costing%20Guide&FolderCTID=0x0120004720FD2D0551AE409361D6CB3E122A08.

5.3 Tariffs – achieving a balance between cost-reflectiveness and affordability

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other consumers while ensuring the financial sustainability of the municipality.

When setting tariffs, it is therefore critical to understand the economic environment specific to the municipality and consideration should include at least –

- *The socio-economic profile undertaken for the municipality* available on the National Treasury GoMuni portal – municipalities are encouraged to annually update their own socio-economic profile using the template model available on GoMuni;
- *The most recent average monthly household income in the municipality* as per Statistics South Africa (Stats SA) available on Statistics South Africa | Improving Lives Through Data Ecosystems (statssa.gov.za);
- *The average property value in the municipality* per its most recent approved general valuation roll and/ or supplementary general valuation roll;
- *The number of indigent households in the municipality,* including any variation in the number of indigent households included in the Equitable Share: free basic services component for the municipality vs the municipality's own indigency level discretion; and
- *The economic drivers and activities specific to the municipal area*[2]*; etc*.

The municipality's tariff-setting or other committee tasked with this role must understand and deliberately reflect on this context during the tariff-setting process. Considering the average monthly household income, the median affordable municipal bill would ideally not exceed proportionally the average monthly household income. This median affordable bill, in combination with the median average property value should inform the basis to determine any rebates to households with income below the median.

It is also important when setting particularly water and electricity tariffs that municipalities consider setting two-tier tariffs, that include a basic availability charge to recover the fixed (direct and indirect) cost associated with the service in conjunction with consumption-based tariff bands. For example, in a drought, such tariffs will facilitate the ability to pay for infrastructure and maintenance, treating chemicals and salaries, etc. while parallel facilitating water restriction based on inclining tariffs as consumption increase. Furthermore, it is important to link the municipality's water tariffs to dam levels, also approved as part of the budget process. For example, if the dam levels drop to 60 per cent the first tier of restriction tariffs should become applicable in terms of the municipality's approved tariff policy.

It is also noted that NERSA approves seasonal tariffs for Eskom but not necessarily for the municipality. It is important that the municipality clearly factor this in its tariff application to NERSA, illustrating the cashflow crunch if the municipality is not similarly allowed a seasonal tariff to recover the higher Eskom bulk cost during winter months.

Lastly, municipalities are cautioned against setting tariffs that include operating inefficiencies. This could lead to tariffs falling into the unaffordable range.

The Consumer Price Index (CPI) inflation is forecasted to be within the 3 to 6 per cent target band; therefore, municipalities are required to ***justify all increases in excess of the*** **projected inflation target for 2023/24** in their budget narratives and pay careful attention to

[2] The spatialised tax data is now available through National Treasury for all municipalities that provides an up to date information on economic activity within a municipal boundary.

tariff increases across all consumer groups. In addition, municipalities should include a detail of their revenue growth assumptions for the different service charges in the budget narrative.

5.4 Bulk Account Payments and Concessions

During 2018/19, intense work was undertaken to resolve systemic and structural issues pertaining to the electricity function in municipalities. Core to this work was addressing the escalating Eskom debt that threatened the sustainability of Eskom as well as that of municipalities.
During the process, Eskom agreed to provide relieve in certain areas. Municipalities are reminded of the following concessions that remain in place:

- The interest rate charged on overdue municipal bulk accounts were reduced from prime plus 5 per cent to prime plus 2.5 per cent;
- Payment terms were extended from 15 days to 30 days for municipal bulk accounts; and
- Eskom allocation of municipality payments to capital first and then to interest.

These concessions align to the MFMA and are meant to curb municipal growing debt levels by allowing a more conducive payment regime than what was previously employed. In addition, municipalities are urged to budget for and ring-fence their payment of bulk services. Bulk current account payments must be honoured religiously to avoid stringent application of the bulk suppliers' credit control policy.

Municipalities are also urged to enforce a culture of payment for services through their normal credit control processes. In this regard it should be noted that municipalities are only compensated for free basic services based on an indigent user component calculation through the equitable share. As such, a municipality's allocation of free basic services to all of the municipality's consumers is not funded in the equitable share. Every municipality, during the budget process, must consider the affordability to the municipality when allocating free basic services above the national norm and to consumers other than indigent consumers. **If a municipality has any arrears on any of its bulk supplier's accounts, it must limit its provision of free basic services to registered indigent consumers only**.

5.5 Critical Notice Affecting STS Meters

As highlighted in previous MFMA Circular No. 115 (dated 06 December 2022) municipalities are once again alerted that there is still a pending business risk to the prepayment metering industry that requires urgency of action. The token identifiers (TID) used to identify each credit token will run out of available numbers in November 2024, at which point all STS meters will stop accepting credit tokens.

The remedy is to visit each meter and enter a special set of key change tokens in order to reset the meter memory. Municipalities are advised that the National Treasury, through the Office of the Chief Procurement Officer (OCPO), will soon facilitate a transversal contract for the provision of auditing, re-calibration and re-configuration services for standard transfer specification compliant prepayment meters that align to minimum and critical technical specifications for local government. In this respect the development of the transversal contract for smart prepaid meters as per NRS 049 (per latest approved version) is at an advanced stage and should be issued shortly by National Treasury.

If your municipality or municipality entity is currently in the process of procuring for a solution or is planning to, you are cautioned:

- Against proceeding prior to the OCPO having issued and awarded the transversal contract for the provision of inter alia auditing, re-calibration and re-configuration services for standard transfer specification compliant prepayment meters Terms of Reference (ToR); and

- That, with immediate effect, you must obtain the National Treasury's input prior to proceeding with any current procurement or proposed procurement for this purpose or any related solution or similar. This is to prevent unnecessary and wasteful expenditure on such solutions. Any request for National Treasury's input on the current or planned procurement of any related solution or similar or component thereof, must be directed to the National Treasury for the attention of the Local Government Budget Analysis Unit (Mr. Sadesh Ramjathan) Sadesh.Ramjathan@treasury.gov.za.

In this regard, municipalities will have two options to choose from:

- Firstly, to pursue the route of auditing, re-calibrating and re-configuring services for standard transfer specification compliant prepayment meters; and/ or
- Secondly, to replace the old meter with a new smart prepaid meter.

For both options, the municipality will have to budget accordingly as no additional funding will be available through the national fiscus.

Your assistance in proactively ensuring that the municipality and/ or its entities are not adversely affected by these processes will be appreciated.

5.6 Completeness and credibility of revenue related information in the Budget

The MBRR regulates the minimum level of information required from municipalities when compiling, implementing, monitoring, and evaluating the municipality's financial management situation. Failure to include the minimum required information hampers the municipal council, the public and stakeholders' ability to make informed decisions and engage on the matter. It also limits research, studies, and benchmarking undertaken for local, provincial, and national purposes.

The National Treasury would like to take this opportunity to caution municipalities that the MBRR prescribe the minimum level of information municipalities must include as part of their legal reporting obligations.

Going forward the Treasuries will place increased attention and focus on the adequacy of municipalities' submissions. The National Treasury regards this non-compliance to include the minimum level of information as serious and if persistent will consider applying the available legal sanctions, including recourse in terms of section 216(2) of the Constitution. In this context, National Treasury will particularly focus on the completeness of asset management related information as well as the statistical information required in the A, B and C schedules during the 2023/24 MTREF.

5.7 Eskom Bulk Tariff increases

The National Energy Regulator of South Africa (NERSA) is responsible for the price determination of the bulk costs of electricity. In the municipal financial year 2022/23, bulk electricity costs increased moderately at 9.61 per cent, compared to 17.8 per cent in the 2021/22 municipal financial year. Due to Eskom's funding needs, they are seeking higher tariff increases and have applied to NERSA for a 32 per cent hike from 1 April 2023/24. NERSA will make a final decision on the tariff application by 24 December.

In addition, a High Court hearing is still pending on the Multi-Year Price Determination (MYPD 5) application. The urgent High Court review requires NERSA to urgently process the Eskom revenue application for at least one year, as required by law. The timeframes for the review allow for a decision to be made in time for implementation by 1 April 2023.

5.8 Updated Municipal Borrowing Policy Framework

Cabinet approved the Update to the Policy Framework for Municipal Borrowing and Financial Emergencies on the 17th of August, 2022. The purpose of the Update is to re-examine the original Policy Framework, along with the legislation (i.e. Municipal Finance Management Act – MFMA) that was adopted to implement it, considering the experience with municipal borrowing that has accumulated since 2000.

The following key reforms have been introduced through the Update to the Policy Framework for Municipal Borrowing:

- The Policy Framework for Municipal Borrowing has been updated to introduce the necessary reforms that will expand the scope of responsible municipal borrowing and create an environment that attracts more players (e.g. insurers, pension funds, institutional investors and fund managers, and international Development Finance Institutions) in the municipal debt market space. The original core principles underlying municipal borrowing are maintained (i.e. creditworthy municipalities should borrow prudently to finance capital investment, and that there will be no bail-outs by the provincial or national government);

- The updated policy framework clarifies the role of Development Finance Institutions (DFIs), as it was not clearly articulated in the original policy. DFIs are required to pursue clear and agreed developmental goals, as outlined in the policy. The objective of this approach is to ensure that a DFI lending does not crowd out the private sector. Public-sector lenders, both domestic and foreign, should be guided by a social and developmental investment approach in which demonstrable social outcomes are considered alongside potential financial returns;

- The updated policy framework permits and clarifies innovative infrastructure financing mechanisms (such as pooled financing mechanisms, project finance, tax increment financing, revenue bonds, and pledging of conditional grants) that municipalities can use to leverage municipal borrowing. Municipalities are encouraged to explore these alternatives, and innovative infrastructure financing mechanisms permitted subject to the requirements contained in the Municipal Finance Management Act (MFMA) and

- The participation of both private and public sector market participants in the development of a liquid secondary market for municipal debt securities is also encouraged. The policy proposes options that can be explored to support the development and growth of an efficient and liquid market for municipal debt obligations.

The Updated Municipal Borrowing Policy Framework can be accessed at the MFMA website at the following link http://mfma.treasury.gov.za/Guidelines/Pages/default.aspx.

5.9 Tariff Policies

Municipalities must comply with the provisions of Section 74 of the Municipal Systems Act (MSA) which requires that a municipal council must adopt and implement tariff policy on the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements, and which complies with the provisions of this Act and with any other applicable legislation. Municipalities should also ensure that the tariff policies adhere to all the principles outlined in section 74(2) of the MSA. A municipality's tariff policies must also take into consideration variable factors such as water shortages and electricity feedback excess into the municipal system from new generation capacity. Municipalities must adopt by-laws to give effect to the implementation and enforcement of their tariff policies.

5.10 Non-Revenue Electricity and Non-Revenue Water/ Revenue Losses:

Water Service Authority municipalities and electricity licensed municipalities are urged to align both their non-revenue water and non-revenue electricity indicators and their set targets in the 2023/24 SDBIPs with identifiable infrastructure or operational projects and/ or programmes. Municipalities should improve on the baseline information included in the SDBIPs by indicating the volume of water losses (i.e., kilolitres/ mega-litres) and the amount of electricity losses (KwH or MWs) for the previous year. This approach will help to determine the progress of municipalities in curbing losses, which impact on municipal revenues, in both non-revenue water and non-revenue electricity.

6. Burial of Councillors

Salaries, allowances and benefits for political office-bearers and members is managed through Determination of Upper Limits of Salaries, Allowances and Benefits of Different Members of Municipal Councils notice issued by the Minister of Cooperative Governance and Traditional Affairs.

Section 167 of the MFMA provides that a municipality may remunerate its Councillors within the framework of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998), setting the upper limits of the salaries, allowances and benefits for those political office-bearers and members. Any benefit which is not included in the above-mentioned notice will be deemed irregular expenditure and recovery thereof from the Councillor concerned is mandatory.

Municipalities may also refer to relevant Councillor Pension Scheme or personal funeral policies in existence for any funeral benefits relating to such Councillor

7. Funding choices and management issues

Municipalities are under pressure to generate revenue. The ability of customers to pay for services is declining and this means that less revenue will be collected. Therefore, municipalities must consider the following when compiling their 2023/24 MTREF budgets:

- Improving the effectiveness of revenue management processes and procedures;
- Cost containment measures to, amongst other things, control unnecessary spending on nice-to-have items and non-essential activities as highlighted in the Municipal Cost Containment Regulations read with MFMA Circular No. 82;
- Ensuring value for money through the procurement process;
- The affordability of providing free basic services to all households;
- Not taking on unfunded mandates;
- Strictly control the use of costly water tankers and fix the water infrastructure to enable the sustainable provision of water;
- Prioritise the filling of critical vacant posts, especially linked to the delivery of basic services; and
- Curbing the consumption of water and electricity by the indigents to ensure that they do not exceed their allocation.

Accounting officers are reminded of their responsibility in terms of section 62(1)(a) of the MFMA to use the resources of the municipality effectively, efficiently and economically. Failure to do this will result in the accounting officer committing an act of financial misconduct which will trigger the application of chapter 15 of the MFMA, read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

7.1 Employee related costs

The Salary and Wage Collective Agreement for the period 01 July 2021 to 30 June 2024 dated 15 September 2021 through the agreement that was approved by the Bargaining Committee of the Central Council in terms of Clause 17.3 of the Constitution should be used when budgeting for employee related costs for the 2023/24 MTREF. In terms of the agreement, all employees covered by this agreement shall receive with effect from 01 July 2023 and 01 July 2024 an increase based on the projected average CPI percentages for 2023 and 2024. The forecasts of the Reserve Bank, in terms of the January 2023 and January 2024, shall be used to determine the projected average CPI. Municipalities are encouraged to perform an annual head count and payroll verification process by undertaking a once-a-year manual salary disbursement, in order to root out ghost employees.

According to the 2021 State of Local Government Finance Report, there are about 165 municipalities that are in financial distress. These municipalities need to ensure that they seek an early exemption from this dispensation of this salary agreement. Municipalities should also avoid paying out leave in cash while having major financial challenges.

7.2 Remuneration of Councillors

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

8. Transfers to municipalities

8.1 Criteria for the release of the Equitable Share

Section 216(2) of the Constitution of South Africa requires that the National Treasury must enforce compliance with the measures established to ensure both transparency and expenditure control in each sphere of government and may stop the transfer of funds to an organ of state if that organ of state commits a serious or persistent material breach of those measures.

The criteria for the release of the Equitable Share Instalments for the 2023/24 municipal financial year are as follows:

- The 2023/24 adopted budget must be funded and adopted by Council as per the legal framework, as required in terms of section 18 of the MFMA and consistent with the Budget Council and Budget Forum resolutions;
    a. The adopted budget must include budget allocations for bulk suppliers current account payments;
    b. Should the adopted budget still be unfunded, then a credible funding plan will be required to show how the municipality intends moving progressively out of this position into a funded state, if this plan has been adopted in the past, then a progress report must be submitted on the framework previously shared to guide municipalities which is aligned to the rescue phase of the new approach to Municipal Financial Recovery Service (MFRS);

c. Those municipalities that adopted an unfunded budget must work with their respective Provincial Treasuries to rectify this position in the lead up to the main adjustments budget process in February 2023; and
d. A council resolution showing commitment to address the unfunded position must be submitted by these municipalities to the National Treasury by 01 July 2023.

- Credible *m*SCOA data strings and source documents for the 2023/24 MTREF and 2022/23 audits must be generated directly from the core municipal financial system and successfully uploaded to the Local Government GoMuni Portal. Source documents must be submitted in PDF and no excel based spreadsheet/ templates will be accepted;
- The report submitted by bulk suppliers in terms of section 41 of the MFMA must indicate that the current account has been paid timeously in terms of section 65(2)(e) of the MFMA. In addition, where the municipality has a repayment plan with Eskom and/ or the water boards, proof that the current accounts have been paid and a copy of the agreed upon payment plan (or evidence of negotiations underway with creditors) must be submitted to the National and provincial treasuries;
- Municipalities must provide evidence that SARS, pension and other staff benefits deducted from municipal officials have been paid over the appropriate Funds and/ or institutions;
- The information requested in MFMA Circulars No. 93, 98 and 107 on the reconciliation of the valuation roll have been submitted to the National Treasury as per the required timeframes;
- The Competency Regulations reporting requirements have been complied with;
- Provide a copy of the Unauthorised, Irregular, Fruitless and Wasteful (UIF&W) expenditure register, the latest copy of the Municipal Public Accounts Committee (MPAC) recommendations, Council Resolution on UIFW as well as a copy of the council approved UIFW Reduction Strategy/ Plan, proof of establishment of the Disciplinary Board (or evidence of progress towards their establishment) including evidentiary evidence demonstrating functionality of the Disciplinary Board and updated audit action plan (where the audit has been completed);
- Those municipalities that received an adverse or disclaimed opinions for the 2020/21 financial year will not receive their funding allocation unless there is a council resolution committing to address these opinions with an implementable plan. The resolution must be signed by each member of the Council and submitted to National Treasury by 1 October 2023;
- The Municipal Financial Recovery Service progress reporting framework for financial recovery plans must be complied with by municipalities under intervention in terms of S139 of the Constitution;
- Additionally, those municipalities that have outstanding audits for both the 2020/21 and 2021/22 financial years as well as municipalities with outstanding 2021/22 audit opinions that also received an adverse or disclaimer opinion in 2020/21, will also not receive their allocation; and
- Any other outstanding documents as per the legal framework have been submitted including the AFS submission (municipality only and consolidated AFS).

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

9. The Municipal Budget and Reporting Regulations

9.1 Schedule A – version to be used for the 2023/24 MTREF

National Treasury has released Version 6.7 of the Schedule A1 (the Excel Formats) which is aligned to Version 6.7 of the *m*SCOA classification framework and must be used when compiling the 2023/24 MTREF budget.

All municipalities must prepare their 2023/24 MTREF budgets in their financial systems and produce the Schedule A1 directly from their financial system.

Municipalities must start early enough to capture their tabled budget (and later the adopted budget) in the budget module in the financial system and must ensure that they produce their Schedule A1 directly out of the budget module. **Manual capturing on the A1 schedule version 6.7 is not allowed** in terms of the *m*SCOA Regulations.

National Treasury has protected the A1 schedule version 6.7 in order to ensure that the Schedule A1 generated directly from the financial system and not populated manually.

The budget, adjustments budget and Section 71 monthly reporting Schedules that have been regulated in terms of the MBRR have also been aligned to the *m*SCOA chart version 6.7. The revised MBRR Schedules for the 2023/24 MTREF and its linkages to the financial and non-financial data string are available on the link below:

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

9.2 Assistance with the compilation of budgets

If municipalities require advice with the compilation of their respective budgets, specifically the budget documents or Schedule A1, they should direct their enquiries to their respective provincial treasuries or to the following National Treasury officials:

Province	Responsible NT officials	Tel. No.	Email
Eastern Cape	Matjatji Mashoeshoe	012-315 5553	Matjatji.Mashoeshoe@treasury.gov.za
	Pitso Zwane	012-315 5171	Pitso.Zwane@Treasury.gov.za
	Oreal Tshidino		Ophulusa.Tshidino@Treasury.gov.za
Buffalo City	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Free State	Sifiso Mabaso	012-315 5952	Sifiso.mabaso@treasury.gov.za
	Cethekile Moshane	012-315 5079	Cethekile.moshane@treasury.gov.za
Gauteng	Matjatji Mashoeshoe	012-315 5553	Matjatji.Mashoeshoe@treasury.gov.za
	Abigail Maila	012-395 6737	Abigail.Maila@Treasury.gov.za
City of Tshwane and City of Johannesburg Ekurhuleni	Willem Voigt	012-315 5830	WillemCordes.Voigt@treasury.gov.za
	Makgabo Mabotja	012-315 5156	Makgabo.Mabotja@treasury.gov.za
	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
KwaZulu-Natal	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
	Kevin Bell	012-315 5725	Kevin.Bell@treasury.gov.za
eThekwini	Sifiso Mabaso	012-315 5952	Sifiso.mabaso@treasury.gov.za
Limpopo	Sifiso Mabaso	012-315 5952	Sifiso.Mabaso@treasury.gov.za
Mpumalanga	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
	Lesego Leqasa		Lesego.Leqasa@treasury.gov.za

Northern Cape	Mandla Gilimani Sibusisiwe Mchani	012-315 5807 012-315 5539	Mandla.Gilimani@treasury.gov.za Sibusisiwe.Mchani@treasury.gov.za
North West	Willem Voigt Makgabo Mabotja	012-315 5830 012-315 5156	WillemCordes.Voigt@treasury.gov.za Makgabo.Mabotja@treasury.gov.za
Western Cape Cape Town George	Willem Voigt Enock Ndlovu Kgomotso Baloyi Mandla Gilimani	012-315 5830 012-315 5385 012-315 5866 012-315 5807	WillemCordes.Voigt@treasury.gov.za Enock.Ndlovu@treasury.gov.za Kgomotso.Baloyi@treasury.gov.za Mandla.Gilimani@treasury.gov.za
Technical issues with Excel formats	Sephiri Tlhomeli	012-406 9064	lgdataqueries@treasury.gov.za

National and provincial treasuries will analyse the credibility of the data string submissions.

9.3 Assessing the 2023/24 MTREF budget

National and provincial treasuries will assess the 2023/24 MTREF budgets to determine if it is complete, funded and complies with the *m*SCOA requirements. The *m*SCOA data strings for the tabled (TABB) and adopted (ORGB) budgets will be used for this assessment.

Municipalities should note that the MFMA legislated timeframes for submission of the tabled and adopted budgets are outer timeframes. In this context, different to previous MTREF's, going forward, if the municipality's budget is unfunded, council in terms of MFMA section 74 is requested to table and/ or adopt a budget funding plan together with the budget at the same time.

The Treasuries' **assessment period** of municipal budgets will be from **01 April to 30 June 2023 for both the tabled and adopted budgets**. **However,** (in a context of some municipalities persisting with unfunded budgeting practices)**, if the municipality tabled and/ or adopted an unfunded budget in the 2022/23 MTREF**, the municipality must adjust its schedule of key budget deadlines to facilitate an earlier Treasuries' assessment thereof between 1 April to 15 May 2023 for both tabled and adopted budgets. In this period the national and provincial treasuries will evaluate all municipal budgets for completeness and for being fully funded. Any adjustment that needs to be made must be done before the start of the municipal financial year on 30 June 2023.

Importantly, in order to generate an adopted budget (ORGB) data string, the budget must be locked immediately on the financial system at the start of the new municipal financial year on 1 July. Therefore, once the ORGB data string has been generated, errors in the ORGB can only be corrected via an adjustments budget in February of each year. In terms of the design principles of *m*SCOA, municipalities are not allowed to open the budget on the system for corrections after it has been locked. This means that the tabled budget data string (TABB) should in fact be verified and errors in the TABB should be corrected in the ORGB **before the adopted budget is locked on the financial system and the ORGB data string is generated**.

Amending an unfunded, incomplete and erroneous budget through an adjusted budget is also not encouraged as the National Treasury only considers an adjusted budget in the third and fourth quarter of the financial year for analysis and publication purposes. This will result in overspending and unauthorised expenditure not been monitored in the first six months of the financial year.

The National Treasury would like to emphasise that ***where municipalities have adopted an unfunded budget together with a funding plan that lacks credibility, they will be required to correct the funding plan and ensure that it is credible. The credible funding plan must be immediately adopted by the Municipal Council, and the changes to the***

budget must be effected in the mid-year adjustments budget to ensure compliance with Section 18 of the MFMA.

Municipalities with municipal entities are once again reminded to prepare consolidated budgets and in-year monitoring reports for both the parent municipality and its entity or entities. The following must be compiled:

- An annual budget, adjustments budget and monthly financial reports for the parent municipality in the relevant formats;
- An annual budget, adjustments budget and monthly financial reports for the entity in the relevant formats; and
- A consolidated annual budget, adjustments budget and monthly financial reports for the parent municipality and all its municipal entities in the relevant formats.

The budget and data strings that the municipality submits to National Treasury must be a consolidated budget for the municipality (including entities). The budget of each entity must be submitted on the D Schedule in pdf format.

In the past it was noted that municipalities have challenges to align the audited outcomes on the financial system to A1 Schedule. Municipalities must ensure that the audited figures and adjusted budget figures captured on the A1 Schedule aligns to the annual financial statements and Schedule B respectively.

10. Submitting budget documentation and A1 schedules for 2023/24 MTREF

To facilitate oversight of compliance with the Municipal Budget and Reporting Regulations, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that, ***immediately*** after an annual budget is tabled in a municipal council, it must be submitted to the National Treasury and the relevant provincial treasury in electronic formats. If the annual budget is tabled to council on **31 March 2023**, the final date of submission of the electronic budget documents and corresponding *m*SCOA data strings is **Monday, 03 April 2023**; and
- Section 24(3) of the MFMA, read together with regulation 20(1) of the MBRR, requires that the approved annual budget must be submitted to both National Treasury and the relevant provincial treasury within ten working days after the council has approved the annual budget. However, given that municipalities are generating the annual budgets directly from the financial system as required by the *m*SCOA Regulations and that the budgets must be verified before it is locked on the financial system and transacted against, municipalities must submit the approved budget to the National Treasury and the relevant provincial treasury in electronic formats ***immediately*** after approval by the municipal council. Therefore, if the annual budget is tabled to council **on 31 May 2023**, the final date of submission of the electronic budget documents and corresponding *m*SCOA data strings is **Thursday, 01 June 2023.**

Since the 2020/21 MTREF, municipalities are no longer required to submit hard copies of all required documents including budget related, Annual Financial Statements and Annual Reports to National Treasury via post or courier services. Electronic copies must be submitted in PDF format to the GoMuni Upload portal.

10.1 Expected submissions for 2023/24 MTREF

The following information should be submitted for the 2023/24 MTREF:

- The budget documentation as set out in the MBRR. The budget document must include the main A1 Schedule Tables (A1 - A10);
- The non-financial supporting tables (A10, SA9, SA11, SA12, SA13, SA22, SA23, SA24 etc. and any other information not contained in the financial data string) in the A1 schedule must be submitted in the prescribed *m*SCOA data string in the format published with Version 6.7 of the A1 schedule;
- The draft and final service delivery and budget implementation plan (SDBIP) in electronic PDF format;
- The draft and final IDP;
- The council resolution for the tabled and adopted budgets;
- Signed Quality Certificate as prescribed in the MBRR for the tabled and adopted budgets;
- D Schedules specific for the entities;
- A budget locking certificate immediately at the start of the new municipal financial year on 1 July;
- The National or Provincial treasury input to the tabled budget must be included as an Annexure to the adopted budget together with the municipality's explanation of how such was addressed in the adopted budget. If not, the explanation should provide reasons; and
- The bulk water-and electricity invoices for the 3 months immediately preceding respectively the tabled and adopted budgets, must be included as an annexure to the tabled and adopted budgets as part of supporting the municipalities provision for and calculations of payments to bulk suppliers over the 2023/24 MTREF.

10.2 Portals for the submission of information

Municipalities must ensure that the documents are submitted to the correct portals/ mailboxes. These portals/ mailboxes are:

https://lg.treasury.gov.za/ibi_apps/signin (GoMuni Upload Portal) – All documents required in terms of legislation, including:

- *m*SCOA Data Strings by approved registered users;
- Budget-related and in-year documents and schedules (A, B and C) by approved registered users; and
- Reconciliation of the valuation roll to the financial system (as per MFMA Circular No. 93).

Budget related documents and schedules must be uploaded by approved registered users using the GoMuni Upload Portal at: https://lg.treasury.gov.za/ibi_apps/signin. The GoMuni Upload Portal does not have the same size restrictions encountered with lgdocuments@treasury.gov.za, but requires all documents to:

- Be in PDF format only; and
- Each PDF file must NOT contain multiple document e.g. council resolution and quality certificate within the budget document. Each document type must be identified clearly and uploaded separately.

Municipalities may ***only*** send electronic versions of the above documents to lgdocuments@treasury.gov.za when experiencing problems with the GoMuni Upload Portal.

lgdataqueries@treasury.gov.za – Database related and submission queries and the grant rollover templates.

lgdocuments@treasury.gov.za – Any additional information required by National Treasury that is not listed under the GoMuni Upload portal such as the documents meeting the criteria to release Equitable Share and the contact list information.

FMCMM and Audit Action plans – using the web-enabled systems and as articulated in MFMA Circulars No. 113 and 114.

Please do not submit the same document to ALL the platforms listed above as it means that our Database Team must register the same documents three times which slows down the process. ***Any document/ queries that are submitted to the incorrect portal/ mailbox will be deleted and not processed***.

10.3 Publication of budgets on municipal websites

In terms of section 75 of the MFMA, all municipalities are required to publish their tabled budgets, adopted budgets, annual reports (containing audited annual financial statements) and other relevant information on the municipality's website. This will aid in promoting public accountability and good governance.

All relevant documents mentioned in this circular are available on the National Treasury website, http://mfma.treasury.gov.za/Pages/Default.aspx. Municipalities are encouraged to visit it regularly as documents are regularly added / updated on the website.

10.4 Communication by municipal entities to National Treasury

Municipal entities should not request meetings directly from National Treasury. National Treasury will only engage the entities through the parent municipalities. This includes all communications apart from the legislative reporting requirements.

Contact

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
09 December 2022

Annexure A

Virtual *m*SCOA Training Programme 2023

Month	TOPIC
Jan	**Getting a green submission** • Overview of *m*SCOA chart structure • Submission deadlines • Uploading to the GoMuni Upload portal • Correction of validation errors • Using GoMuni to verify receipt and credibility of submission

Feb	**Preparing the Budget in mSCOA (1)**
	• Preparing the project file (PROR)
	• Projects Typical Workstreams
	• Budgeting for disaster/special projects
	• Infrastructure Management and asset life cycle
	• The funding matrix
	  ○ Allocation of correct funding sources and alignment to the correct segments
	  ○ Funding capital expenditure

March	**Preparing the Budget in *m*SCOA (2)** • Opening balances & Balance sheet budgeting • Budgeting for cash flow • Budgeting for conditional grants
April	**Common Errors in 2023/24 Tabled Budget Data Strings** *(to be corrected in adopted budget (ORGB submission)* • Water Inventory
May	**Common Budgeting Errors** • Operating Expenditure – Deprecation • Bad debts written off • Impairment loss for consumer debtors • Travel and Subsistence
June	**Last change to get the ORGB right** • Functional allocation • Use of Regional segment • Alignment of A1 schedules
July	**Common Transacting and Reporting Errors** • Opening balances • Populating the cash flow • Reporting on conditional grants • Transacting without budget
Aug	**Preparing the pre-audit AFS Data Strings (PAUD)**
Sept	**Common Transacting and Reporting Errors**
Oct	**Preparing the AFS Data Strings (AUDA)**
Nov	**Chart changes for version 6.8**
Dec	**Preparing for the Adjustment Budget**

NATIONAL TREASURY

MFMA Circular No. 123

Municipal Finance Management Act No. 56 of 2003

Municipal Budget Circular for the 2023/24 MTREF

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Introduction

This budget circular is a follow-up to MFMA Circular No. 122 that was issued on 09 December 2022. It aims to provide further guidance to municipalities with the preparation of their 2023/24 Medium Term Revenue and Expenditure Framework (MTREF) budgets and should be read together with the budget circulars that have been issued previously.

The grant allocations as per the 2023 Budget Review and the 2023 Division of Revenue Bill are also key focus areas in this circular. Municipalities are reminded to refer to the annual budget circulars of the previous years for guidance in areas of the budget preparation that is not covered in this circular.

1. The South African economy and inflation targets

GDP is expected to grow by 0.9 per cent in real terms in 2023, compared with an estimate of 1.4 per cent at the time of the medium-term budget policy statement (MTBPS), recovering slowly to 1.8 per cent in 2025.

The economic outlook faces a range of risks, including weaker-than-expected global growth, further disruptions to global supply chains and renewed inflationary pressures from the war in Ukraine, continued power cuts and a deterioration in port and rail infrastructure, widespread criminal activity, and any deterioration of the fiscal outlook.

Government is taking urgent measures to reduce load-shedding in the short term and transform the sector through market reforms to achieve long-term energy security. Several reforms are under way to improve the performance of the transport sector, specifically freight rail and to improve the capability of the state.

The following macro-economic forecasts must be considered when preparing the 2023/24 MTREF municipal budgets.

Table 1: Macroeconomic performance and projections, 2021 - 2026

Fiscal year	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Estimate	Forecast		
CPI Inflation	4.9%	6.9%	5.3%	4.9%	4.7%

Source: Budget Review 2023.

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

2. Key focus areas for the 2023/24 budget process

2.1 Local government conditional and unconditional grants allocations

Over the 2023 MTEF period, local government allocations will increase by a total of R14.3 billion, made up of R8.1 billion in the local government equitable share and R6.2 billion in direct conditional grants. This takes the total direct allocation to R521.7 billion over the same period. These allocations alleviate some of the financial pressures, particularly in basic services, where the costs of providing services are rising.

The *local government equitable share* and related allocations increases at an annual average rate of 7.8 per cent and municipal conditional grants increase by 3.5 per cent over the 2023 MTEF period.

The *local government equitable share* formula has been updated to account for projected household growth, inflation and estimated increases in bulk water and electricity costs over the 2023 MTEF period. It also includes allocations for the operational and maintenance costs associated with the provision of free basic services.

The 2023 Budget has ensured that sufficient provision has been made to ensure that all municipalities are fully subsidised to support indigent households. Following this, R1.35 billion has been left unallocated in the LGES formula for 2023/24 to serve as a precautionary measure should municipal electricity tariffs exceed the 20.7 per cent provided for in the formula (see section 5.7 on why this is above the 18.7 per cent approved by the Energy Regulator). If the actual increase in municipal bulk tariffs exceeds the provision made in the formula, it will be the first call on those unallocated funds. We will consider funding broader cost relief measures for municipalities if funds remain available after that.

The R6.2 billion in direct conditional grants is funded from the Budget Facility for Infrastructure (BFI) and is broken down as follows:

- **R2.2 billion** added to the Urban Settlements Development Grant to fund the implementation of projects in the eThekwini Metropolitan Municipality and the City of Johannesburg;
- **R461 million** added to the Public Transport Network Grant to align funding with the revised implementation plan and cash flow projections for the City of Cape Town's MyCiTi public transport network project; and
- **R3.4 billion** added to the Regional Bulk Infrastructure Grant to fund 3 water projects in Sol Plaatje Local Municipality, Drakenstein Local Municipality and Nelson Mandela Bay Metropolitan Municipality.

Notable changes to the conditional grants system

Housing emergency grants
Changes to conditional grants in the 2023 Budget include the discontinuation of the conditional emergency housing grants for provinces and municipalities. The baselines of these two grants are shifted to the Department of Human Settlements. This will allow the department to respond quickly in the event of an emergency housing need.

Changes to the INEP conditional grant frameworks
As part of government's efforts to accelerate access to electricity thereby addressing the energy crisis, Eskom and municipal INEP grants will begin funding alternative energy technologies such as rooftop solar and energy-saving devices. Due process must be followed to access funding for these new technologies. As a result, both Eskom and municipalities will need to conform to the set requirements by submitting business plans by 31 October 2023. These business plans, will need to be approved by the Department of Mineral Resources and Energy (DMRE) before they can be implemented. Priority should be given to new connections, i.e., non-grid technology should be targeted at households that do not have access to electricity.

The annual Division of Revenue Bill was published on 22 February 2023. The Bill specifies the grant allocations and municipalities must reconcile their budgets to the numbers published therein in compiling their 2023/24 MTREF.

The Division of Revenue Bill, 2023, which includes the annexures outlining allocations to each municipality is available at:
http://www.treasury.gov.za/documents/national%20budget/2023/default.aspx

2.2 Re-enforcing improved intergovernmental relations in the 2023 Division of Revenue Bill, (DoRB)

In order to strengthen the system of good intergovernmental relations as envisaged in the Chapter 3 of the Constitution and subsequent related legislation, municipalities are reminded of Section 31(3) of DoRA that provides for the facilitation of personal liability for unnecessary litigation. As required by subsection (1)(a) of this clause, read together with section 41(3) of the Constitution, a municipality may only institute litigation against any organ of state, state-owned enterprise, public- and/ or municipal entity after exhausting all dispute resolution mechanisms required and/ or available to the municipality in terms of existing intergovernmental relations processes, policy and/ or any related contract with the municipality, including in terms of the Municipal Finance Management Act, 2003, the Intergovernmental Relations Framework Act, 2005, and/ or the Electricity Regulation Act, 2006 (dispute processes administered by National Energy Regular of South Africa (NERSA)).

Section 31 is amended to include a clause that requires that where an organ of state decides to institute judicial proceedings against another organ of state, it must, within 10 working days of its decision, notify the National Treasury, the relevant provincial treasury, the Department of Cooperative Governance and the Auditor-General, of the details of compliance with Chapter 4 of the Intergovernmental Relations Framework Act, 2005, including an explanation of the failure to resolve the dispute.

2.3 Conditional grants usage

Conditional grant funds may only be used for the purposes, and subject to the conditions specified in the framework for each conditional grant. These conditions are binding in terms of sections 11 and 12 of the annual Division of Revenue Act. Any instruction by a municipal, provincial, or national official or politician that is inconsistent with the framework of a conditional grant is invalid. Municipalities are reminded that in terms of section 32 of DoRA, spending of a grant that is inconsistent with DoRA is considered irregular or unauthorised expenditure.

3. Pension and medical aid fund defaults

There has been a growing trend where municipalities are deducting pension and/ or medical aid contributions from officials but are not paying it over to their pension- and/ or medical aid fund. This is inconsistent with the intent and spirit of the MFMA and constitutes an act of financial misconduct in terms of section 171 of the MFMA read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014 and also a financial offence in terms of section 173 of the MFMA read together with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings. Municipal Councils should refer these actions to the Disciplinary Boards for further investigation and should also lay criminal charges against the accounting officer or any other responsible or delegated official who has failed to perform the responsibility outlined in terms of section 65(2)(f) of the MFMA which states that “the accounting officer of a municipality must take all reasonable steps to ensure that the municipality complies with its tax, levy, duty, pension, medical aid, audit fees and other statutory commitments”. Municipal Councils should also consider further measures and actions in terms of the Pension Funds Act, as may be applicable.

4. Municipal Standard Chart of Accounts (*m*SCOA)

4.1 Version 6.7 of the *m*SCOA Chart Go Live

Version 6.7 of the *m*SCOA chart will go live on 13 March 2023, whereafter tabled budget data strings can be uploaded on the GoMuni portal.

For new *m*SCOA chart changes to be considered for version 6.8 of the chart, a Frequently Asked Questions (FAQ) must be logged by 31 August 2023 on the *m*SCOA FAQ database on GoMuni. FAQ queries can be logged at:

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

It is important that the issue logged is described clearly and that sufficient supporting evidence is provided to ensure that all aspects of the issue are considered. After investigating the query logged, the following actions will be taken:

- If the query does not require a chart change, the FAQ will be closed, and feedback will be provided to the logger.
- If the query warrants a chart change, it will be submitted for consideration and approval by the relevant committees within the National Treasury.

Chart changes are communicated in October of each year to allow sufficient time for municipalities and vendors to effect such changes. Chart changes are officially published in the MFMA Budget Circular in December of each year.

4.2 Additional requirements to change municipal financial systems

The cost and risk associated with procuring and implementing a new Enterprise Resource Planning (ERP) financial system necessitate careful consideration and extensive planning to ensure a smooth operational transition. Such a transition takes at least 18 months to conclude and does not come without challenges and disruptions in operations.

The National Treasury will regulate the minimum business processes and system specifications for *m*SCOA by the end of 2024/25. A new transversal tender for the provision of ERP financial systems that complies with these regulations will be put in place once the regulations have been issued. Municipalities should therefore exercise extreme caution when changing their financial systems at this stage to eliminate fruitless and wasteful expenditure by procuring financial systems that might not comply with the said regulations.

Municipalities are reminded to follow the due diligence processes set out in MFMA Budget Circulars No. 93, 98 and *m*SCOA Circulars No 5 and 6 prior to procuring new financial systems to protect them from making incorrect decisions in this regard.

In addition, and **with immediate effect**, municipalities must inform the National and relevant Provincial Treasury of any intention to replace the financial system currently operating at the municipality prior to inviting proposals from system providers. This is a requirement in terms of section 74 of the MFMA. The submission should include:

- A comprehensive motivation with specific reasons for why it is deemed necessary to replace the existing financial system;
- A copy of the service level agreement with minutes of the meetings between the municipality and the current service provider (financial system vendor) during the previous twelve months;
- An assessment to determine which modules of the existing financial system are being utilised by the municipality. Reasons must be provided for modules not in operation. Details and reasons must be provided on the use of third-party systems to provide functionality required in terms of MFMA Circular No. 80;

- An assessment to detail the proficiency of municipal users to utilise the current financial system properly. Reasons must be provided if users are not proficient in the use of the system and the details must be provided on how the system is being operated and transactions are being captured on the system in such cases;
- The date on which the existing financial system was implemented, the procurement and implementation costs and the current operational costs thereof must be disclosed;
- The organisational structure, specifically for the IT department/ function, clearly indicating management capacity and responsibility for operating the financial system;
- A technical assessment should be submitted indicating how the existing ICT infrastructure, server and network comply with the requirements of the current financial system; and
- Copies of all IT strategies, policies and procedural documents including the IT disaster recovery plan must be made available.

The above submissions and all enquiries must be forwarded to lgdocuments@treasury.gov.za. A working committee comprising representatives from the National and Provincial Treasuries, the Office of the Auditor-General and other relevant stakeholders will assess the submissions and respond with its findings. These findings must be tabled in Council and a council resolution must be submitted to lgdocuments@treasury.gov.za within 14 working days after the Council meeting has taken place.

It must be emphasized that the combination of both credible data inputs and an effective financial system is fundamental to ensure the quality and timeliness of financial reporting. If the data input into the financial system is incorrect then any management information generated by the system will lack credibility and reliability for decision making. Furthermore, a municipality with poorly designed business processes will not resolve the problem by implementing a new financial system. Processes must firstly be redesigned with the necessary data validation rules if the municipality is to improve its data integrity. This foundation is integral to ensuring that software applications generate credible information and can be used effectively by municipalities.

5. The revenue budget

Similar to the rest of government, municipalities face a difficult fiscal environment. The weak economic growth has put pressure on consumers' ability to pay for services, while transfers from national government are growing more slowly than in the past. Some municipalities have managed these challenges well, but others have fallen into financial distress and face liquidity problems. These include municipalities that are unable to meet their payment obligations to Eskom, Water Boards and other creditors. There is a need for municipalities to focus on collecting revenues owed to them and eliminate wasteful and non-core spending. It is important to note that the municipal equitable share as a policy instrument is meant to subsidies services to the poorest of the poor and not to pay municipal creditors. This bad practice by municipalities will have to be addressed as a matter of urgency. Municipal creditors should be advised that municipalities cannot use funds allocated for basic service provision to pay creditors.

Municipalities must ensure that they render basic services, maintain their assets and a clean environment. Furthermore, there must be continuous communication with the community and other stakeholders to strengthen awareness and participation and to improve the municipality's reputation. This will assist in attracting investment in the local economy which may result in increased employment.

Some municipalities are experiencing serious liquidity challenges. Therefore, the new leadership is advised to:

- Decisively address unfunded budgets by reducing non-priority spending and improving revenue management processes to enable collection; and
- Address service delivery failures by ensuring adequate maintenance, upgrading and renewal of existing assets to enable reliable service delivery.

5.1 Maximising the revenue generation of the municipal revenue base

Reference is made to MFMA Circulars No. 93, paragraph 3.1 and No. 98, paragraph 4.1. The emphasis is on municipalities to comply with Section 18 of the MFMA and ensure that they fund their MTREF budgets from realistically anticipated revenues to be collected. Municipalities are cautioned against assuming collection rates that are unrealistic and unattainable as this is a fundamental reason for municipalities not attaining their desired collection rates.

The purpose of the above mentioned MFMA Circulars is to ensure that the municipalities are using their entire revenue base as the basis for the revenue budget. It is essential that municipalities reconcile their most recent consolidated valuation roll data to that of the current billing system data to ensure that revenue anticipated from property rates is realistic. The municipalities should implement a data management strategy and develop internal capacity to perform these reconciliations and investigations to improve completeness of billing.

One of the aims of the reconciliation process is to identify exceptions, i.e. records on the general valuation roll that are not on the billing system and records on the billing system and vice versa. In addition, the reconciliation must identify duplicated records, missing data, and data errors. These exceptions should then be investigated, and remedial action strategies developed for data cleansing and other corrective actions. The Debtors Ageing data should also form part of the reconciliation process so that “debtors” can be tracked and assessed at a property record level and prioritised for verification of rates liability measured against a MPRA property and owner.

To facilitate reconciliation of the separate databases (General Valuation Roll and Billing), a unique property identifier (common primary unique link code) must be created and populated for each rateable property on the general valuation roll system and on the rates billing system. This property identifier must be unique, without duplicates, and must remain constant for the life of the property. The standards adopted by the South African Council for the Property Valuers Profession (SACPVP), namely South African Standard: Municipal Valuations for Property Rating, specifies that the Surveyor General Code SG 21-digit Code, derived, and created from the property description, be applied for all registered full title properties defined in terms of part (a) of the definition of property.

For all other MPRA defined property, Part (a) Sectional Title, Part (b) Registered Rights, Part (c) Land Tenure Rights and Part (d) PSI and, apportioned multiple use property in terms of sections 8(2)(i) and 9(2), an added suffixed 5 digits to the SG 21-digit code must be assigned by the designated municipal valuer, thereby creating a unique 26-digit code. The municipality must ensure that the SG21 digit code and 26-digit coding system is applied in their valuation roll management system and billing system and engage with their designated municipal valuer and systems service providers to implement the unique property identifier.

Further it is important that municipalities who are performing a general valuation (GV) to implement a new valuation roll on 1 July 2023, must also as best practice compare the current consolidated roll to the new valuation roll. This will identify any anomalies and errors of category of property and market values for review and investigation and the option of lodging an objection by the municipality, where applicable. This process should also identify outliers and shifts in market values by category and area so that tariffs on the new roll can be modelled and determined in an equitable manner to avoid rates shocks.

Municipalities should undertake this exercise as a routine practice during the budget process so that supplementary adjustments to the valuation roll are kept up to date. In order to ensure that the most updated information is used for the reconciliations, municipalities are reminded to adhere and comply with Section 23(1)(2) of the MPRA and therefore use the Part A register as the basis for performing the reconciliations going forward.

Furthermore, municipalities are also advised and expected to comply with Section 8(1) of the MPRA in terms of the billing methodology that should to be specified within their policies to ensure that the correct categories (based on the selection made by the municipality) are used in the reconciliation process.

The list of exceptions derived from this reconciliation will indicate where the municipality may be compromising its revenue generation in respect of property rates or whether the municipality is overstating its revenue budget.

A further test would be to reconcile this information with the Deeds Office registry. In accordance with the MFMA Circular No. 93, municipalities are once more requested to submit their reconciliation of the Valuation roll/ Part A register to the billing system to the National Treasury on a quarterly basis by no later than the 10th working day after the end of the quarter. A detailed action plan must accompany the reconciliation where variances are noted.

The above information must be uploaded by the municipality's approved registered user(s) using the GoMuni Upload Portal at: https://lg.treasury.gov.za/ibi_apps/signin. If the municipality experience any challenge uploading the information, a request for an alternative arrangement may be emailed to linda.kruger@treasury.gov.za.

Municipalities are reminded of the need to clearly communicate the GV appeals and objection process to residents to ensure that any disputes are timeously resolved.

Revenue Collection – No operation can be sustainable if it does not collect its revenue. A municipality is no different. There is a misconception that a municipality may not interrupt or restrict the supply of water services of a defaulting consumer. The National Treasury confirms that neither the Water Services Act, 1997 (Act No. 108 of 1997) or any other legislation prevents a municipality from cutting the supply of water to a defaulting consumer unless the consumer is an indigent in which case the water services to that household must be restricted to the national free basic water limit of 6 kilolitre water monthly (or 50 kilowatt hours in the case of free basic electricity monthly). This was confirmed by the Constitutional Court in the matter of Mazibuko and Others v City of Johannesburg and Others (CCT 39/09) [2009] ZACC 28; 2010 (3) BCLR 239 (CC); 2010 (4) SA 1 (CC) (8 October 2009).

Municipalities are urged to use the restriction/ interruption of supply of both water and electricity services as a collection tool. Effective from the tabling and adoption of the 2023/24 MTREF, municipalities' By-laws and policies must facilitate this and clearly stipulate the order in which any partial payment of the consolidated municipal bill (including property rates) will be applied as well as the process before the supply of water and electricity services will be cut. The National Treasury recommended that any partial payment firstly be applied to property rates, wastewater, waste management, water and lastly to electricity. When interrupting or restricting the supply of water it is important that such is undertaken together with the municipal engineer(s) to ensure a continued minimum supply of waste-water.

Municipalities should develop a Wheeling Framework to allow for the transmission of energy across their networks. These wheeling frameworks provide an opportunity for municipalities to generate revenue from their distribution networks. Provincial Treasuries or National Treasury can be approached for support to develop these frameworks.

5.2 Funding Depreciation

The information shared in Circular 115 regarding the funding of the depreciation refers. It is important to note that depreciation represents the cost of using assets in service delivery and forms part of the total cost of providing the municipal service. Accordingly, it should be included in the setting of cost reflective tariffs to recover the full cost of rendering the service, failing which the depreciation will not be cash backed on Table A7 and will remain a journal entry with no value as mentioned in MFMA Circular No. 115.

5.3 Tariff-setting – the impact of loadshedding

Loadshedding not only affects the electricity service but also some municipalities' ability to pump water, thereby negatively impacting the stability of water supplies and the related functioning of the wastewater reticulation network. The loadshedding crisis has been declared a state of disaster and will require tough budgeting choices for municipalities to make sure that basic municipal services are sustained. The regulations published in the Government Gazette No. 48152 on 27 February 2023 in terms of the Disaster Management Act, 2002 (Act 57 of 2002) require municipalities to "ensure continuous operation of water infrastructure and other specified essential infrastructure, including by installing alternative energy sources or other measures to provide an uninterrupted power supply." Municipalities are also required to "mobilise available resources" and "provide funds for this purpose, subject to affordability." As an immediate interim solution back-up electricity to pump water should be prioritised while being mindful of its affordability within the municipality's available funding sources and other critical priorities. The municipality need to adequately plan and prioritise funding in its 2023/24 MTREF for this purpose, including:

- When planning to pump water/ maintain the wastewater service by way of any alternative solution(s), it is important that the municipality properly plan and budget for the associated capital and operational costs to operate and maintain the solution(s) over the 2023/24 MTREF and longer-term;
- Any additional cost the municipality already incurred in this regard during the period of elevated loadshedding since December 2022 should be projected to continue in 2023/24 i.e. diesel to operate a generator;
- Although a state of emergency has been declared to deal with the continual loadshedding challenges in the country, it is likely that loadshedding will continue during the 2023/24 municipal financial year. It is proposed that municipalities factor in the impact of loadshedding on their electricity revenue projections, taking into account current experience in terms of loadshedding practices by Eskom;
- The additional costs of prolonged loadshedding should be considered;
- Municipalities are always asked to try to balance full cost recovery on services with affordability for their residents. In practice, this means that where the full increase in the cost of a service is not passed on to consumers, municipalities must offset the increased costs through savings identified elsewhere in their operations. Therefore, **reducing/ limiting overall expenditure** is a key part of budgeting for the response to loadshedding. The municipality should stick to its core mandate and functions and carefully review overall expenditure to manage the net effect. Measures should include aggressively cutting costs, frills, and vanity projects, dealing with bloated administrations and structures possibly duplicated across Municipal Manager and Mayoral offices, and applying for exemptions from the annual salary increases if these are not affordable;
- While municipalities are urged to maximise efficiency in their operations, tariff setting efforts should consider the need to make additional provision for repairs and maintenance associated with infrastructure breakdowns during loadshedding;
- **Reducing/ limiting overall expenditure –** the municipality should stick to its core mandate and functions – it is necessary to carefully look at the overall expenditure side to manage the net effect, including aggressively cutting costs, fancy, frills, vanity

projects, deal with bloated admin- and structures possibly duplicated across Municipal Manager and Mayoral offices, and apply for exemptions from the annual salary increases; and
- The cost should be considered and included when setting the tariffs of the service(s) to which it relates.

Municipalities should also budget for reduced bulk purchases and sales to municipal customers based on the same loadshedding assumptions cited above.

Municipalities should carefully monitor their Eskom accounts for any penalties that result from increased demand immediately after a period of loadshedding is ended. Eskom has indicated that they will reverse any penalties for exceeding notified maximum demand that results from the implementation of loadshedding. This should be factored into the tariff calculation to ensure that consumers are not overcharged.

Lastly, it is important to note that a municipality may only introduce a load-shedding levy or surcharge with the approval of the Minister of Finance and in terms of the legislated processes set-out in the MFMA and Municipal Fiscal Powers and Functions Act, 2007.

5.4 Setting cost-reflective tariffs

Reference is made to MFMA Circular No. 98, paragraph 4.2. The setting of cost-reflective tariffs is a requirement of Section 74(2) of the Municipal Systems Act which is meant to ensure that municipalities set tariffs that enable them to recover the full cost of rendering the service. This forms the basis of compiling a credible budget. A credible budget is one that ensures the funding of all approved items and is anchored in sound, timely and reliable information on expenditure and service delivery (Financial and Fiscal Commission (FFC), 2011). Credible budgets are critical for local government to fulfil its mandate and ensure financial sustainability.

A credible expenditure budget reflects the costs necessary to provide a service efficiently and effectively, namely:

- A budget adequate to deliver a service of the necessary quality on a sustainable basis; and
- A budget that delivers services at the lowest possible cost.

The National Treasury issued a tariff setting tool and guide as part of MFMA Budget Circular No. 98 (refer item 4.2) on 6 December 2019 and since 2019, has encouraged municipalities to utilise the tool. **With effect, from the 2023/24 MTREF, all municipalities** (**except** *metropolitan cities and district municipalities that do not provide any services*) **as part of both the tabled and adopted MTREF submissions must submit the completed National Treasury tariff tool (in excel format)** illustrating that the revenue component of the budget is credible and funded and that the municipality's tariffs are cost reflective. If the municipality's initial calculation results in high increases to facilitate cost-reflectiveness, it is recommended that such are phased in over 3 to 5 years. The municipality's strategy in this regard should be included as part of the budget narratives.

This tool will assist in setting tariffs that are cost-reflective and enable a municipality to recover costs to fulfil its mandate. Going forward it is also imperative that every municipality fully embrace the Municipal Standard Chart of Accounts (*m*SCOA): costing component. Considering, *m*SCOA implementation is entering its sixth year of implementation, all municipalities must fully embrace and report also utilising the costing segment correctly. The National Treasury Municipal Costing Guide is available on the link below on the National Treasury website.

http://mfma.treasury.gov.za/Guidelines/Documents/Forms/AllItems.aspx?RootFolder=%2fGuidelines%2fDocuments%2fMunicipal%20Costing%20Guide&FolderCTID=0x0120004720FD2D0551AE409361D6CB3E122A08.

5.5 Tariffs – achieving a balance between cost-reflectiveness and affordability

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other consumers while ensuring the financial sustainability of the municipality.

When setting tariffs, it is therefore critical to understand the economic environment specific to the municipality and consideration should include at least –

- *The socio-economic profile undertaken for the municipality* available on the National Treasury GoMuni portal – municipalities are encouraged to annually update their own socio-economic profile using the template model available on GoMuni;
- *The most recent average monthly household income in the municipality* as per Statistics South Africa (Stats SA) available on Statistics South Africa | Improving Lives Through Data Ecosystems (statssa.gov.za);
- *The average property value in the municipality* per its most recent approved general valuation roll and/ or supplementary general valuation roll;
- *The number of indigent households in the municipality,* including any variation in the number of indigent households included in the Equitable Share: free basic services component for the municipality vs the municipality's own indigency level discretion; and
- *The economic drivers and activities specific to the municipal area*[1]*; etc*.

The municipality's tariff-setting or other committee tasked with this role must understand and deliberately reflect on this context during the tariff-setting process. Considering the average monthly household income, the median affordable municipal bill would ideally not exceed proportionally approximately 10 to 15 per cent the average monthly household income. This median affordable bill, in combination with the median average property value should inform the basis to determine any rebates to households with income below the median. Furthermore, municipalities contemplating to increase free basic electricity allocations as an indigent relief measure, should do so only after careful consideration of the long-term financial impact that such a decision might have.

It is also important when setting particularly water and electricity tariffs that municipalities are encouraged to set two-tier tariffs, that include a basic availability charge to recover the fixed (direct and indirect) cost associated with the service in conjunction with consumption-based tariff bands. For example, in a drought, such tariffs will facilitate the ability to pay for infrastructure and maintenance, treating chemicals and salaries, etc. while parallel facilitating water restriction based on inclining tariffs as consumption increase. Furthermore, it is important to link the municipality's water tariffs to dam levels, also approved as part of the budget process. For example, if the dam levels drop to 60 per cent the first tier of restriction tariffs should become applicable in terms of the municipality's approved tariff policy.

It is also noted that NERSA approves seasonal tariffs for Eskom but not necessarily for the municipality. It is important that the municipality clearly factors this in its tariff application to NERSA, illustrating the cash flow crunch if the municipality is not similarly allowed a seasonal tariff to recover the higher Eskom bulk cost during winter months.

Lastly, municipalities are cautioned against setting tariffs that include operating inefficiencies. This could lead to tariffs falling into the unaffordable range.

[1] The spatialised tax data is now available through National Treasury for all municipalities that provides an up to date information on economic activity within a municipal boundary.

The Consumer Price Index (CPI) inflation is forecasted to be within the 3 to 6 per cent target band; therefore, municipalities are required to ***justify all increases in excess of the* projected inflation target for 2023/24** in their budget narratives and pay careful attention to tariff increases across all consumer groups. In addition, municipalities should include a detailed account of their revenue growth assumptions for the different service charges in the budget narrative.

Additional loadshedding considerations when calculating anticipated revenue collection rates include:

- Consumption patterns amongst pre-paid users who work more sparingly with electricity units. This can have a lagging effect on revenue estimations i.e. although units are paid for up front, it is not necessarily used in high-demand periods; and
- A decline in average consumption patterns for post-paid customers.

As part of its debtor management strategy municipalities should clearly communicate the impact of loadshedding on municipal tariff setting, including through education campaigns. Consumers will expect a decrease in their electricity bills as consumption drops due to loadshedding. Not understanding the impact of tariff structures (fixed and demand-driven components) can create distrust and reduce willingness to pay municipal accounts.

5.6 Municipal Debt Relief

An optimally designed debt solution for Eskom can leverage the structural reform of the electricity sector that is needed both on the Eskom side and the municipal side, however, the municipal debt owed to Eskom pose a material risk to any Eskom debt relief package. In parallel the challenge of defaulting municipalities cannot be separated from a consumer culture to not pay for services.

Municipal Debt Relief that is **conditional and application based**, has therefore been sanctioned. The relief is aimed to correct the underlying behaviour and operational practices in defaulting municipalities and Eskom while in parallel, progressively introducing a smart metering solution to change consumer behaviour by instilling a culture of payment for services consumed. The proposal consists of 4 elements:

i. **Eskom will write-off all debt municipalities owe** as on 31 March 2023 (excluding the March 2023 current account). This will be done over three national financial years and require as a critical qualification that municipalities monthly honour their current (monthly consumption) Eskom and water accounts going forward and maintain a minimum average quarterly collection, etc;
ii. Secondly, **new mechanisms are explored to resolve non-payment** – this to include a dispute ombud mechanism and re-assigning the license of persistent defaulters;
iii. Thirdly, Eskom will continue to **implement a regime of installation of pre-paid meters** in Eskom supplied areas to improve Eskom collection. Municipalities are additionally encouraged to adopt a similar operating regime; and
iv. Lastly, the National Treasury will continue to implement municipal revenue enhancement initiatives, including a transversal tender for a smart pre-paid meter solution to change to a forward looking culture of payment of the consolidated municipal bill.

More details on the application process and related conditions for municipalities will soon be outlined and published through a separate MFMA Circular.

5.7 Bulk Account Payments and Concessions

Since 2018/19, intense work was undertaken to resolve systemic and structural issues pertaining to the electricity function in municipalities. Core to this work was addressing the

escalating Eskom debt that threatened the sustainability of Eskom as well as that of municipalities.

During the process, Eskom agreed to provide relieve in certain areas. Municipalities are reminded of the following concessions that remain in place:

- The interest rate charged on overdue municipal bulk accounts were reduced from prime plus 5 per cent to prime plus 2.5 per cent;
- Payment terms were extended from 15 days to 30 days for municipal bulk accounts; and
- Eskom allocation of municipality payments to capital first and then to interest.

These concessions align to the MFMA and are meant to curb municipal growing debt levels by allowing a more conducive payment regime than what was previously employed. In addition, municipalities are urged to budget for and ring-fence their payment of bulk services. Bulk current account payments must be honoured religiously to avoid stringent application of the bulk suppliers' credit control policy.

Municipalities are also urged to enforce a culture of payment for services through their normal credit control processes. In this regard it should be noted that municipalities are only compensated for free basic services based on an indigent user component calculation through the equitable share. As such, a municipality's allocation of free basic services to all of the municipality's consumers is not funded in the equitable share. Every municipality, during the budget process, must consider the affordability to the municipality when allocating free basic services above the national norm and to consumers other than indigent consumers. **If a municipality has any arrears on any of its bulk supplier's accounts, it must limit its provision of free basic services to registered indigent consumers only**.

5.8 Critical Notice Affecting STS Meters

As highlighted in previous MFMA Circular No. 115 (dated 04 March 2022) municipalities are once again alerted that there is still a pending business risk to the prepayment metering industry that requires urgency of action. The token identifiers (TID) used to identify each credit token will run out of available numbers in November 2024, at which point all STS meters will stop accepting credit tokens.

The remedy is to visit each meter and enter a special set of key change tokens in order to reset the meter memory. Municipalities are advised that the National Treasury, through the Office of the Chief Procurement Officer (OCPO), will soon facilitate a transversal contract for the provision of auditing, re-calibration and re-configuration services for standard transfer specification compliant prepayment meters that align to minimum and critical technical specifications for local government. In this respect the development of the transversal contract for smart prepaid meters as per NRS 049 (per latest approved version) is at an advanced stage and should be issued shortly by National Treasury.

If your municipality or municipality entity is currently in the process of procuring for a solution or is planning to, you are cautioned:

- Against proceeding prior to the OCPO having issued and awarded the transversal contract for the provision of inter alia auditing, re-calibration and re-configuration services for standard transfer specification compliant prepayment meters Terms of Reference (ToR); and
- That, with immediate effect, you must inform and obtain the National Treasury's input prior to proceeding with any current procurement or proposed procurement for this purpose or any related solution or similar. This is to prevent unnecessary and wasteful expenditure on such solutions. Any request for National Treasury's input on the current or planned procurement of any related solution or similar or component thereof, must be

directed to the National Treasury for the attention of the Local Government Budget Analysis Unit (Mr. Sadesh Ramjathan) at Sadesh.Ramjathan@treasury.gov.za.

In this regard, municipalities will have two options to choose from:

- Firstly, to pursue the route of auditing, re-calibrating and re-configuring services for standard transfer specification compliant prepayment meters; and/ or
- Secondly, to replace the old meter with a new smart prepaid meter.

For both options, the municipality will have to budget accordingly as no additional funding will be available through the national fiscus.

Your assistance in proactively ensuring that the municipality and/ or its entities are not adversely affected by these processes will be appreciated.

5.9 Completeness and credibility of revenue related information in the Budget

The MBRR regulates the minimum level of information required from municipalities when compiling, implementing, monitoring, and evaluating the municipality's financial management situation. Failure to include the minimum required information hampers the municipal council, the public and stakeholders' ability to make informed decisions and engage on the matter. It also limits research, studies, and benchmarking undertaken for local, provincial, and national purposes.

The National Treasury would like to take this opportunity to caution municipalities that the MBRR prescribe the minimum level of information municipalities must include as part of their legal reporting obligations.

Going forward the Treasuries will place increased attention and focus on the adequacy of municipalities' submissions. The National Treasury regards this non-compliance to include the minimum level of information as serious and if persistent will consider applying the available legal sanctions, including recourse in terms of section 216(2) of the Constitution. In this context, National Treasury will particularly focus on the completeness of asset management related information as well as the statistical information required in the A, B and C schedules during the 2023/24 MTREF.

5.10 Eskom Bulk Tariff increases

The National Energy Regulator of South Africa (NERSA) is responsible for the price determination of the bulk costs of electricity. In January 2023, NERSA approved tariff increases of 18.7 per cent in 2023/24 and 12.7 per cent increase in 2024/25. For purposes of calculating the free basic energy subsidy in the local government equitable share formula, the National Treasury has added 2 per cent to these increases. This is in anticipation of higher increases than those published in January, for municipalities, due to the difference in the financial years of Eskom customers and municipalities meaning that Eskom only has nine months to collect the allowable revenue from municipalities. R1.1 billion is added to the free basic energy subcomponent of the free basic services component of the local government equitable share formula to fund these higher tariff increases. To this end, the free basic electricity subsidy in the local government equitable share is calculated based on a 20.7 per cent tariff increase in 2023/24 and a 14.7 per cent increase in 2024/25. In the absence of an approved tariff increase in the outer year of the MTEF period, the formula assumes an increase of 17.7 per cent in 2025/26. This is the average of the estimated increases for the first two years of the MTEF period.

5.11 Updated Municipal Borrowing Policy Framework

Cabinet approved the Update to the Policy Framework for Municipal Borrowing and Financial Emergencies on the 17th of August, 2022. The purpose of the update was to re-examine the original Policy Framework, along with the legislation (i.e. Municipal Finance Management Act – MFMA) that was adopted to implement it, considering the experience with municipal borrowing that has accumulated since 2000.

The following key reforms have been introduced through the Update to the Policy Framework for Municipal Borrowing:

- The Policy Framework for Municipal Borrowing has been updated to introduce the necessary reforms that will expand the scope of responsible municipal borrowing and create an environment that attracts more players (e.g. insurers, pension funds, institutional investors and fund managers, and international Development Finance Institutions) in the municipal debt market space. The original core principles underlying municipal borrowing are maintained (i.e. creditworthy municipalities should borrow prudently to finance capital investment, and that there will be no bail-outs by the provincial or national government);

- The updated policy framework clarifies the role of Development Finance Institutions (DFIs), as it was not clearly articulated in the original policy. DFIs are required to pursue clear and agreed developmental goals, as outlined in the policy. The objective of this approach is to ensure that a DFI lending does not crowd out the private sector. Public-sector lenders, both domestic and foreign, should be guided by a social and developmental investment approach in which demonstrable social outcomes are considered alongside potential financial returns;

- The updated policy framework permits and clarifies innovative infrastructure financing mechanisms (such as pooled financing mechanisms, project finance, tax increment financing, revenue bonds, and pledging of conditional grants) that municipalities can use to leverage municipal borrowing. Municipalities are encouraged to explore these alternatives, and innovative infrastructure financing mechanisms permitted subject to the requirements contained in the Municipal Finance Management Act (MFMA); and

- The participation of both private and public sector market participants in the development of a liquid secondary market for municipal debt securities is also encouraged. The policy proposes options that can be explored to support the development and growth of an efficient and liquid market for municipal debt obligations.

The Updated Municipal Borrowing Policy Framework can be accessed at the MFMA website at the following link http://mfma.treasury.gov.za/Guidelines/Pages/default.aspx.

5.12 Tariff Policies

Municipalities must comply with the provisions of Section 74 of the Municipal Systems Act (MSA) which requires that a municipal council must adopt and implement a tariff policy on the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements, and which complies with the provisions of this Act and with any other applicable legislation. Municipalities should also ensure that the tariff policies adhere to all the principles outlined in section 74(2) of the MSA. A municipality's tariff policies must also take into consideration variable factors such as water shortages and electricity feedback excess into the municipal system from new generation capacity. Municipalities are urged to develop wheeling and Small-Scale Embedded Generation (SSEG) frameworks to guide the

development of associated tariffs. Municipalities must adopt by-laws to give effect to the implementation and enforcement of their tariff policies.

5.13 Non-Revenue Electricity and Non-Revenue Water/ Revenue Losses

Water Service Authority municipalities and electricity licensed municipalities are urged to align both their non-revenue water and non-revenue electricity indicators and their set targets in the 2023/24 SDBIPs with identifiable infrastructure or operational projects and/ or programmes. Municipalities should track improvements on the baseline information included in the SDBIPs by indicating the volume of water losses (i.e., kilolitres/ mega-litres) and the amount of electricity losses (KwH or MWs) for the previous year. This approach will help to determine the progress of municipalities in curbing losses, which impact on municipal revenues, in both non-revenue water and non-revenue electricity.

6. Burial of Councillors

Salaries, allowances and benefits for political office-bearers and members is managed through Determination of Upper Limits of Salaries, Allowances and Benefits of Different Members of Municipal Councils notice issued by the Minister of Cooperative Governance and Traditional Affairs.

Section 167 of the MFMA provides that a municipality may remunerate its Councillors within the framework of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998), setting the upper limits of the salaries, allowances and benefits for those political office-bearers and members. Any benefit which is not included in the above-mentioned notice constitutes irregular expenditure and recovery thereof from the Councillor concerned is mandatory.

Municipalities may also refer to relevant Councillor Pension Scheme or personal funeral policies in existence for any funeral benefits relating to such Councillor.

7. Funding choices and management issues

Municipalities are under pressure to generate and collect revenue for service delivered. The ability of customers to pay for services is declining and this means that less revenue will be collected. Therefore, municipalities must consider the following when compiling their 2023/24 MTREF budgets:

- Improving the effectiveness of revenue management processes and procedures;
- Cost containment measures to, amongst other things, control unnecessary spending on nice-to-have items and non-essential activities as highlighted in the Municipal Cost Containment Regulations read with MFMA Circular No. 82;
- Ensuring value for money through the procurement process;
- The affordability of providing free basic services to all households;
- Not taking on unfunded mandates;
- Strictly control the use of costly water tankers and fix the water infrastructure to enable the sustainable provision of water;
- Automate business services where possible to increase efficiencies and lower customer costs;
- Prioritise the filling of critical vacant posts, especially linked to the delivery of basic services; and
- Curbing the consumption of water and electricity by the indigents to ensure that they do not exceed their allocation.

Accounting officers are reminded of their responsibility in terms of section 62(1)(a) of the MFMA to use the resources of the municipality effectively, efficiently and economically. Failure to do this will result in the accounting officer committing an act of financial misconduct which will trigger the application of chapter 15 of the MFMA, read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014.

7.1 Employee related costs

The Salary and Wage Collective Agreement for the period 01 July 2021 to 30 June 2024 dated 15 September 2021 through the agreement that was approved by the Bargaining Committee of the Central Council in terms of Clause 17.3 of the Constitution should be used when budgeting for employee related costs for the 2023/24 MTREF. In terms of the agreement, all employees covered by this agreement shall receive with effect from 01 July 2023 and 01 July 2024 an increase based on the projected average CPI percentages for 2023 (5.4 per cent according to the Reserve Bank's Monetary Committee Statement for January 2023) and 2024 (4.8 per cent according to the Reserve Bank's Monetary Committee Statement for January 2023). The forecasts of the Reserve Bank, in terms of the January 2023 and January 2024, shall be used to determine the projected average CPI. Municipalities are encouraged to perform an annual head count and payroll verification process by undertaking a once-a-year manual salary disbursement, to root out ghost employees.

According to the 2021 State of Local Government Finance Report, there are about 165 municipalities that are in financial distress. These municipalities need to ensure that they seek an early exemption from this dispensation of this salary agreement. Municipalities should also avoid paying out leave in cash while having major financial challenges.

7.2 Remuneration of Councillors

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. It is anticipated that this salary determination will also take into account the fiscal constraints. Municipalities should also consider guidance provided above on salary increases for municipal officials during this process. Any overpayment to 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 councilor(s) concerned.

8. Conditional Grant Transfers to Municipalities

8.1 Criteria for the release of the Equitable Share

The equitable share release criteria for 2023/24 were set out in MFMA Circular No. 122. To assist with managing this process, a guiding checklist has been developed (attached hereto as Annexure A) which municipalities can follow throughout the course of the year to ensure that the required documents are timeously uploaded to the GoMuni platform in line with the prescribed deadlines.

Going forward, municipalities will be required to submit the completed checklist as part of the quarterly performance reporting process for quarter 1 of the municipal financial year. According to section 52(d) of the MFMA, the mayor of a municipality must within 30 days of the end of each quarter, submit a report to council on the implementation of the budget and the financial state of affairs of the municipality. The report must then be submitted to National

and Provincial Treasury within 5 days of being tabled in council as per section 32 of the MBRR. The report for quarter 1 of 2023/24 must therefore be submitted to council by the end of October 2023 and submitted to National and Provincial Treasury by no later than 5 November 2023. By including the completed checklist in this report, municipalities confirm their adherence to the equitable share release criteria, including that all supplementary information (as defined in the checklist) was successfully uploaded to the GoMuni platform.

Please note that most of the information required for the release of the equitable share, is already uploaded/ submitted by municipalities as part of existing reporting requirements throughout the year. There are however a few items (clearly marked in the checklist) that does not have a dedicated storage location (for example, payments of employee benefits) on GoMuni. A dedicated Equitable Share Verification Folder will be created on GoMuni for this purpose.

8.2 Criteria for the rollover of conditional grant funds

In terms of Section 21 of the Division of Revenue Act, 2022 (Act No.5 of 2022) (DoRA) in conjunction with the Division of Revenue Amendment Act, 2022 (Act No. 15 of 2022) (DoRAA), the Act requires that any conditional allocation or a portion thereof that is not spent at the end of the 2022/23 financial year reverts to the National Revenue Fund (NRF), unless the rollover of the allocation is approved in terms of subsection (2). Furthermore, the receiving officer, provincial treasury and national transferring officer is required to prove to National Treasury that the unspent allocation is committed to identifiable projects, in which case the funds may be rolled over.

When requesting a rollover in terms of section 21(2) of the 2022 DoRA, municipalities must include the following information with their submission to National Treasury:

1. A formal letter, signed by the accounting officer addressed to the National Treasury requesting the rollover of unspent conditional grants in terms of section 21(2) of the 2022 DoRA;
2. A list of all the projects that are linked to the unspent conditional grants and a breakdown of how much was allocated, spent and the balance per project;
3. The following evidence indicating that work on each of the projects has commenced, as applicable to the specific rollover(s):

    a) Proof that a contractor or service provider was appointed for delivery of the project before 31 March; or
    b) Proof of project tender and tender submissions published and closed before 31 March or with the appointment of contractor or service provider for delivery of service before 30 June in cases where additional funding was allocated during the course of the financial year of the project;
    c) Incorporation of the Appropriation Statement;
    d) Evidence that all projects linked to an allocation will be fully utilised by 30 June 2024 (attach cash flow projection for the applicable grant).

4. A progress report (also in percentages) on the status of each project's implementation that includes an attached **legible implementation plan**);
5. The value of the committed project funding and the conditional allocation from the funding source;
6. Reasons why the grants were not fully spent during the year on the original allocation per the DoRA;
7. Rollover of rollovers will not be considered. Municipalities must therefore not include previous year's unspent conditional grants as rollover request;
8. An indication of the time period within which the funds are to be spent if the rollover is approved; and

9. Proof that the Municipal Manager and Chief Financial Officer are permanently appointed.

No rollover requests will be considered for municipalities with vacant or acting Chief Financial Officers and Municipal Managers for a period exceeding 6 months from the date of vacancy; this also includes acting appointments because of suspensions of either MM or CFO that are more than 12 months.

If any of the above information is not provided or the application is received by National Treasury (Intergovernmental Relations Division) after 31 August 2023, the application will be declined.

In addition, National Treasury will also consider the following information when assessing rollover applications; and reserves the right to decline an application should there be non-performance by the municipality in any of these areas:

1. Compliance with the in-year reporting requirements in terms of sections 71 and 72 of the MFMA and section 12 of the 2022 DoRA, **including the Municipal Manager and Chief Financial Officer signing-off on the information** sent to National Treasury;
2. Submission of the pre-audited Annual Financial Statements to National Treasury by 31 August 2023;
3. Accurate disclosure of grant performance in the 2022/23 pre-audited Annual Financial Statements, (i.e. correct disclosure of grant receipts and spending in the notes to the AFS);
4. Despite the fact that local government is required to comply with to different norms and standards prescribed by different legislations, municipalities are expected to fully comply with the provisions of DoRA that relate to rollover processes and disclose conditional grant performance in the 2022/23 pre-audited Annual Financial Statements (i.e Cash coverage and unspent conditional grants in the Statement of Financial Position) in order to verify grant expenditure; and
5. Cash available reflected in the Statement of Financial Position and Cash Flow Statements and the bank (net position including short term investments) as at 30 June 2023 is equivalent to the unspent amount at the end of the financial year. If the amount that is requested for rollover **is not entirely cash-backed**, such a rollover will not be approved. National Treasury will also not approve portions of rollover requests.

It should be noted that under no circumstances will the National Treasury consider requests to rollover:

1. The entire 2022/23 allocation to the municipality, in cases whereby the rollover request is more than 50 per cent of the total allocation, National Treasury will approve the rollover amount up to 50 per cent of the 2022/23 allocation;
2. Rollover request of the same grant for the third consecutive time. In a case where a municipality is applying for rollover as a result of additional funding, the application will be given a careful consideration;
3. Funding for projects procured through Regulation 32 of the Municipal Supply Chain Management Regulations (Gazette No.27636) – Projects linked to additional funding and disasters are exempted; and
4. A portion of an allocation where the proof of commitment for the rollover application is linked to invoices that were issued before or on 31 May 2023.

8.3 Unspent conditional grant funds for 2022/23

The process to ensure the return of unspent conditional grants for the 2022/23 financial year will be managed in accordance with section 22 of the DoRA. In addition to the previous MFMA Circulars, the following practical arrangements will apply:

Step 1: Municipalities must submit their June 2023 conditional grant expenditure reports according to section 71 of the MFMA reflecting all accrued expenditure on conditional grants and further ensure that expenditure reported to both National Treasury and national transferring officers reconciles;

Step 2: When preparing the Annual Financial Statements, a municipality must determine the portion of each national conditional grant allocation that remained unspent as at 30 June 2023. The unspent grant values must be determined based on the guidance that was provided in *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 22(2) of the 2020 DoRA that the unspent funds are committed to identifiable projects, the rollover application pack must be submitted to National Treasury by no later than 31 August 2023.

National Treasury will not consider any rollover requests that are incomplete or received after this deadline.

Step 4: National Treasury will confirm in writing whether or not the municipality may retain any of the unspent funds as a rollover based on criteria outlined above by 20 October 2023;

Step 5: National Treasury will communicate the unspent conditional grants amount by 08 November 2023. A municipality must return the remaining unspent conditional grant funds that are not subject to a specific repayment arrangement to the National Revenue Fund by 17 November 2023; and

Step 6: Any unspent conditional grant funds that should have but has not been repaid to the National Revenue Fund by 17 November 2023, and for which a municipality has not requested a repayment arrangement, will be offset against the municipality's 06 December 2023 equitable share allocation.

All other issues pertaining to Appropriation Statement and reporting on approved rollovers are addressed in the Annexure to MFMA Circular No. 86.

9. The Municipal Budget and Reporting Regulations

9.1 Alignment of Municipal Budget and Reporting Regulations (MBRR) Schedules

The revised Regulated MBRR Schedules (A1, B, C, D, E and F), as aligned to the *m*SCOA chart and GRAP are published on the National Treasury web page and can be accessed using the following link.

http://mfma.treasury.gov.za/RegulationsandGazettes/Municipal%20Budget%20and%20Reporting%20Regulations/Documents/Forms/AllItems.aspx?RootFolder=%2fRegulationsandGazettes%2fMunicipal%20Budget%20and%20Reporting%20Regulations%2fDocuments%2f2023%2d24&FolderCTID=0x0120001860D4A2BD7AD042BF8427FC3BB59F67

The alignment of the A1 Schedules required substantial changes to the reporting formats used for budgeting and reporting purposes which required the creation of new A1 Schedule codes to ensure that the data strings populate the new reporting formats. The relevant changes were also made in the reporting formats relating to versions 6.1 to 6.7 of the *m*SCOA chart to ensure that the historical data are populating when reports are drawn from GoMuni.

To ensure that ERP systems generate the A1 Schedule aligned to version 6.7 of the *m*SCOA chart, municipalities and system vendors should refer to the linkages provided on GoMuni. The following reports on GoMuni should be used for this purpose:

- List *m*SCOA account linkages to A1 Schedule based on 6.7 under menu option *m*SCOA Reporting; and
- List *m*SCOA A1 schedule codes WIP (i.e. new A1 Schedule codes) under menu option *m*SCOA Administration.

Both reports can be located under:

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

The new format for the non-financial data strings A1D and A1F is available on the link below:

http://mfma.treasury.gov.za/RegulationsandGazettes/Municipal%20Budget%20and%20Reporting%20Regulations/Documents/Forms/AllItems.aspx?RootFolder=%2fRegulationsandGazettes%2fMunicipal%20Budget%20and%20Reporting%20Regulations%2fDocuments%2f2023%2d24&FolderCTID=0x0120001860D4A2BD7AD042BF8427FC3BB59F67

The A1D is the data string which populates information which we do not extract from the TABB while the A1F populates the budget information which we do not extract from the ORGB. Municipalities should ensure that they use the new format when submitting the non-financial data strings.

10. Submitting budget documentation and A1 schedules for 2023/24 MTREF

The MFMA and its Regulations require the submission of *m*SCOA data strings for budgets, in-year reporting, and annual financial statements in a specific format and by a required timeframe. The credibility and accuracy of the *m*SCOA data strings must be verified by municipalities prior to submission to the GoMuni Upload portal. Since the financial system must be locked at the end of the month in order to generate a *m*SCOA data string, municipalities may not open closed periods to correct errors. Errors must be corrected in the next open period. Providers of municipal financial systems must ensure that the necessary internal controls are built into the system to prevent the opening of closed periods on the financial system and the bypassing of such controls. This also applies to the correction of information in closed periods for 3rd party systems that should be integrating with the main financial system in terms of the requirements of the *m*SCOA Regulations.

From 1 July 2023, Municipal Managers and Chief Financial Officers will be required to sign off on the financial and non-financial data strings submitted to the GoMuni Upload portal when they submit their data strings. The schedules prescribed in terms of the Municipal Budget and Reporting Regulations (MBRR) populated from the *m*SCOA data strings on National Treasury's Local Government and Reporting System (LGDRS) must also be signed off monthly. These sign-offs are for audit purposes and serves as a confirmation by the municipality that the data strings submitted are accurate. Details on the submission of the signed-off figures will be communicated in due course.

In terms of Section 171 of the MFMA, financial misconduct by municipal officials includes the provision of incorrect or misleading information in any document which must be submitted to the National Treasury.

From 1 July 2023, the GoMuni Upload portal for the monthly in-year data strings will be closed at 16h00 on the 10th working day of each month. All publications by the National and Provincial Treasuries are now solely sourced from the *m*SCOA data strings submitted by

municipalities and several stakeholders including Statistics South Africa (STATSSA), Auditor General South Africa (AGSA), the Reserve Bank, and NERSA are in the process of streamlining some of their reporting to the information contained on the National Treasury Local Government Database and Reporting System (LGDRS). The resubmission of data strings after the legislated timeframes is not only illegal but also causing challenges in data sets used by various stakeholders for analysis and reporting purposes. **No data string submissions will therefore be accepted by the National Treasury after the 10th working day of the respective month**.

Contact

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JH Hattingh
Chief Director: Local Government Budget Analysis
03 March 2023

ANNEXURE A: Equitable Share Verification Checklist:

General Requirements

Criteria	Verification Requirement	Yes/No
2023/24 Adopted Budget	Council resolution, adopted *m*SCOA budget data strings (ORGB), PDF version of adopted MTREF budget uploaded to GoMuni Upload portal immediately after approval.	
• Is the municipality's completed tariff tool (National Treasury format) included as part of its budget submission (MFMA Budget Circular No. 98 (refer item 4.2).	The completed National Treasury EXCEL tariff tool uploaded to GoMuni with the adopted budget by start of budget year i.e. **1 July 2023**.	
• Are allocations made for bulk suppliers current account payments?	Allocations reflected in *m*SCOA budget data strings (ORGB) and budget schedules/ document.	
If unfunded budget position–	-	
• Is a Budget Funding Plan (BFP) adopted with the budget?	Copy of the adopted Budget Funding Plan uploaded to GoMuni with the adopted budget by start of budget year i.e. **1 July 2023**.	
	PDF version of BFP/progress report uploaded to GoMuni Upload portal by start of budget year i.e. **1 July 2023**.	
	Is the BFP credible and show how the municipality intends moving progressively out of this position into a funded state?	
	In the case of the latest progress report being submitted, is it aligned to the rescue phase of the new approach to Municipal Financial Recovery Service (MFRS)?	
• Council resolution reflecting commitment to address unfunded position.	PDF copy of resolution uploaded to GoMuni Upload portal by start of budget year i.e. **1 July 2023**.	
***m*SCOA**		
• Submission of Data Strings	Successful submission of all financial and non-financial *m*SCOA data strings to the GoMuni Upload portal	
	Timeous submission of all financial and non-financial *m*SCOA data strings to the GoMuni Upload portal	
	Data strings submitted are credible as per the analysis done by NT/PTs	
	Data strings are generated directly from the main municipal financial system	
	The regulated MBRR Schedules are generated directly from the core municipal financial system	
	Successful submission of all financial and non-financial *m*SCOA data strings to the GoMuni Upload portal	
• Submisison of documents	Municipal documents required in terms of legislation and MFMA Circulars have been submitted timeously and in the required format to the GoMuni Upload portal.	
• Financial System Changes	Municipality has followed the processes in Circulars No. 93, 98, 123 and mSCOA Circulars No 5 and 6 to change their financial system.	
UIF & W		
• UIF&W Register	Documents need to be uploaded to NTs eMonitoring Webpage	
• MPAC recommendation on UIF&W		
• Council Resolution on UIF&W		
• UIF&W Reduction Strategy		
Disciplinary Board		
• Does the municipality have a functional disciplinary board?	Proof of establishment (or efforts to establish DC Board) uploaded to NTs eMonitoring Webpage NTs eMonitoring Website.	
Competency Regulations		
• Has the minimum municipal competency regulations reporting requirements been adhered to?	In line with the Competency Regulations, consolidated reporting information must be uploaded to GoMuni by **30 January 2023** and **30 July 2023**.	
Audit Process		
• Opinion Received	Did the municipality receive an adverse or disclaimed audit opinion or had outstanding audits for two consecutive financial years?	
• Adverse or disclaimed audit opinion	Council resolution signed by each member of the Council was was uploaded to NT's eMonitoring Webpage within 1 month after conclusion of the audit process reflecting council's commitment to address the opinion.	
• Is a council approved audit action plan in place?	Audit action plan, together with council resolution, to be uploaded to NT's eMonitoring Webpage within 60 days from audit report issuance.	
Interventions (where applicable)		
• In the event of a discretionary or mandatory intervention in terms of section 139 of the Constitution, is a Financial Recovery Plan (FRP) in place?	The FRP and monthly progress reports submitted in terms of sections 145 and 146 of the MFMA must be uploaded to GoMuni Upload portal for each month since the inception of the FRP.	

Quarterly Requirements

Criteria	Verification Requirement	Quarter 3 (Jan – March)	Quarter 4 (April – June)	Quarter 1 (July – Sept)	Quarter 2 (Oct – Dec)
Bulk Supplier Payments					
• Were current account payments to bulk suppliers (Eskom and Water Boards) timeously made?	PT/NT to verify status according to MFMA S41 Report. No action required from municipality if account in good standing.	-	-	-	-
• *If current account in arrears, are payment agreements in place?*	Copy of payment agreement or evidence of discussions are uploaded to on GoMuni Upload portal.				
Staff benefit Deductions					
• Were a) SARS, b) pension and c) other staff benefits timeously paid over to the relevant funds/institutions?	Proof of payment for each category, for each month of the quarter uploaded to on GoMuni Upload portal.				
Reconciliation of Valuation Roll					
• Has the valuation role been reconciled to the financial system?	In line with MFMA Circulars No. 93, 98 and 107, proof of the verification for each quarter should be uploaded on GoMuni Upload portal.				

Provincial Treasury
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Reference: RCS/C.5

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TREASURY CIRCULAR MUN. NO. 5/2023

THE MAYOR, CITY OF CAPE TOWN
THE MAYOR, WEST COAST DISTRICT MUNICIPALITY
THE MAYOR, MATZIKAMA MUNICIPALITY
THE MAYOR, CEDERBERG MUNICIPALITY
THE MAYOR, BERGRIVIER MUNICIPALITY
THE MAYOR, SALDANHA BAY MUNICIPALITY
THE MAYOR, SWARTLAND MUNICIPALITY
THE MAYOR, CAPE WINELANDS DISTRICT MUNICIPALITY
THE MAYOR, WITZENBERG MUNICIPALITY
THE MAYOR, DRAKENSTEIN MUNICIPALITY
THE MAYOR, STELLENBOSCH MUNICIPALITY
THE MAYOR, BREEDE VALLEY MUNICIPALITY
THE MAYOR, LANGEBERG MUNICIPALITY
THE MAYOR, OVERBERG DISTRICT MUNICIPALITY
THE MAYOR, THEEWATERSKLOOF MUNICIPALITY
THE MAYOR, OVERSTRAND MUNICIPALITY
THE MAYOR, CAPE AGULHAS MUNICIPALITY
THE MAYOR, SWELLENDAM MUNICIPALITY
THE MAYOR, GARDEN ROUTE DISTRICT MUNICIPALITY
THE MAYOR, KANNALAND MUNICIPALITY
THE MAYOR, HESSEQUA MUNICIPALITY
THE MAYOR, MOSSEL BAY MUNICIPALITY
THE MAYOR, GEORGE MUNICIPALITY
THE MAYOR, OUDTSHOORN MUNICIPALITY
THE MAYOR, BITOU MUNICIPALITY
THE MAYOR, KNYSNA MUNICIPALITY
THE MAYOR, CENTRAL KAROO DISTRICT
THE MAYOR, LAINGSBURG MUNICIPALITY
THE MAYOR, PRINCE ALBERT MUNICIPALITY
THE MAYOR, BEAUFORT WEST MUNICIPALITY

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MUNICIPAL BUDGET CIRCULAR FOR THE 2023/24 MTREF AND ASSOCIATED 2023 STRATEGIC INTEGRATED MUNICIPAL ENGAGEMENTS

1. INTRODUCTION

This Circular should be read in conjunction with National Treasury (NT) MFMA Circulars No. 122 and No. 123 issued on 09 December 2022 and 03 March 2023 respectively.

The purpose of this circular is to:

- Provide an overview of the current fiscal and economic context and key highlights from the 2023 National Budget as well as the 2023 Provincial Budget (Section 3; pages 4-6)
- Provide guidance to municipalities with the **finalisation of the 2023/24 Medium Term Revenue and Expenditure Framework (MTREF) Budgets** and accompanied budget documentation (Section 4; pages 7-15), and
- **Brief municipalities on the 2023 Strategic Integrated Municipal Engagements (SIME) process** and related matters (Section 5; pages 15-18).

2. LEGISLATIVE CONTEXT

The Western Cape Provincial Government (WCG) has institutionalised the Strategic Integrated Municipal Engagements (SIME; previously referred to as LG MTEC) process in fulfilment of its obligations under:

- Sections 5, 22 and 23 of the Local Government: Municipal Finance Management Act (MFMA), Act No. 56 of 2003;
- Chapter 5 of the Local Government: Municipal Systems Act (Act No. 32 of 2000) [MSA];
- Chapter 3 of the National Environmental Management Act (Act No. 107 of 1998) (NEMA); and
- Chapter 4 of the Spatial Planning and Land Use Management Act (Act No. 16 of 2013) (SPLUMA).

The 2023 SIME process builds on the 2021 integrated municipal and Provincial processes to strengthen alignment between municipal and Provincial planning and budgeting and drives the theme of "**Integrated service delivery**", as municipalities are preparing for the second year of the 2022-2027 Integrated Development Planning Cycle.

3. FISCAL AND ECONOMIC CONTEXT

3.1 Economic and Fiscal Environment

The South African economy is expected to slow in 2023 and over the medium term and the risks to the economic outlook remain elevated. Real economic growth is projected to be 2.5 per cent in 2022. However, due to extensive power outages and other domestic logistical constraints, the South African Reserve Bank (SARB) forecasts real GDP growth of only 0.3 per cent in 2023. The SARB has also revised its 2024 and 2025 projections downwards to 0.7 per cent and 1.0 per cent, respectively. The 2023 SIME process will therefore take place in a time of heightened economic uncertainty and downside risks.

The broad-based slowdown of the global economy combined with a weaker economic outlook for South Africa has decelerated growth prospects for the Western Cape. The Province faces challenges such as weak consumer demand, higher inflation and rising interest rates while also being exposed to national challenges of port and rail inefficiencies, labour unrest, and power outages. Consequently, the Western Cape economy is expected to have expanded moderately by 2.0 per cent in 2022 and 1.9 per cent in 2023.

While the expectation has been that inflation would remain steady, annual headline Consumer Price Inflation (CPI) moved to 7.0 per cent in February 2023, largely driven by sharp hikes in food prices. Additionally, the US central bank raised its key interest rates by 25 basis points on the 22 March 2023, which increases the likelihood of a similar interest rate hike for South Africa. An announcement will be made on the 30 March 2023, following the SARB'S Monetary Policy Committee (MPC) meeting next week.

The following macro-economic forecasts for Consumer Price Index (CPI) inflation must be considered when preparing the 2023/24 MTREF municipal budgets.

Table 1: Macroeconomic performance and projections, 2021 – 2026

Fiscal year	2021/22 Actual	2022/23 Estimate	2023/24	2024/25	2025/26
CPI Inflation	4.9%	6.9%	5.3%	4.9%	4.7%

Source: NT MFMA Budget Circular No. 123

3.2 2023 National Budget

The 2023 National Budget has been presented in the context of significant economic and social challenges facing South Africa. Key highlights of the national budget include:

- It is projected that the consolidated budget deficit will continue to decline over the MTEF period, narrowing to 3.2 per cent in 2025/26. Total public sector debt is projected to stabilise at 73.6 per cent of GDP by 2025/26, after factoring in the Eskom debt-relief plan. Debt-service costs will rise to R397.1 billion in 2025/26, from R307.2 billion in 2022/23.
- It is anticipated that the gross tax revenue in 2022/23 will amount to R1.69 trillion, R93.7 billion more than the previous estimate from the 2022 Budget estimate. The higher-than-expected revenue is attributed to growth in most major tax bases despite intensified load-shedding and weaker global economic conditions. Given the various pressures over the MTEF period, it is necessary to allocate some of the extra revenue to reducing the fiscal deficit instead of utilising such to fund additional expenses.

- The 2023 Budget includes tax relief measures totalling R13 billion to facilitate the transition to clean energy, increase electricity supply, and alleviate the persistent impact of high fuel prices. Of this amount, R9 billion is provided to encourage households and businesses to invest in renewable energy.

- Over the next three years, the consolidated spending budget amounts to R7.08 trillion, with the bulk of the amount allocated towards the social wage. This encompasses the combined public expenditure on health, education, housing, social protection, transport, employment, and the local amenities.

- The proposed medium-term plan includes additional baseline allocations of R227 billion since the 2022 Budget. These increments are aimed at promoting infrastructure development, crime reduction, and enhancing healthcare and education services. Moreover, the cost of servicing the debt is expected to account for an average of 17.1 per cent of the main budget expenditure over the medium term.

- As the social wage takes up a significant portion of public expenditure, the 2023 MTEF allocates a significant share of nationally collected revenues to Provincial and local government. After setting aside funds for debt servicing costs, contingency and unallocated reserves, and provisional allocations, 41.5 per cent of the revenue generated nationwide will be distributed to provinces, while 10 per cent will be allocated to local government. Moreover, an additional R1.1 billion is allocated to the electricity component of the local government equitable share formula in 2023/24. This will offset additional charges for households that receive free basic electricity within municipalities.

- Over the 2023 MTEF period, local government allocations will increase by a total of R14.3 billion, made up of R8.1 billion in the local government equitable share and R6.2 billion in direct conditional grants.

- The local government equitable share formula has been updated to account for projected household growth, inflation and estimated increases in bulk water and electricity costs over the 2023 MTEF period. The 2023 Budget ensures adequate provision through the local government equitable share to ensure that all municipalities are fully subsidised to support indigent households.

- R1.35 billion has been left unallocated in the LGES formula for 2023/24 to serve as a precautionary measure should municipal electricity tariffs exceed the 20.7 per cent provided for in the formula. If the actual increase in municipal bulk tariffs exceeds the provision made in the formula, it will be the first call on those unallocated funds.

- National government transfers in the form of the provincial equitable share (PES) and Conditional grants are projected to increase from R73.523 billion in the 2022/23 revised estimate to R78.527 billion in 2025/26. This represents an annual average growth rate (AAGR) of 2.2 per cent. The Western Cape's net effect of the annual technical data updates to each of the PES formula components, together with the introduction of the new health risk-adjusted index reduced its PES share from 10.5 per cent in the 2022 MTEF to 10.3 per cent over the 2023 MTEF. The reduction is phased in over the three years to provide greater stability and predictability in the Provincial medium-term planning and budgeting process.

- These changes have a very real and tangible fiscal impact on the Province. Over the 2023 MTEF, the Western Cape's overall adjustment to the baseline together with the annual data updates to the various PES formula components amounted to a reduction of R1.919 billion, due to the impact of the revision to the health risk-adjusted index.

- The Western Cape's Conditional grant allocation over the 2023 MTEF period totals R14.474 billion in 2023/24, R14.408 billion in 2024/25 and R15.079 billion in 2025/26, constituting 17.8 per cent on average of the Province's total receipts.

- The Province's Conditional grant allocation increased by 1.9 per cent from a revised estimate of R14.201 billion in 2022/23. Over the 2023 MTEF, Conditional grants increased by R698.816 million or AAGR of 8.5 per cent. From the various additional allocations, the largest allocation was R417.634 million towards the Provincial Roads Maintenance Grant in 2023/24.

- The aggregate local government equitable share (LGES) increases at an average annual rate of 9.3 per cent from R83.7 billion in 2022/23 to R109.4 billion in 2025/26, mainly to provide for above-inflation escalation costs in bulk electricity and water supply. The equitable share includes allocations for the operational and maintenance costs associated with the provision of free basic services.

- The total LGES applicable for the Western Cape Municipalities equate to R7.343 billion for the 2023/24 financial year, increasing by 10 per cent from the 2022/23 allocation (R6.666 billion). The total allocations to municipalities (including the direct and indirect conditional Grants) are reflected as R13.290 billion in the 2023/24 financial year. The figure reveals a 14 per cent increase from the 2022/23 financial year (R11.637 billion).

The 2023 National Budget documentation is available here.

3.3 2023 Western Cape Provincial Budget

On Tuesday, 14 March 2023, the Western Cape Minister for Finance and Economic Opportunities, Ms. M Wenger, tabled the 2023 Western Cape Budget in the Provincial legislature. The Western Cape's 2023 Budget supports ongoing economic recovery by driving the Provincial priorities of Growth for Jobs, Safety and Wellbeing enabled by Innovation, Culture and Governance. Key highlights of the Provincial budget include:

- Over the three years of the 2023 MTEF, R39.824 billion has been allocated to boost economic growth and create opportunities for our citizens. Additionally, R4.760 billion is allocated to ensure safer communities and R170.911 billion has been allocated to ensure the wellbeing of residents in the Western Cape, which includes key services such as Education and Health. Lastly, R19.270 billion is allocated towards Innovation, Culture and Governance, the enablers of these key policy priority areas.

- By functional area, the three largest expenditures in 2023/24 are; education (R29.548 billion), health (R28.805 billion), and infrastructure and economic affairs (R11.7 billion). An additional R350 million has been allocated towards education infrastructure to accelerate infrastructure delivery to respond to a growth in demand for places in our schools.

- The 2023 Budget has a strong focus on improving energy resilience in the province with R1.1 billion set aside for the MTEF period, R598.475 million of this already allocated. The WCG aims to reduce the impact of loadshedding, improve advances in the green economy, set up a strong pipeline of green energy projects, scale up support to municipalities to help them get more power into the grid, and identify critical transmission infrastructure upgrades. Over the 2023 MTEF, the Department of Economic Development and Tourism (DEDAT) is allocated R24.0 million to improve energy resilience in municipalities. Additionally, the Department of Local Government will receive a total of R57.5 million to help municipalities pilot renewable energy solutions and includes the provision of specialists to find best-fit renewable energy options as well as the creation of municipal energy master plans. Additionally, R40 million will be allocated in each year

across the MTEF period for energy related project preparation support, particularly by municipalities, under the management of the Department of Infrastructure.

- The Department of Infrastructure is allocated significant funding for project preparation support. This includes earmarked allocations for mixed-use developments. A total of R32.4 million is allocated for mixed-use developments in the 2023/24 financial year and includes projects in Stikland North, Oude Molen, Leeuwenhof, Leeuloop and Caledon.

- The Western Cape Government will spend R80.319 billion across all municipal areas in the Province. The 2023 expenditure distribution per region is as follows: Cape Metro (R55.148 billion; 68.7 per cent), Cape Winelands (R9.643 billion; 12.01 per cent), Garden Route District (R7.356 billion; 9.16 per cent) West Coast District (R4.088 billion; 5.09 per cent) Overberg (R2.917 billion; 3.63 per cent) and Central Karoo District (R1.101 billion; 1.37 per cent).

- In addition to the WCG's emphasis on energy resilience, focus will also be placed on the ease of doing business, by working to improve the efficiency of the Port of Cape Town, by implementing the Municipal Ease of Doing Business Planning and Building Permit Reform Programme, and by improving the processes which inform Environmental Impact Assessments.

- The Western Cape Provincial Government has allocated R2.8 billion in conditional grants to municipalities in 2023/24 that must be taken up in municipal budgets. These allocations, as well as forward projections for the rest of the 2023/24 MTREF period are set out in Provincial gazette number 8730 of 14 March 2023 (available with the rest of the Provincial budget documents at the link above). The allocations to each municipality have also been summarised in an allocation letter sent to each municipality. These grants cover a wide range of functions, from strengthening the capacity of municipalities to deliver on their mandates to funding capital projects and delivering services on behalf of the province. The purpose of each grant is set out in its grant framework in the gazette.

- Municipalities are encouraged to refer to Chapter 6 of the Overview of Provincial Revenue and Expenditure (OPRE) which outlines the spatial distribution and the sectoral breakdown of education, health and wellness, infrastructure, and other Provincial expenditure across the Metro, district, and local municipalities in the Western Cape. Additionally, Chapter 3 of the Overview of Provincial Municipal Infrastructure Investment (OPMII) summarises the Provincial Government's infrastructure investment plans in each municipality. For further information on provincial allocations, kindly direct queries to:
  Budgetoffice.provincialtreasury@westerncape.gov.za

- The 2023 Provincial Budget documentation can be accessed here.

4. NATIONAL AND PROVINCIAL BUDGET GUIDELINES

The NT and PT circulars provide guidance to municipalities on revenue, expenditure and accounting related matters for consideration when compiling their 2023/24 MTREF budgets. Please note the following important matters:

- Municipalities are advised to consult MFMA Circulars No. 122 (2022) and No. 123 (2023) for guidance in respect of planning and budgeting towards the 2023 MTREF, available at this link.

- Municipalities MUST include the National and Provincial Treasury Budget Circulars as part of the source documents consulted in the preparation of the 2023 MTREF Budget documents and table it as part of the budget documentation in the municipal council.

4.1 Key focus areas for the 2023/24 budget process

4.1.1 Local government conditional and unconditional grant allocations

- Over the 2023 MTEF period, NT will undertake the following reforms to refine the local government equitable share formula:
  - **Introduce a cost differential model** which considers factors such as distances, topography and settlement type in the basic services component.
  - **Introduce a separate component for municipal health services and an explicit sub-component for the firefighting function** in the local government equitable share formula.
  - **Develop an objective criterion which municipalities can be benchmarked against in relation to their administrative functions** and explore policy options related to financing infrastructure in small and rural municipalities.

4.1.2 Re-enforcing improved intergovernmental relations in the 2023 Division of Revenue Bill, (DORB)

- In order to strengthen the system of good intergovernmental relations as envisaged in the Chapter 3 of the Constitution and subsequent related legislation, municipalities are reminded of Section 31(3) of DoRA that provides for the facilitation of personal liability for unnecessary litigation.
- Section 31 is amended to include a clause that requires that where an organ of state decides to institute judicial proceedings against another organ of state, it must, within 10 working days of its decision, notify the National Treasury, the relevant provincial treasury, the Department of Cooperative Governance and the Auditor-General, of the details of compliance with Chapter 4 of the Intergovernmental Relations Framework Act, 2005, including an explanation of the failure to resolve the dispute.

4.1.3 Conditional Grants Usage and transfers to municipalities

- Conditional grant funds may only be used for the purposes, and subject to the conditions specified in the framework for each conditional grant.
- These conditions are binding in terms of sections 11 and 12 of the annual Division of Revenue Act. Any instruction by a municipal, provincial, or national official or politician that is inconsistent with the framework of a conditional grant is invalid.
- Municipalities are reminded that in terms of section 32 of DoRA, spending of a grant that is inconsistent with DoRA is considered irregular or unauthorised expenditure.
- To assist municipalities with the criteria for the equitable share release for 2023/24, municipalities are to follow the guiding checklist provided by NT (in MFMA Circular No. 123). This checklist can be followed throughout the year to ensure that all documents are uploaded to the GoMuni platform. Municipalities will also be required to submit the completed checklist as part of the quarterly performance reporting process for quarter 1 of the financial year. By including the completed checklist in the report, municipalities confirm their adherence to the equitable share release criteria including that all supplementary information has been submitted onto Go-Muni.
- Section 21 of the Division of Revenue Act, 2022 (Act No.5 of 2022) (DoRA) in conjunction with the Division of Revenue Amendment Act, 2022 (Act No. 15 of 2022) (DoRA) requires that any conditional allocation or portion thereof that is not spent at the end of the 2022/23 financial year reverts to the National Revenue Fund (NRF), unless the rollover of the allocation is approved in

terms of subsection (2). Municipalities should therefore refer to NT Circular MFMA No. 123 for the list of information to include when requesting a rollover in terms of section 21(2) of the 2022 DoRA and for information on cases where NT may decline an application.

- NT must first see that the unspent allocations are committed to identifiable projects for the funds to be rolled over. Furthermore, if National Treasury receives the application after 31 August 2023, the application will be declined. Additionally, no rollover requests will be considered for municipalities with vacant or acting CFOs and MMs for a period exceeding 6 months from the date of vacancy.

4.2 The Revenue Budget

4.2.1 Setting cost-reflective tariffs

The basis of compiling a credible budget includes the setting of cost-reflective tariffs. The setting of cost-reflective tariffs is a requirement of Section 74(2) of the Municipal Systems Act to ensure that municipalities set tariffs that enable them to recover the full cost of rendering the service. Guidance for the setting of cost-reflective tariffs are as follows:

- Municipalities are advised to balance full cost recovery on services with affordability for residents. National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other consumers while ensuring the financial sustainability of the municipality. If the municipality's initial tariff calculation results in high increases to facilitate cost-reflectiveness, it is recommended that such are phased in over 3 to 5 years. The municipality's strategy in this regard should be included as part of the budget narratives.

- Where the full increase in the cost of a service is not passed onto consumers, municipalities must offset the increased costs through savings identified elsewhere in their operations. While municipalities are urged to maximise efficiency in their operations, tariff setting efforts should consider the need to make additional provision for repairs and maintenance associated with infrastructure breakdowns during loadshedding. Municipalities are cautioned against setting tariffs that include operating inefficiencies as this could lead to tariffs becoming unaffordable to consumers. Municipalities are encouraged to set two-part tariffs, that include a basic availability charge to recover the fixed (direct and indirect) cost associated with the service in conjunction with consumption-based tariff bands, where possible.

- As communicated in MFMA Circulars (122:13 and 123:10), with effect from the 2023/24 MTREF, all municipalities (except metropolitan cities, and district municipalities that do not provide any services) as part of both the tabled and adopted MTREF submissions, must submit the completed National Treasury Tariff Tool (in excel format); illustrating that the revenue component of the budget is credible and funded and that the municipality's tariffs are cost reflective.

- The completion of the National Treasury tariff Tool will assist in setting tariffs that are cost-reflective and enable a municipality to recover costs to fulfil its mandate. A key aspect of the funding allocation criteria is the assessment whether the Municipality completed the "National Treasury Excel Tariff Tool uploaded to GoMuni with the adopted budget by the start of the budget year i.e. I July 2023". A key success factor is that every municipality fully embrace the Municipal Standard Chart of Accounts (mSCOA), costing component.

- Flowing from the above, municipalities are requested to provide Provincial Treasury with an update regarding the process of cost reflective tariff setting; and more specifically how the municipality has adopted and populated the National Treasury Tariff Tool (in excel format) to date, prior to the SIME engagements.

- Based on the deliberations in the Budget and the In-Year Monitoring (IYM) Workshop (held 13 January 2023) as well as the presentation by the Budget and Revenue Advisor of National Treasury, the resolution was that Municipalities phase in the implementation of the Tariff Tool and fill in the Revenue and Expenditure Tabs in the National Treasury Tariff Tool, factoring in also the populating of the Surplus and Revenue Required Tabs. The presentation by National Treasury regarding the Standardised Tariff Setting Tool Presentation can be found here.

4.2.2 Tariff setting – the impact of loadshedding

Municipalities are advised to take account of the impact of loadshedding and the loss of customers on both on the expenditure and revenue side of the budget and rebalance their expenditure and revenue budgets accordingly. Municipalities need to adequately plan and prioritise funding in its 2023/24 MTREF budget for this purpose, taking cognisance of the following:

- Bulk purchases represent approximately one third of municipal expenditure. Due to the prolonged energy crisis which resulted in continued loadshedding, electricity demand by businesses and households has been curtailed. As municipalities are selling electricity at a mark-up, the resultant revenue from lower electricity purchases is expected to be significantly less. The announcement by the Minister of Finance that individuals may claim up to R15 000 rebate personal income tax for the 2023/24 tax year on the acquisition of solar panels up R60 000 will mean that many wealthier individuals may switch to solar PV panels for electricity. This will further reduce electricity demand and sales.

- Municipalities are advised to prioritise the maintenance and refurbishment of their electricity networks to prevent any further disruptions in electricity supply in addition to loadshedding. In this regard, municipalities are advised to synchronise the maintenance schedules of their electricity networks with that of their local loadshedding schedules.

- Apart from negatively affecting electricity services, loadshedding also impacts municipalities' ability to pump water, which negatively affects the stability of water supplies and related functioning of the wastewater reticulation network. NT recommends that back-up electricity to pump water be prioritised while remaining mindful of affordability, the availability of funding sources and other critical expenditure priorities. The Western Cape Government has availed R88 million to assist municipalities with the acquisition of back-up generators for this purpose in the 2022/23 financial year.

- The blocking of electricity purchases via prepaid meter sales or recovering of portions of outstanding debt through electricity prepaid purchases have traditionally been an effective credit control mechanism. Municipalities can therefore expect a rise in outstanding consumer debt as the demand for electricity drops. Municipalities are therefore advised to explore alternative and innovative credit control methods.

- Municipalities should carefully monitor their Eskom accounts for any penalties that result from increased demand immediately after a period of loadshedding is ended. Additionally, municipalities must factor in the fact that Eskom will reverse penalties for exceeding notified maximum demand that results from loadshedding when calculating tariffs. This will ensure that consumers are not overcharged.

- A load-shedding levy or surcharge may only be introduced with the approval of the Minister of Finance and in terms of legislative processes set out in the MFMA and the Municipal Fiscal Powers and Functions Act, 2007.

4.2.3 Eskom Debt Relief

The debt relief for Eskom announced by the national Minister of Finance includes a pass on of relief to municipalities with arrear amounts owed to Eskom. Municipal Debt Relief will be conditional and application based. The relief is aimed to correct the underlying behaviour and operational practices in defaulting municipalities and Eskom while, in parallel, progressively introducing a smart metering solution to change consumer behaviour by reinforcing a culture of payment for services. The initial proposal from National Treasury consists of 4 elements:

- Eskom will write-off all debt municipalities owe as on 31 March 2023 (excluding the March 2023 current account). This will be done over three national financial years and require as a critical qualification that municipalities honour their current (monthly consumption) Eskom and water accounts going forward and maintain a minimum average quarterly collection;
- Secondly, new mechanisms are explored to resolve non-payment – this to include a dispute Ombud mechanism and re-assigning the license of persistent defaulters;
- Thirdly, Eskom will continue to implement a regime of installation of pre-paid meters in Eskom supplied areas to improve Eskom collection. Municipalities are additionally encouraged to adopt a similar operating regime; and
- Lastly, the National Treasury will continue to implement municipal revenue enhancement initiatives, including a transversal tender for a smart pre-paid meter solution to change to a forward-looking culture of payment of the consolidated municipal bill.

More details on the application process and related conditions for municipalities will soon be outlined and published through a separate MFMA Circular issued by National Treasury. The application process is likely to focus on ensuring the sustainability of future payments to Eskom so that municipalities do not fall behind on payments in future.

Furthermore, municipalities must ensure that structural deficiencies within the electricity trading service are addressed to ensure that municipalities that benefit from the debt relief do not relapse and default on the Eskom payment obligations.

There are currently four (4) municipalities in the Western Cape are eligible to potentially benefit from this debt relief. Provincial Treasury will engage directly with these municipalities as more information becomes available on the application process and how to manage payments under existing arrear agreements while applying for relief. NT MFMA Circular No. 123 is clear that in all circumstances municipalities must pay their current accounts timeously.

4.3 Additional Budget Considerations:

The matters discussed below are noteworthy considerations to be taken into account in the finalisation of municipalities tabled budgets:

4.3.1 Eskom Bulk Tariff Increases

The National Energy Regulator of South Africa (NERSA) is responsible for the price determination of the bulk costs of electricity. The following guidelines should be taken into consideration:

- In January 2023, NERSA approved tariff increases of 18.7 per cent in 2023/24 and 12.7 per cent increase in 2024/25. For purposes of calculating the free basic energy subsidy in the local government equitable share formula, the National Treasury has added 2 per cent to these increases. This was provided in anticipation of higher increases for municipalities than those published in January due to the difference in the financial years of Eskom customers and

municipalities. However, the actual bulk tariff increase for municipalities is slightly lower, meaning that the subsidy in the equitable share has received an above-cost increase.

- R1.1 billion is added to the free basic energy subcomponent of the free basic services component of the local government equitable share formula to fund these higher tariff increases. To this end, the free basic electricity subsidy in the local government equitable share is calculated based on a 20.7 per cent tariff increase in 2023/24 and a 14.7 per cent increase in 2024/25. In the absence of an approved tariff increase in the outer year of the MTEF period, the formula assumes an increase of 17.7 per cent in 2025/26. This is the average of the estimated increases for the first two years of the MTEF period.

- The National Energy Regulator of South Africa (NERSA) released its guideline for municipal tariff increases on 16 March 2023. NERSA approved an increase of 18.49 per cent for municipalities for the 2023/24 financial year and approved an average tariff increase of 18,65 per cent for Eskom's standard tariff customers. Municipalities will realise a lower increase of 18.49 per cent, because in the first three months (April to June) of Eskom's financial year, they will not experience an increase due to the municipal financial year commencing on 1 July. A lower tariff for municipalities is possible if there was an over-recovery in the period from April – June based on the previous approved increase.

- NERSA has now clarified the bulk tariff increase that municipalities will pay for 2023/24, but they must still publish the guideline for determining the tariff increases that municipalities can apply to their customers. Municipalities will need this information to be able to complete their budgets. It is hoped that the guideline is published shortly. If it is not, Municipalities are advised to use the assumptions from the guideline for 2022/23 and make clear in their budget documents that the final electricity tariff increases will be adjusted to align with the final NERSA guideline tariff increases.

- The table below illustrates examples of how the 2022/23 NERSA guideline could be used to calculate estimated tariff increases for municipal customers. In both examples the tariff increase is in the region of 15 per cent. NERSA may make other changes and are likely to update the "contribution" shares of different costs, so Municipalities are warned that the guideline increase will differ from the examples below. However, these examples are provided to give municipalities a ballpark indicator of likely increases in the absence of a published guideline.

	2022/23 NERSA Guideline			**Example 1 2023/24 (only updating bulk cost)**		**Example 2 2023/24 (updating bulk cost and CPI)**	
	Contribution	**% increase**	**Guideline**	**% increase**	**Guideline**	**% increase**	**Guideline**
Bulk purchases	74.0%	8.61%	6.37%	18.49%	13.7%	18.49%	13.7%
Repairs and maintenance	8.9%	4.40%	0.39%	4.40%	0.4%	5.30%	0.5%
Salaries	3.8%	4.40%	0.17%	4.40%	0.2%	5.30%	0.2%
Finance costs	2.1%	2.00%	0.04%	2.00%	0.0%	2.00%	0.0%
Bad debts provision	3.9%	4.40%	0.17%	4.40%	0.2%	5.30%	0.2%
Charges from other municipal departments	1.8%	4.40%	0.08%	4.40%	0.1%	5.30%	0.1%
General expenditure	5.5%	4.40%	0.24%	4.40%	0.2%	5.30%	0.3%
			7.47%		**14.78%**		**14.99%**

Source: Provincial Treasury, own calculations

4.3.2 Cost Containment

Provincial Treasury has observed a wide range of innovative cost containment practices being implemented by municipalities, reflecting a notable shift in the way cost containment has conventionally been perceived. Initially, it was purely a process of cost elimination to relieve budget pressures associated with the constrained fiscal environment. Municipalities are now starting to acknowledge cost containment as a dynamic and reflective process that aims to achieve greater operational efficiencies in the medium to long term. These innovations, as noted by PT through the various in-year monitoring processes and consideration of municipal cost containment reports, can broadly be categorized as follows:

Elimination	Conventional cost containment approach whereby all non-essential and nice-to-have expenses are reduced. Includes investigating and removing duplicate or redundant functions.
Adaption	Cost saving opportunities associated with the new-way-of-work. Examples include flexible operating hours that reduces the need for overtime; having online engagements to reduce travel and subsistence; hybrid working arrangements; shift systems to reduce overtime etc.
Bundling	Combining services to reduce costs. Typical example would be to make use of a single service provider for certain important business functions, shared service model.
Automation	Significant efficiency made by automating certain business processes. However capital intensive and can lead to job redundancies, increased training costs etc.
Optimisation	Identifying and reviewing case, project and process workflows to remove bottlenecks, and promote system integration. Gains from optimisation and automation can also be realized through attrition of staff, if efficiency gains can be used to reduce the need to replace staff when they leave the municipality.
Substitution	Exploring more cost-effective alternative goods and services (maximise value for money) without compromising service level standards.
Repurposing	Transforming, adapting or redeploying certain strategic assets at the end of its original life cycle to fulfil another purpose. This will reduce the need for complete replacement of existing tools, technologies and even processes.
Deferment	Strictly applies to non-essential goods and services only. Municipalities should under no-circumstances defer financial obligations or repairs and maintenance. Examples include holding off on non-mandatory training and refurbishment or upgrading of administrative and community facilities.

- While cost containment in the above context is an ongoing process, municipalities are reminded of the requirement to set clear and quantifiable targets as part of its cost cutting commitments. Over the last financial year, Provincial Treasury has noted a marked regression in the submission of the quarterly Municipal Cost Containment Regulations (MCRR) (2019) reports. Municipalities are advised to timeously adhere to the MCCR reporting requirements and where possible, incorporate the quarterly disclosure reports as part of the reports submitted in terms of S52 of the MFMA. Provincial Treasury will henceforth take a more critical view of the information reported by municipalities to ascertain whether underspending is being passed off as a saved cost.

- Provincial Treasury is aware of the need for a differentiated cost containment approach for each municipal category and will continue to work closely with National Treasury to review the existing Regulations. Municipalities are however in the interim requested to consider and apply innovative cost containment measures and report in line with MFMA Circular No.82 (2016) and the MCCR (2019).

4.3.3 Cost Drivers

While there is an immediate need to safeguard municipal revenue streams that are directly impacted by the effect of loadshedding on consumer consumption patterns, it is equally important for each municipality to critically review the cost drivers within its expenditure framework ahead of the tabling of the 2023/24 budget. Some of the most prominent expenditure drivers to be considered as part of a municipality's budget assumptions are as follows:

- *Provision for indigent households:* The constrained fiscal environment, including high levels of food price inflation and rising interest rates, continues to impact heavily on disposable household income. Households are reducing discretionary spend to afford necessities. Some reduction in spending on consumption of trading services should be expected. However, the larger impact on municipal budgets is likely to come from an increase in indigent household applications and municipalities should anticipate this and provide for the cost in their budget.

- *Increase in fuel prices:* While fuel price inflation has slowed between December 2022 and January 2023, a year-on-year comparison reveals a 13.1 per cent increase from January 2022. Geo-political uncertainty persists (notably the Ukraine/Russian war) which does leave fuel prices susceptible to ongoing fluctuations. That said, the decision to not increase fuel taxes in the national budget provides a measure of relief to consumers. Fuel is a major cost driver for municipalities in general, but additional provision needs to be made for fuel costs associated with alternative power solutions (such as generators). Municipalities are advised to provide for at least the volumes of fuel that have been consumed monthly for additional generator usage since loadshedding escalated in December 2022.

- *Repairs and Maintenance:* It is crucial that municipalities continue to make adequate provision for the routine care and upkeep of assets to prevent breakdowns and service delivery disruptions. Such provision must be in line with the national norm of 8 per cent of the asset value of Property, Plant and Equipment. Municipalities need to also make additional provision within their operating budget for repairs and maintenance associated with network breakdowns resulting from loadshedding (most notably, electricity and water breakdowns).

  At the recent TIME engagements, municipalities expressed the concern that loadshedding does not only result in the additional need for repairs and maintenance, but in certain instances causes the complete breakdown/failure of electricity and water assets. As many of these assets were not soon due for replacement or renewal, no provision for their replacement would have been made in the MTEF budget. Municipalities should consider increasing their capital replacement reserve contribution to provide for such asset replacement and renewals. This would recognise that the need for replacement or renewal of these assets is likely to be required much earlier than originally planned.

  Additional costs associated with the increase in repairs and maintenance efforts include, but are not limited to, a significant increase in overtime; the use of sub-contractors; as well as inventory consumed. Municipalities must ensure that adequate provision is made in the budget for these specific line-items as part of the repairs and maintenance function.

- *Contracted services:* Due to the technical nature of electrical technology, municipalities are expected to make use of skilled and experienced consultants and service providers to assist with the transition to renewable energy sources. Leading industry experts are currently advising the WCG on this subject and the learnings applicable to local government will be shared with municipalities. Municipalities must carefully manage the use of consultants in line with the MCCR and are advised to consult either Provincial Treasury or the Municipal Energy

Resilience (MER) team of the Western Cape Government before making any long-term commitments relating to energy procurement or advisors.

- *Security services:* As loadshedding intensifies, municipalities are reporting an increase in illicit activities, especially in terms of theft and vandalism affecting municipal assets. Municipalities should thoroughly review the impact of crime on its asset base ahead of the new financial year and where needed, make sufficient provision to safeguard property, plant and equipment.

4.4 Capital Budget Spend and Borrowings

Infrastructure investment has been identified as a key driver of economic growth. The 2023 Overview of Provincial and Municipal Infrastructure Investment 2023 notes that municipalities and Provincial departments in the Western Cape budget for almost the same levels of infrastructure investment, with municipalities budgeting for a total of 11.8 billion in capital spending in their 2022/3 original budgets, compared to the R11.6 billion in the Province's 2023/24 budget. However, in-year monitoring reports consistently note that municipalities struggle to spend their full capital budgets and this underperformance is confirmed in the annual financial statements. Improving capital spending is a key priority for enabling economic growth and will be an important focus of the SIME engagements this year. Municipalities need to plan for an appropriate capital funding mix and then ensure that they put in place appropriate project preparation and procurement planning to be able to deliver on their planned capital spending.

The update to the National Policy Framework for Municipal Borrowing and Financial Emergencies was approved on the 17 August 2022. The Policy Framework is accessible at this link. Key reforms introduced in this regard include:

- Measures to expand the scope of responsible municipal borrowing and create the environment for more players (e.g. insurers, pension funds, institutional investors, fund managers and international Development Finance Institutions) to take part in the municipal debt market. In particular, the participation of private and public sector market participants in the development of a liquid secondary market for municipal debt securities is encouraged. This is incorporated while ensuring that the core principles underlying municipal borrowing are maintained, namely that credit worthy municipalities should borrow responsibly to finance capital investments whilst confirming that there will be no bailouts by provincial or national government as stipulated in section 51 of the MFMA.

- Clearer definition of the role of Development Finance Institutions (DFIs) to ensure that their lending does not crowd out the private sector. DFI's are encouraged to pursue clear and agreed upon developmental goals and public-sector lenders should be guided by social and developmental investment approaches where social outcomes are considered alongside potential financial returns.

- The updated policy allows for and clarifies innovative infrastructure financing mechanisms (such as pooled financing mechanisms, project finance, tax increment financing, revenue bonds and pledging of conditional grants) that municipalities can use to leverage municipal borrowing.

4.5 Municipal Standard Chart of Accounts (mSCOA)

Version 6.7 of the mSCOA chart is now live and all tabled budget data strings can be uploaded on the GoMuni portal. Please note the following:

- NT will regulate the minimum business processes and system specifications for mSCOA by the end of 2024/25. A new transversal tender for the provision of ERP financial systems that complies with these regulations will be put in place once the regulations have been issued. Municipalities are cautioned against changing financial systems at this stage, as fruitless and wasteful expenditure may be incurred should the procured financial system not comply with regulations. Additionally, any intention to replace the financial system currently operating needs to be communicated to NT and PT before any proposals from system providers are received. See MFMA Circular No. 123 for information on what the submission to the relevant Treasuries should include, which should be forwarded to lgdocuments@treasury.gov.za for a response.

- The MFMA and its Regulations require the submission of mSCOA data strings for budgets, in-year reporting, and annual financial statements in a specific format and by a required timeframe. The credibility and accuracy of the mSCOA data strings must be verified by municipalities prior to submission to the GoMuni Upload portal. Since the financial system must be locked at the end of the month in order to generate a mSCOA data string, municipalities may not open closed periods to correct errors. Errors must be corrected in the next open period. Providers of municipal financial systems must ensure that the necessary internal controls are built into the system to prevent the opening of closed periods on the financial system and the bypassing of such controls. This also applies to the correction of information in closed periods for 3rd party systems that should be integrating with the main financial system in terms of the requirements of the mSCOA Regulations.

- From 1 July 2023, the schedules populated from the mSCOA data strings on NT's Local Government and Reporting System will need to be signed off monthly for audit purposes. This serves as the municipality's confirmation that the data strings submitted are accurate. Additionally, the GoMuni Upload portal for the monthly in-year data strings will be closed at 16h00 on the 10th working day of each month. No data string submissions will be accepted by NT after that.

5. 2023/24 STRATEGIC INTEGRATED MUNICIPAL ENGAGEMENTS (SIME) PROCESS

5.1 Municipal Budget Day

According to sections 16(2) and 17(3)(d) of the MFMA, the Mayor of a municipality must table the annual budget at a council meeting at least 90 days (i.e. by 31 March 2023) before the start of the budget year.

It is important to note that there is no explicit requirement for council to endorse or approve the tabled budget or draft IDP tabled by the mayor for public participation. The municipal council only has the legal authority to consider a tabled budget and draft IDP after the completion of one or more public participation processes undertaken pursuant to section 22, read with section 23 of the MFMA. Council will only consider for approval "the product of an inclusive budget preparation and consultative process" when the proposed annual budget (as amended, if applicable) is tabled before council in terms of section 24(1) of the MFMA.

Given that the preparation, consultation, adoption and implementation of a municipality's annual budget is inextricably linked to, and must be substantially aligned to and informed by the contents of that municipality's IDP, it would be procedurally flawed for the mayor to proceed with the tabling of the proposed annual budget (and commence with public participation process required in terms of section 22 of the MFMA) at a time when the municipality's draft IDP has not been completed.

5.2 Failure to Table Draft Budgets and IDPs by End March 2023

If a municipality has failed to complete the relevant processes applicable for the review and revision of the annual budget and the compilation of an IDP in time for the deadline applicable to the tabling of the proposed annual budget (i.e. 31 March), the mayor must submit an application for an extension of the said deadline. As per section 27 of the MFMA, the mayor of a municipality must, upon becoming aware of any non-compliance by the municipality of any provisions of the Act or any other legislation pertaining to the tabling or approval of the annual budget or compulsory consultation processes, inform the MEC for Finance in the province in writing of any non-compliance.

If the impending non-compliance pertains to a time provision, except section 16(1) of the MFMA, the mayor may apply to the MEC for Finance for an extension, which must be in accordance with Schedule G of the Municipal Budget and Reporting Regulations (MBRR). In addition to the requirement to inform the MEC of impending non-compliance with the MFMA, mayors and accounting officers are requested to inform PT should they have reasons to believe that that their municipality's budget might not be tabled/approved timeously due to dynamics in council. This will enable PT to engage with municipal officials to prepare for any possible action (including in terms of 139(4) of the Constitution) that may be required if a budget is not adopted.

In the event of actual non-compliance by a municipality with time provisions concerning the annual budget, the mayor must inform council, the MEC for Finance and NT, in writing, of such non-compliance and any remedial action or corrective measures the municipality intends to implement. Such a notification must be done in accordance with section 63 and Schedule G of the MBRR.

Municipalities are cautioned that any delay to table the budget in terms of section 16(2) of the MFMA could compromise the ability to approve the budget before the start of the financial year as required by section 16(1) of the MFMA. Failure to approve the budget before the start of the financial year will automatically invoke the provisions of sections 25(1) and 55 of the MFMA. Should a municipality not approve the budget by the start of the new financial year, the provincial executive MUST intervene in terms of section 139(4) of the Constitution by taking any appropriate steps to ensure that the budget or revenue-raising measures are approved. These steps include, but are not limited to, dissolving council and appointing an administrator and approving a temporary budget or revenue raising measures to provide for the continued functioning of the municipality.

Municipalities are kindly requested to communicate any changes to the confirmed tabling dates (as it appears in **Annexure A** to PT via Tania.Bosser@westerncape.gov.za by **27 March 2023**.

5.3 Submitting budget documentation and schedules for 2023/24 MTREF

Section 22 (b)(i) of the MFMA requires that, immediately after an annual budget is tabled in municipal council, it must be submitted to NT and the relevant provincial treasury. If the annual budget is tabled in council on 31 March 2023, the **final date of submission of the electronic budget documents and corresponding mSCOA data strings is Friday, 1 April 2023**.

Section 24(3) of the MFMA, read together with regulation 20(1) of the MBRR, requires that the approved annual budget must be submitted to both National Treasury and the relevant provincial treasury within ten working days after the council has approved the annual budget. However, given that municipalities are generating the annual budgets directly from the financial system as required by the *m*SCOA Regulations and that the budgets must be verified before it is locked on the financial system and transacted against, municipalities must submit the approved budget to NT and the relevant provincial treasury in electronic formats ***immediately*** after approval by the municipal council. Therefore, if the annual budget is tabled to council **on 31 May 2023**, the final date of submission of the electronic budget documents and corresponding *m*SCOA data strings is **Wednesday, 1 June 2023.**

The accompanying document submission checklist (***see Annexure B***) provides a list of the documentation required by Provincial Government. Electronic budget and IDP related documents must be provided in PDF format. The designated municipal official needs to complete and sign the accompanying checklist (***Annexure B***) as confirmation that the set of budget, IDP and related documents have been submitted.

Municipalities should note that NT will no longer accept submissions by email, NT will now only accept uploads via the GoMuni portal. The development work on the GoMuni Upload portal has been concluded and municipalities must submit all documents required for the 2023/24 MTREF in terms of legislation, as per the guidance provided in MFMA Circular No 122 (2022), via the **GoMuni Upload Portal**. The upload portal can be accessed on *https://lguploadportal.treasury.gov.za* from 1 April 2023. All municipal officials that currently have access to the LG Upload portal will be granted access to the GoMuni Upload portal. New users will have to complete and submit a *Request for Access* to lgdataqueries@treasury.gov.za. The request form will be available on the GoMuni login page under *New Registrations*.

Municipalities must also submit electronic documents to **Provincial Treasury** to: MFMA.MFMA@westerncape.gov.za or if too large (exceeds 3 MB), must be submitted via One Drive. Instructions for uploading the budget and related documents via **One Drive** are provided in **Annexure C**. Provincial Treasury will engage further with NT and municipalities to establish whether in future it is feasible for documentation to only be uploaded to the GoMuni portal. At present, municipalities are still required to separately submit all documentation to PT (as required in the MFMA chapter 4 (22)(b)).

If municipalities require advice with the compilation of their respective budgets, they should direct their enquiries to the following WC Provincial Treasury officials:

Directorate	Official	Tel. No.	Email
MFMA Co-Ordination	Dian Cronje	021 483 0390	Dian.Cronje@westerncape.gov.za
Public Finance	Isaac Tsie	021 483 6241	Isaac.Tsie@westerncap.gov.za
	Thobelani Ntshingila	021 483 6100	Thobelani.Ntshingila@westerncape.gov.za
Budget Office	Nadia Rinquest	021 483 8692	Nadia.Rinquest@westerncape.gov.za
	Kim Engel	021 483 8459	Kim.Engel@westerncape.gov.za
Fiscal Policy	Malcolm Booysen	021 483 3386	Malcolm.Booysen@westerncape.gov.za
Cash Management	Anthea Paries	021 483 5472	Anthea.Paries@westerncape.gov.za
Accounting	Faez Salie	021 483 4252	Faez.Salie@westerncape.gov.za

Municipalities may also contact the following officials at NT for assistance.

Responsible Area	Official	Tel. No.	Email
Western Cape	Kgomotso Baloyi	012 315 5866	Kgomotso.Baloyi@treasury.gov.za
Cape Town	Willem Voigt	012 315 5830	WillemCordes.Voigt@treasury.gov.za
George	Mandla Gilimani	012 315 5807	Mandla.Gilimani@treasury.gov.za
Technical issues with Excel formats	Sephiri Tlhomeli	012 406 9064	lgdataqueries@treasury.gov.za

5.4 Publication of budgets on municipal website

In terms of section 75 of the MFMA, all municipalities are required to publish their tabled budgets, adopted budgets, annual reports (containing audited annual financial statements) and other relevant information on the Municipality's website. This will aid in promoting public accountability and good governance.

5.5 Strategic Integrated Municipal Engagement (SIME) Process

Integrated planning and budgeting focusses on strengthening the alignment of planning and budgeting in the Province, and places emphasis on enhancing the provincial and local government interface. The SIME engagements, which takes place in May 2023, precedes the approval and implementation of municipal budgets. The engagements afford the WCG the opportunity to provide feedback on its assessment of the municipal planning and budgeting efforts for the upcoming financial year and for the 2023 MTREF.

The assessments are based on compliance and performance information obtained from the Western Cape Monitoring and Evaluation System (WCMES) as well as an assessment on conformance, responsiveness, credibility, and sustainability of the municipality's draft budget, IDP, SDF and supporting plans. It is therefore important that all Municipalities timeously submit all the required information. The assessment of the tabled IDPs will be undertaken by the Department of Local Government, in close contact with all relevant sector departments in the Province impacting on municipalities, to ensure alignment between the IDPs and all the Provincial strategic priorities and plans.

The SIME engagements will primarily focus on strategic issues emanating from municipalities' draft IDPs and tabled annual budgets to gear municipalities for sustainable growth and development.

The overall objectives of the 2023/24 SIME process and the key messages therefore emphasise:

- **Aligning strategic intent as encapsulated within the Integrated Development Plans (IDP) and municipal budgets** to create public value based on the community needs/priorities identified through the public participation processes;
- **Safeguarding of municipal sustainability** by ensuring that municipalities table funded budgets and the strengthening of municipal financial management;
- **Ensure optimal and targeted service delivery** through strategic spatial planning and alignment;
- **Deepening of an integrated approach to service delivery** with the intention of creating synergies through the consolidation/concentration of resources across all spheres of government;

- **Identification of areas that require support** as well as opportunities for collaboration and partnerships.

The 2023 SIME engagements are planned to be in person. Confirmation of the arrangements will be confirmed individually with each municipality.

- The SIME engagements are provisionally scheduled to take place from 17 April 2023 to 17 May 2023, subject to confirmation from the municipalities. PT is currently in communication with each Municipality to confirm the date and time of each of the engagements.

6. CONCLUSION

Municipalities should consider and apply the contents of this budget circular in the 2023/24 planning and budgeting process.

Please direct any queries regarding this circular to Nadia Rinquest at: Nadia.Rinquest@westerncape.gov.za.



David Savage
2023.03.23 21:41:32 +02'00'

MR D SAVAGE
HEAD OFFICIAL: PROVINCIAL TREASURY

ANNEXURE A

CONFIRMED 2023 BUDGET TABLING DATES

Municipality	Confirmed date
City of Cape Town	Wednesday, March 29, 2023
Matzikama	Tuesday, March 28, 2023
Cederberg	Friday, March 31, 2023
Bergrivier	Tuesday, March 28, 2023
Saldanha Bay	Thursday, March 30, 2023
Swartland	Thursday, March 30, 2023
West Coast District Municipality	Wednesday, March 29, 2023
Witzenberg	Tuesday, March 28, 2023
Drakenstein	Friday, March 31, 2023
Stellenbosch	Wednesday, March 29, 2023
Breede Valley	Tuesday, March 28, 2023
Langeberg	Tuesday, March 28, 2023
Cape Winelands District Municipality	Thursday, March 23, 2023
Theewaterskloof	Wednesday, March 29, 2023
Overstrand	Wednesday, March 29, 2023
Cape Agulhas	Friday, March 31, 2023
Swellendam	Thursday, March 30, 2023
Overberg District Municipality	Monday, March 27, 2023
Kannaland	Friday, March 31, 2023
Hessequa	Wednesday, March 29, 2023
Mossel Bay	Thursday, March 30, 2023
George	Thursday, March 30, 2023
Oudtshoorn	Friday, March 31, 2023
Bitou	Friday, March 31, 2023
Knysna	Friday, March 31, 2023
Garden Route District Municipality	Tuesday, March 28, 2023
Laingsburg	Thursday, March 30, 2023
Prince Albert	Friday, March 31, 2023
Beaufort West	Friday, March 31, 2023
Central Karoo District Municipality	Friday, March 31, 2023

ANNEXURE B

DOCUMENT SUBMISSION CHECKLIST FOR THE 2023/24 TABLED INTEGRATED DEVELOPMENT PLAN, BUDGET, AND RELATED DOCUMENTATION

MUNICIPALITY: _____

In completing and signing the Budget and IDP documentation checklist below, the municipality confirms that Schedule A1 **complies with the Municipal Budget and Reporting Regulations (MBRR)** and that the main tables and the relevant supporting tables (as listed below) are in ***version 6.7*** of Schedule A1 and **drawn directly from the municipal financial system**.

The Integrated Development Plan as set out in Section 25, 26, 32 and 34 of the Local Government: Municipal Systems Act, No 32 of 2000 and Regulations (MSA) and Section 21 of the Local Government Municipal Finance Management Act 56 of 2003 (MFMA).

The Spatial Development Framework, Disaster Management Framework and additional documents must be submitted as required in terms of budget circulars.

Budget Documentation	Yes	No	N/A
Council Resolution in terms of the Tabled Budget			
The Budget Documentation as set out in the MBRR. The Budget Document must include the main A1 Schedule Tables (A1-A10)			
The non-financial supporting tables A10, SA9, SA11, SA12, SA13, SA14, SA22, SA23, SA24 **and any information not contained in the financial data string, in *the A1 in the prescribed mSCOA data string in the format published with Version 6.7 of the A1 schedule***			
Draft Service Delivery and Budget Implementation Plan			
Procurement Plan			
Draft Service Level Standards			
Signed Quality Certificate as prescribed in the MBRR			
D Schedules specific for the entities (where applicable)			
The bulk water- and electricity invoices for the 3 months immediately preceding the tabled budget, must be included as an annexure to the tabled budget as part of supporting the municipalities provision for and calculations of payments to bulk suppliers over the 2023/24 MTREF			
National Treasury tariff tool (in excel format) As per MFMA Circular 122 page 10, with effect, from the 2023/24 MTREF, **all municipalities** (*except metropolitan cities and district municipalities that do not provide any services*) as part of both the tabled and adopted MTREF submissions must submit the completed National Treasury tariff tool (in excel format) illustrating that the revenue component of the budget is credible and funded and that the municipality's tariffs are cost reflective. If the municipality's initial calculation results in high increases to facilitate cost-reflectiveness, it is recommended that such are phased in over 3 to 5 years. The municipality's strategy in this regard should be included as part of the budget narratives.			
Budget Related Policies			
Information on any amendments to budget related policies			
Suite of budget related policies			
Long Term Financial Plan			

Budget Documentation	Yes	No	N/A
IDP and Related Documentation			
Council Resolution in terms of the tabled amended IDP			
Proposed amendments to the IDP			
The memorandum referred to in Regulation 3(2) of the Local Government: Municipal Planning and Performance Management Regulations of 2001			
A copy of the predetermined programme, in light of the requirements of section 29(1) of the Municipal Systems Act 32 of 2000, which the municipality is utilizing to guide the process for the drafting, consideration and adoption of the proposed IDP Amendment			
Spatial Development Framework			
Council Resolution in terms of the adoption of the Spatial Development Framework			
Applicable Disaster Management Plan			
Council Resolution in terms of the adoption of the Disaster Management Plan			
Integrated Waste Management Plan			
Council Resolution in terms of the adoption of the Integrated Waste Management Plan			
Air Quality Management Plan			
Council Resolution in terms of the adoption of the Air Quality Management Plan			
Coastal Management Plan *(Coastal Municipalities only)*			
Council Resolution in terms of the adoption of the Coastal Management Plan			
Biodiversity Management Plan *(if relevant)*			
Invasive Species Monitoring, Control and Eradication Plan			
Climate Change Strategy			
Human Settlements Plan			
Local Economic Development Strategy			
Water Services Development Plan			
Storm Water Master Plan			
Integrated Transport Plan			
Electricity Master Plan			
Infrastructure Growth Plan			
Workplace Skills Plan			

MUNICIPAL REPRESENTATIVE:

Designation: _____

Name: _____

Signature: _____

Date: _____

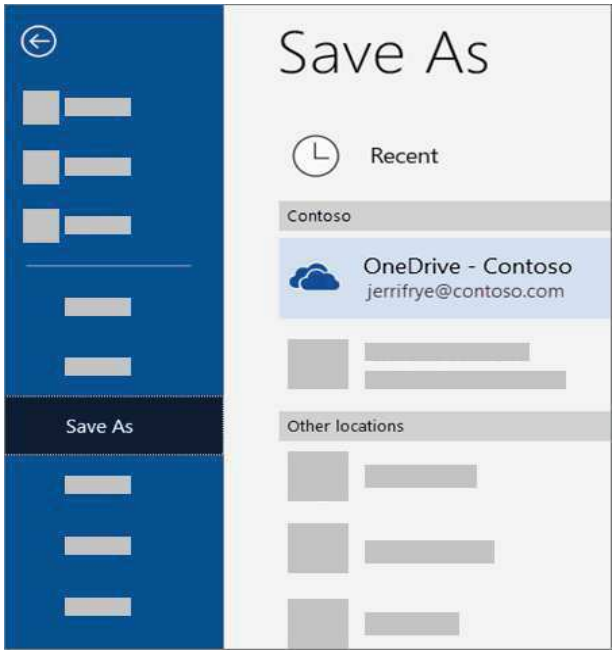
ANNEXURE C

The following instructions provide a guide for the upload of budget documentation onto OneDrive.

- **<u>How to upload documents to One drive:</u>**

  You can use this option if you have OneDrive linked to your Microsoft Office or Office 365

  1. In any Office document, select File > Save As, choose your OneDrive, and then pick the folder where you want to save the file. Create a new folder (e.g. DC1 2023 Budget Documents) and place all the budget related documents within it.



  2. To share the link to that folder, Go into OneDrive
  3. Select the file that you want to share and right click on it
  4. Choose "share"
  5. Ensure that sharing is defaulted to "Anyone with the link can edit"
  6. Enter the MFMA email address: MFMA.MFMA@westerncape.gov.za and email addresses of anyone else that you want to share the link with.
  7. Click the Share Button

  File names in following sequence for budget related documents to be submitted to MFMA:

  - Demarcation code
  - "ccyy" century and year (eg.2023)
  - Name of document submitted (e.g. Draft Budget, Draft IDP, Draft SDBIP etc.)

    E.g.: DC1 2023 Draft Amended IDP

    E.g.: DC1 2023 MTREF Main Budget

    E.g.: DC1 2023 Draft SDBIP

NB! Please note the Dropbox option is blocked on the government network and the OneDrive option is to be utilised.

Uniform Financial Ratios and Norms

The purpose of this Circular is to provide a set of uniform key financial ratios and norms suitable and applicable to municipalities and municipal entities. Section 216 (1)(c) of the Constitution and section 2 of the Municipal Finance Management Act (MFMA) enable National Treasury to introduce uniform treasury norms and standards to ensure sound and sustainable management of fiscal and financial affairs of municipalities and municipal entities.

A number of institutions currently use a variety of financial ratios and norms to assess and compare the financial health and performance of municipalities. Municipalities also use different financial ratios and norms to assess their own performance and set benchmarks for improvement to be measured over time. Results of our research show that there are in excess of two hundred different sets of financial ratios, with different derivatives used to assess municipality's financial status. This results in conflicting interpretation, inconsistent application and misunderstanding of the financial status of a municipality, often with incorrect diagnosis of the challenges and therefore inappropriate responses.

This Circular aims to bring consistency in interpretation and application of certain financial information using standardised financial ratios. It is important that any one of these ratios should not be read in isolation of one another, as this could lead to distortions in interpretation. Ideally, a number of interrelated ratios should be analysed together in order to get a broader picture of a municipality's or municipal entity's financial performance. When used in a combined manner analysis of different ratios will provide policy makers and the public with a very good sense of the financial status of the municipality and its entity. This Circular will also assist in municipalities being able to identify areas of financial management that need constant monitoring and improvement.

The Circular addresses different categories of ratios norms, interpretation and covers various aspects of a municipality's finances, such as financial position, financial performance and budget implementation, so that these can be used as part of in-year and end of year analysis. This will also aid in long-term financial planning and can be used to track progress over a number of years. Each ratio is explained to remove ambiguity and misinterpretation. The source of such information is also explained in the annexures to this Circular. Norms or standards have been assigned to each financial ratio, which are explained later in this Circular.

Categorisation Financial Ratios, Formulas, Norms and Interpretation

Categorisation

In order to perform a holistic financial analysis of a municipality or municipal entity all financial aspects of the institution should be considered. Ratios are divided into various

categories to address the different financial aspects and operations of a municipality or municipal entity.

1) **Financial Position**

2) **Financial Performance**

3) **Budget Implementation**

Financial Ratios, Formulas, Norms and Interpretation

The ratios presented in this Circular are categorised in accordance with the previous section, and are presented in further detail to include the following:

- Purpose/ description of the Financial Ratio;
- Formula to be Used;
- Norms per Ratio; and
- Interpretation of Ratio Analysis Results.

Tables that provide a summary of the financial ratios, formulas, data source and norms are presented in Annexure 1.

1. FINANCIAL POSITION

A. Asset Management

1. Capital Expenditure to Total Expenditure

Purpose/Description of the Ratio

This Ratio is used to assess the level of Capital Expenditure to Total Expenditure, which indicates the prioritisation of expenditure towards current operations *versus* future capacity in terms of Municipal Services.

Formula

Total Capital Expenditure / Total Expenditure (Total Operating Expenditure + Capital Expenditure) × 100

Norm

The norm range between **10% and 20%**

Interpretation of Results

When assessing the level of Investment in Assets, a ratio less than 10% reflects lower spending by the municipality in infrastructure and holds potential risks to service delivery. A ratio of more than 20% reflects higher spending on infrastructure and acceleration in service delivery, but could also hold financial sustainability risks if the infrastructure do not include both economic (revenue generating) and social type infrastructure.

The environment of the municipality should be considered when assessing the level of Investment in Assets. A municipality that has already invested in assets to address service delivery backlogs, would be required to maintain and improve such service levels, and therefore the percentage of spending allocated to new assets may not be significant higher.

On the other hand a municipality where the infrastructure and level of services provided is low and the associated expenditure is also low, the percentage of investment in new assets to total expenditure would be significantly higher.

The results from this ratio should be read together with the results from the analysis of the funding mix for capital expenditure.

It is critical that capital expenditure is largely directed toward service delivery infrastructure and not administrative assets.

2. Impairment of Property, Plant and Equipment and Investment Property and Intangible Assets (Carrying Value)

Purpose/ Description of the Ratio

Asset impairment refers to the loss in future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation.

This implies that the utilisation of assets did not deliver the value or service levels envisaged when approval was originally obtained for procuring the assets. When the approval is obtained to invest in Property, Plant and Equipment or Intangible Assets by the Municipality or Municipal Entity, the value should be realised through utilisation and reflected as Depreciation and not through unexpected losses due the Impairment of Property, Plant and Equipment or Intangible Assets. Impairment is therefore unexpected and only detected when the assessment for Impairment is performed as per the requirements of the applicable GRAP standards. It is therefore not planned for or expected and will not be budgeted.

Formula

Property, Plant and Equipment + Investment Property + Intangible Assets Impairment/ (Total Property, Plant and Equipment + Investment Property + Intangible Assets) x 100

Norm

The norm is **0%**

Interpretation of Results

The purpose of the Ratio is to indicate the percentage of Impairments compared to the Carrying Value of the Assets; a ratio above 0% reflects a risk in service delivery and therefore corrective measures should be implemented.

3. Repairs and Maintenance as a % of Property, Plants and Equipment and Investment Property (Carrying Value)

Purpose/ Use of the Ratio

The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to prevent breakdowns and interruptions to service delivery. Repairs and maintenance of municipal assets is required to ensure the continued provision of services.

Formula

Total Repairs and Maintenance Expenditure / Property, Plant and Equipment and Investment Property (Carrying Value) x 100

Norm

The norm is **8%**

Interpretation of Results

A ratio below the norm is a reflection that insufficient monies are being spent on repairs and maintenance to the extent that it could increase impairment of useful assets.

An increasing expenditure trend may be indicative of high asset-usage levels, which can prematurely require advanced levels of Repairs and Maintenance or a need for Asset Renewal / Replacements. Also, should an increasing expenditure trend suddenly drop to lower levels without an increase in the fixed asset value, this may be indicative of challenges in spending patterns. This may also indicates that the Municipality is experiencing cash flow problems and therefore unable to spend at

appropriate levels on its repairs to existing assets or purchase of new assets thus impacting negatively on service delivery.

B. Debtors Management

1. Collection Rate

Purpose/ Use of the Ratio

The Ratio indicates the collection rate; *i.e.* level of payments. It measures increases or decreases in Debtors relative to annual billed revenue. In addition, in order to determine the real collection rate bad debts written-off is taken into consideration.

Formula

Gross Debtors Opening Balance + Billed Revenue – Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100

Norm

The norm is **95%**

Interpretation of Results

Assessing the Collection Ratio will provide an indication of the performance against a number of areas, for example:

- Quality of Credit Control - ensuring that what is billed is collected; and
- Quality of Revenue Management - the ability to set affordable tariffs and bill correctly.

If the ratio is below the norm this is an indication that revenue collection of the municipality requires urgent attention and corrective measures should be implemented. A municipality with outstanding debtors should aim at achieving a collection rate of more than 100%. The results from this ratio should be viewed along with results from the age analysis and net debtor's day's ratio.

2. Bad Debts Written-off as % of the Bad Debt Provision

Purpose/ Use of the Ratio

The Ratio compares the value of Bad Debts Written-off on Consumer Debtors to Bad Debts Provided for Consumer Debtors to ensure that the Provision for Bad Debts is sufficient.

Formula

Bad Debts Written-off (Period under review)/ Provision for Bad Debt (Period under review x 100

Norm

The norm is **100%**

Interpretation of Results

Municipality should only write-off Bad Debts already provided for and, if the results are less than 100%, it should be ideally due to the recoverability of debtors. When 100% is exceeded, it indicates that the Municipality had not previously identified the Debtor/s as having the potential for defaults, which could indicate weakness in calculation of the Provision for Bad Debt, the methodology used and/or poor credit control processes.

3. Net Debtors Days

Purpose/ Use of the Ratio

This ratio reflects the collection period. Net Debtor Days refers to the average number of days required for a Municipality or Municipal Entity to receive payment from its Consumers for bills/invoices issued to them for services.

The Ratio exclude balances for Debtors, which the Municipality or Municipal Entity has assessed as potentially irrecoverable, and is also a good indication of the effectiveness of credit control procedures within the Municipality or Municipal Entity as well as the extent to which the Municipality or Municipal Entity has provided for Doubtful Debts.

Formula

((Gross Debtors - Bad Debt Provision) / Billed Revenue)) × 365

Norm

The norm is **30 Days**

Interpretation of Results

This Ratio adjusts for Municipality's who have had significant write-offs of Irrecoverable Debtor balances in the Gross Debtors Days analysis as it only assesses the performance of collectable Debtors. In addition, it provides an indication of the quality of credit control policy, effectiveness of the implementation thereof and quality of revenue management. If the ratio is above the norm, this indicates that the Municipality is exposed to significant Cash Flow risk. This is also an indication that the municipality is experiencing challenges in the collection of outstanding amounts due to it. In addition,

this indicates that a significant amount of potential cash is tied up in consumer debtors and the municipality must improve its revenue and cash flow management.

C. Liquidity Management

1. Cash/ Cost Coverage Ratio (Excluding Unspent Conditional Grants)

Purpose/ Use of the Ratio

The Ratio indicates the Municipality's or Municipal Entity's ability to meet at least its monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue, during that month.

The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal Municipal day-to-day operational expenditure but rather reserved for Grant related expenditure.

Formula

((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)).

Norm

The norm range between **1 month to 3 months.**

Interpretation of Results

If a municipality has a ratio below the norm it would be vulnerable and at a higher risk in the event of financial "shocks/set-backs" and its ability to meet its obligations to provide basic services or its financial commitment is compromised. The results from this ratio should be viewed along with results from analysis on Debtor Management to fully assess Cash Flow Risk. The more cash reserves a municipality or municipal entity has available the lower the risk of it being unable to fund monthly fixed operational expenditure and to continue rendering services.

2. Current Ratio

Purpose/ Use of the Ratio

The Ratio is used to assess the Municipality's or Municipal Entity's ability to pay back its Short-term Liabilities (Debt and Payables) with its Short-term Assets (Cash, Inventory, Receivables).

Formula

Current Assets / Current Liabilities

Norm

The norm range between **1.5 to 2 :1**

Interpretation of Results

The higher the current Ratio, the more capable the Municipality or Municipal Entity will be to pay its current or short-term obligations and provide for a risk cover to enable it to continue operations at desired levels. A financial ratio under 1 suggests that the Municipality or Municipal Entity would be unable to pay all its current or short-term obligations if they fall due at any specific point.

If current liabilities exceed current assets, it highlights serious financial challenges and likely liquidity problems *i.e.* insufficient cash to meet short-term financial obligations. Current assets must therefore be increased to appropriately cover current liabilities otherwise there is a risk that non-current assets will need to be liquidated to settle current liabilities.

D. Liability Management

1. Capital Cost (Interest Paid and Redemption) as a % of Total Operating Expenditure

Purpose/ Use of the Ratio

The Ratio indicates the cost required to service the borrowing. It assesses the Borrowing or Payment obligation expressed as a percentage of Total Operating Expenditure.

Formula

Capital Cost (Interest Paid and Redemption) / Total Operating Expenditure x 100

Norm

The norm is between **6% to 8%**

Interpretation of Results

Operating below the Norm could indicate that the Municipality has the capacity to take on additional financing from borrowing to invest in infrastructure projects or it could relate to cash flow problems where it is unable to access borrowed funds or the funding decisions of the municipality impacts of these levels. On the other hand, exceeding the Norm could pose a risk to the Municipality should changes or fluctuations in financing costs arise.

When assessing this ratio, the cash flow requirements of the Municipality or Municipal Entity should also be considered.

2. Debt (Total Borrowings)/ Total Operating Revenue

Purpose/ Use of the Ratio

The Ratio indicates the extent of Total Borrowings in relation to Total Operating Revenue. It indicates short and long term debt financing relative to operating revenue of the municipality.

The purpose of the Ratio is to provide assurance that sufficient Revenue will be generated to repay Liabilities. Alternatively stated, the Ratio indicates the affordability of the Total Borrowings.

Formula

Debt (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant

Norm

The norm is **45%**

Interpretation of Results

If the result of the Ratio analysis indicates less than 45% then the Municipality still has capacity to take increase funding from borrowings, however, this should be considered within the cash flow requirements of the Municipality or Municipal Entity.

E. Sustainability

1. Level of Cash Backed Reserves (Net Assets - Accumulated Surplus)

Purpose/ Use of the Ratio

The Ratio measures the extent to which the Other Reserves, which are required to be cash backed are actually backed by Cash Reserves.

Formula

(Cash and Cash Equivalents - Bank Overdraft + Short Term Investment + Long Term Investment - Unspent Conditional Grants) / (Net Assets - Accumulated Surplus – Non Controlling Interest – Share Premium – Share Capital – Fair Value Adjustment – Revaluation Reserve)

Norm

The norm is **100%**

Interpretation of Results

If a Municipality or Municipal Entity has less than 100% Cash Reserves it could negatively impact the Municipality's or Municipal Entity ability to comply with the conditions for creating the Reserves and on its ability to fund current and future operations.

2. FINANCIAL PERFORMANCE

A. Efficiency

1. Net Operating Surplus Margin

Purpose/ Use of the Ratio

The Ratio assesses the extent to which the Municipality generates Operating Surpluses.

Formula

(Total Operating Revenue – Total Operating Expenditure)/ Total Operating Revenue x 100%

Norm

The norm is equal to or greater than **0%**

Interpretation of Results

Municipalities should at least recover operational costs for the services being delivered. In addition, a ratio which is greater than 0% will enable the municipality to generate a surplus which will assist to contribute towards its capital funding requirements. If the result is less than 0% it implies that the municipality is operating at a deficit and measures must be implemented to address this situation to ensure sustainable service delivery. In a case of an operating deficit it is critical to ascertain the extent to which the accounting policy, i.e. revaluation method has impacted on the calculations to avoid any distortions in interpretation of the outcome. Refer to Circular 58 section 4.3 regarding revaluation in terms of GRAP 17 and treatment of depreciation and GRAP 24.

2. Net Surplus /Deficit Electricity

Purpose/ Use of the Ratio

This ratio measures the extent to which the municipality generates surplus or deficit in rendering electricity service. The purpose of the Ratio is to determine the contribution

made by the provision of Electricity Services, being one of the major functions of a municipality.

Formula

Total Electricity Revenue less Total Electricity Expenditure /Total Electricity Revenue x 100%

Norm

The Norm range between **0% and 15%**

It should be noted that this norm will be superseded by sector determinations from time to time, as other regulatory bodies address the appropriate level of tariffs and surpluses.

Interpretation of Results

A ratio below 0% depicts that electricity service is rendered at a deficit/loss and will be unsustainable if other revenue is not allocated to fund such services. The results must be between the range to ensure services are sustainable and that all costs associated with the delivery of Electricity Services are at least recovered with a margin for future growth and/ or capital funding for electricity assets.

3. Net Surplus / Deficit Water

Purpose/ Use of the Ratio

This ratio measures the extent to which the municipality generates surplus or deficit in rendering water service. The purpose of the Ratio is to determine the contribution made by the provision of water service being one of the major functions of a municipality.

Formula

Total Water Revenue less Total Water Expenditure / Total Water Revenue x 100%

Norm

The norm is equal to or greater than **0%** and will be superseded by the sector determination from time to time, as other regulatory bodies address the appropriate level of tariffs, surpluses and subsidisation.

Interpretation of Results

A ratio below 0% depicts that water service is rendered at a loss and unsustainable. The results must not be below the norm so as to ensure that the Services are sustainable and that all costs associated with the delivery of Water Services are at least recovered with a margin for future growth and/ or capital funding for water assets.

4. Net Surplus /Deficit Refuse

Purpose/ Use of the Ratio

This ratio measures the extent to which the municipality generates surplus or deficit in rendering refuse service. The purpose of the Ratio is to determine the contribution made by the provision of refuse service being one of the major functions of a municipality.

Formula

Total Refuse Revenue less Total Refuse Expenditure /Total Refuse Revenue x 100%

Norm

The Norm is equal to or greater than **0%** and will be superseded by the Sector determination from time to time, as other regulatory bodies address the appropriate level of tariffs, surpluses and subsidisation.

Interpretation of Results

A ratio below 0% depicts that refuse service is rendered at a loss and unsustainable. The results must not be below the norm so as to ensure that the Services are sustainable and that all costs associated with the delivery of Refuse Services are at least recovered with a margin for future growth and/ or capital funding for Refuse assets.

5. Net Surplus / Deficit Sanitation and Waste Water

Purpose/ Use of the Ratio

This ratio measures the extent to which the municipality generates surplus or deficit in rendering sanitation and waste water service. The purpose of the Ratio is to determine the contribution made by the provision of sanitation and waste water services being one of the major functions of a municipality.

Formula

Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure / Total Sanitation and Waste Water Revenue x 100%

Norm

The norm is equal to or greater than **0%** and will be superseded by the sector determination from time to time, as other regulatory bodies address the appropriate level of tariffs, surpluses and subsidisation.

Interpretation of Results

A ratio below 0% depicts that sanitation and waste water is rendered at a loss and unsustainable. The results must not be below the norm so as to ensure that the Services are sustainable and that all costs associated with the delivery of sanitation and waste water are at least recovered with a margin for future growth and / or capital funding for assets.

B. Distribution Losses

1. Electricity Distribution Losses (Percentage)

Purpose/ Use of the Ratio

The purpose is to measure the percentage loss of potential revenue from Electricity Services through electricity units purchased and generated but not sold as a result of losses incurred through theft (illegal connections), non or inaccurate metering or wastage. It is expected that implementation of the free basic service policy is included in the calculation for sale of electricity.

Formula

(Number of Electricity Units Purchased and / or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and / or Generated) × 100

Norm

The Norm is between **7% and 10%** and will be superseded by the sector determination.

Interpretation of Results

A ratio below the norm depicts that electricity losses are well managed. If the Ratio exceeds the norm it could indicate various challenges, for example, deteriorating electricity infrastructure or poor management of the networks, affecting the Municipality or Municipal Entity, which would require further analysis to determine the reasons for such losses. In addition, the root causes should be addressed.

2. Water Distribution Losses (Percentage)

Purpose/ Use of the Ratio

The purpose of this ratio is to determine the percentage loss of potential revenue from water service through kilolitres of water purchased but not sold as a result of losses incurred through theft (illegal connections), non- or incorrect metering or wastage as a result of deteriorating water infrastructure. It is expected that implementation of the free basic service policy is included in the calculation for sale of water.

Formula

(Number of Kiloliters Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kiloliters Water Purchased or Purified × 100

Norm

The Norm is between **15% and 30%**

Interpretation of Results

A ratio within the norm depicts that water losses and water infrastructure are well managed. If the Ratio exceeds the norm it could indicate various challenges, for example, ageing water infrastructure or poor management, affecting the Municipality or Municipal Entity, which would require further analysis and explanation to determine the reasons for such losses. In addition, the root causes should be addressed.

C. Revenue Management

1. Growth in Number of Active Consumer Accounts

Purpose/ Use of the Ratio

The ratio measures the actual growth in the Revenue base of the Municipality brought about by an increase in the Consumer base rather than tariff increases.

Formula

(Period under Review's Number of Active Debtor Accounts - Previous Period's Number of Active Debtor Accounts) / Previous Period Number of Active Debtor Accounts x 100

Norm

No Norm is currently being proposed for this Ratio but will be monitored and a determined in the future. Municipalities are requested to report on this aspect to its Council.

Interpretation of Results

The results from this analysis will have to be taken into consideration when assessing the Growth in Revenue to determine the Real Growth in the Customer base vs growth due to tariff and inflationary adjustments. Growth in number of active consumers indicates an increase in revenue base.

Further, the impact of growth on the Indigent Base vs Growth in Paying Consumers should be assessed regularly as this must be used to inform Councils policy.

2. *Revenue Growth (%)*

Purpose/ Use of the Ratio

This Ratio measures the overall revenue growth. In addition, this ratio will assist in determining if the increase in Expenditure will be funded by an increase in Revenue base or by some other means.

Formula

(Period Under Review's Total Revenue - Previous Period's Total Revenue) / Previous Period's Total Revenue) x 100

Norm

The norm is at the rate of **CPI**

Interpretation of Results

The Revenue Growth has to be assessed in conjunction with the growth in the Revenue base and number of consumer accounts to determine the real Growth in Revenue.

3. *Revenue Growth (%) - Excluding Capital Grants*

Purpose/Use of the Ratio

This Ratio measures the overall Revenue Growth adjusted for Capital Grants. In addition, this ratio will assist in determining if the increase in Expenditure will be funded by the increased Revenue Base or by some other means.

Formula

((Period Under Review's Total Revenue Excluding Capital Grants - Previous Period's Total Revenue Excluding Capital Grants)/ Previous Period's Total Revenue Excluding Capital Grants) x 100

Norm

The norm is at the rate of **CPI**

Interpretation of Results

The Revenue Growth has to be assessed in conjunction with the growth in the Revenue base, number of consumer accounts to determine the real Growth.

D. Expenditure Management

1. Creditors Payment Period (Trade Creditors)

Purpose/ Use of the Ratio

This ratio indicates the average number of days taken for Trade Creditors to be paid.

Formula

Trade Creditors Outstanding / Credit Purchases (Operating and Capital) × 365

Norm

The norm is **30 days**

Interpretation of Results

A period of longer than 30 days to settle creditors is normally an indication that the Municipality may be experiencing cash flow problems, however in certain instances this may be as a result of disputes, processing of payments, etc. In addition, a ratio that exceeds the norm indicates that the Municipality may not be adequately managing its Working Capital or that effective controls are not in place to ensure prompt payments. The municipality will be required to provide further explanations in this regard.

2. Irregular, Fruitless and Wasteful and Unauthorised Expenditure/ Total Operating Expenditure

Purpose/ Use of the Ratio

The ratio measures the extent to which the Municipality has incurred Irregular, Fruitless and Wasteful and Unauthorised Expenditure.

Formula

(Irregular, Fruitless and Wasteful and Unauthorised Expenditure) / Total Operating Expenditure x 100

The net amount after condonement should be used in this calculation.

Norm

The norm is **0%**

Interpretation of Results

A ratio that exceeds 0% must be investigated and acted upon.

3. Remuneration (Employee Related Costs and Councillors Remuneration) as % of Total Operating Expenditure)

Purpose/ Use of the Ratio

The ratio measures the extent of Remuneration to Total Operating Expenditure.

Formula

Remuneration (Employee Related Costs and Councillors' Remuneration) / Total Operating Expenditure x 100

Norm

The norm range between **25% and 40%**

Interpretation of Results

If the ratio exceed the norm it could indicate inefficiencies, overstaffing or even the incorrect focus due to misdirected expenditure to non-essentials or non-service delivery related expenditure. Various factors need to be considered when commenting on this ratio, such as the powers and functions performed by the municipality or entity, as this can create distortions in the outcomes, if the analysis ignores such factors.

4. Contracted Services % of Total Operating Expenditure

Purpose/ Use of the Ratio

This ratio measures the extent to which the municipalities resources are committed towards contracted services to perform Municipal related functions.

Formula

Contracted Services / Total Operating Expenditure x 100

Norm

The norm range between **2% and 5%**

Interpretation of Results

A ratio in excess of the Norm could indicate that many functions are being outsourced to Consultants, or that Contracted Services are not effectively utilised. This also depends on the model of service delivery selected by the municipality. In addition, outsourcing decisions will have to be weighed against the ability to attract skills; however, increases in this ratio can further expose the municipality to other risks, such as its inability to build capacity and ongoing reliance on Contractors.

E. Grant Dependency

1. Own Funded Capital Expenditure (Internally Generated Funds + Borrowings) to Total Capital Expenditure

Purpose/ Use of the Ratio

The Ratio measures the extent to which the municipality's Total Capital Expenditure is funded through Internally Generated Funds and Borrowings.

Formula

Own Funded Capital Expenditure (Internally Generated Funds + Borrowings) / Total Capital Expenditure x 100

Norm

No norm is proposed at this time. It is critical that the funding mix of capital expenditure is undertaken in such a manner that affordable borrowing is directed towards addressing service delivery needs and that there is also opportunity for increased capacity on internally generated funding to attain an improved balance of the funding sources.

2. Own Funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure

Purpose/ Use of the Ratio

The Ratio measures the extent to which Total Capital Expenditure of the Municipality is funded through Internally Generated Funds.

Formula

Own funded Capital Expenditure (Internally Generated Funds) / Total Capital Expenditure x 100

Norm

No norm is proposed at this time. The funding mix for capital expenditure is dependent on the municipal policy and ability to raise revenue from different sources. Increased capacity for internally generated funding is required in some circumstances, which could also improve the balance in funding sources.

3. Own Source Revenue to Total Operating Revenue (Including Agency Revenue)

Purpose/ Use of the Ratio

The Ratio assesses the extent of Own Source Revenue to Total Operating Revenue, including Agency Revenue hence self-sufficiency.

Formula

Own Source Revenue (Total Revenue - Government Grants and Subsidies – Public Contribution and Donations)/ Total Operating Revenue (Including Agency Services) x 100

Norm

No norm is proposed at this time. The municipal specific circumstances, including the powers and functions assigned to it, must be considered when assessing the level of own source revenue or its self-sufficiency. An analysis of the trends and levels of own source of revenue will also inform the municipality and users of measures taken to optimise own revenues. The ratio measuring own source revenue should be increasing over time as it reflects municipal efforts towards self-sufficiency.

3. BUDGET IMPLEMENTATION

1. Capital Expenditure Budget Implementation Indicator

Purpose/ Use of the Ratio

This ratio measures the extent to which Budgeted Capital Expenditure has been spent during the financial year, under review. Further, this ratio measures the municipality's ability to implement capital projects and monitor the risks associated with non-implementation. The ratio also assess whether the municipality has effective controls in place to ensure that expenditure is incurred in accordance with an approved budget.

Formula

Actual Capital Expenditure / Budget Capital Expenditure x 100

Norm

The norm range between **95% and 100%**

Interpretation of Results

This can be used in-year to monitor progress. Any variance below 95% indicates discrepancies in planning and budgeting, capacity challenges to implement projects and/or Supply Chain Management process failures, which should be investigated and corrective measures implemented.

Under-spending is also an indicator that the Municipality might be experiencing possible cash flow difficulties to implement projects. Ideally, under-spending should be the result of improved efficiencies and not as a result of non-implementation of programmes and/or projects.

Overspending may also indicate inaccurate budgeting or poor financial management control.

2. *Operating Expenditure Budget Implementation Indicator*

Purpose/ Use of the Ratio

This ratio measures the extent to which Budgeted Operating Expenditure has been spent during the financial year, under review. The ratio also assess whether the municipality has effective controls in place to ensure that expenditure is incurred in accordance with an approved budget.

Formula

Actual Operating Expenditure / Budgeted Operating Expenditure x 100

Norm

The norm range between **95% and 100%**

Interpretation of Results

Any variance from 100% indicates either challenge in capacity to implement, issues of financial controls and management and/or poor budgeting.

Under-spending normally is an indicator that the Municipality experiences possible Cash Flow difficulties or capacity challenges to undertake Budgeted/ planned service delivery, and/ or does not prepare accurate and credible Budgets. Ideally, under-spending should be the result of improved efficiencies and not as a result of non-implementation of programmes and/or projects.

Overspending may also indicate inaccurate budgeting or poor financial management control in respect of budget control.

3. *Operating Revenue Budget Implementation Indicator*

Purpose/ Use of the Ratio

This ratio measures the extent of Actual Operating Revenue (Excl. Capital Grant Revenue) received in relation to Budgeted Operating Revenue during the financial year, under review.

Formula

Actual Operating Revenue / Budgeted Operating Revenue x 100

Norm

The norm range between **95% and 100%**

Interpretation of Results

A ratio below 95% indicates either a challenge in capacity to implement, ineffective billing and credit control, weakness in compilation of budgets or issues of financial controls and management of the Municipality.

4. Service Charges and Property Rates Revenue Budget Implementation Indicator

Purpose/ Use of the Ratio

The ratio measures the extent of Actual Service Charges and Property Rates Revenue received in relation to Budgeted Service Charges and Property Rates Revenue during the financial year, under review.

Formula

Actual Service Charges and Property Rates Revenue / Budgeted Service Charges and Property Rates Revenue x 100

Norm

The norm range between **95% and 100%**

Interpretation of Results

A ratio below 95% indicates either a challenge in capacity to implement, ineffective billing and credit control, weakness in compilation of budgets or issues of financial controls and management of the Municipality.

Monitoring

It is important that these indicators are not seen or used in isolation of one another but used in a combined manner so as to provide a holistic picture of the financial status of the municipality or municipal entity. Poor outcomes with relation to these indicators can also point to weaknesses in Institutional and Governance aspects in a municipality that need attention. Therefore, Councillors, Municipal Managers, Chief Financial Officers, Accounting Offices of Municipal Entities, and all financial officials should derive benefits from a deeper understanding of these Ratios and Norms and their implications. The primary responsibility to avoid, identify and resolve financial problems in a municipality rests with the municipality and proper monitoring and use of these indicators, will support decision-makers overcome such challenges.

The use of these Ratios and Norms should assist Municipalities and Municipal Entities to predict, identify, prevent, avoid, and resolve financial problems/crisis timeously and serve as an early warning mechanism. Moreover, this will ensure that Municipalities and Municipal Entities make strategic decisions based on empirical and factual information and analysis for a sustainable outcome. Monitoring and trend analysis of these ratios is critical to ensure that measures are introduced to address areas needing attention and that there is progressive improvements of municipalities own position against the norms. These indicators and their norms, when viewed holistically, provide an overview of the financial position and performance of the Municipalities and Municipal Entities, while recognising institutional differences. Sound and effective financial management practices form the basis for an effective long term sustainable municipality.

The oversight role played by the Municipal Executive, Audit Committee, and Municipal Public Account Committee will also be enhanced with the use of these financial Ratios and Norms through implementation and reporting of financial information. The financial ratios and norms will strengthen financial management and accountability and be used throughout the cycle - integrated development plans (including long term financial plan), budgets, in-year reports for example section 52, 71 and 72 reports, annual financial statements, annual report and oversight reports. Comparison with other municipalities is now possible.

An Excel template has been developed (Annexure 2 of this Circular) to assist municipalities and Municipal Entities to populate relevant financial information, automate calculations, and assist in interpretation thereof.

These Ratios and Norms will be used to assess financial position and performance, quality of budgeting, management, and other characteristics of Municipalities and Municipal Entities, and should holistically provide an overview of the financial health of the Municipality or Municipal Entity, taking the respective and unique circumstances into account. Benchmarking and comparisons between Municipalities and Municipal Entities can also be undertaken, made simpler in future, and will further assist in targeting assistance and support, where needed.

Different institutions including, financial institutions, research organisations, rating agencies, national and provincial government, legislatures, amongst others, can use these uniform set of financial indicators, ratios and norms to monitor the financial position and performance of municipalities.

Implementation

The ratios and norms provided in this Circular and elaborated in the annexures are to be understood in an aspirational context and utilised as soon as possible to enable municipal councils to commence with the process of introducing measures to address areas needing attention. Municipalities and Municipal Entities should take advantage of the transition period, covering the medium term, to allow for progressive improvements of their own status against the ratios and norms.

Conclusion

The variety of financial ratios and norms, over 200, used by various institutions to assess and compare the financial health and performance of Municipalities and Municipal Entities has resulted in confusion across the sector, as users formulate assumptions based on different interpretation of the same financial information.

The Circular creates a uniform categorisation of ratios, standardising formulas and inputs, providing guidance on norms and interpretation of the financial ratio analysis, as applicable to Municipalities and Municipal Entities. There may be other ratios and norms used by analysts that are more appropriate to the financial status of private sector institutions, therefore, the use, differentiation and range described in this Circular should be understood within the context of a public sector institution.

This Circular therefore attempts to address the above challenges and also provide a more structured approach for holistic analysis, taking into cognisance the different type of Municipalities and Municipal Entities. The consistent use of these ratios and norms will assist in reporting accurately the status of municipal finances.

Institutions performing financial ratio analysis for Municipalities and Municipal Entities should therefore refer to this Circular and interpretation therein to ensure uniformity and consistency of application.

It is important that the Municipal Manager ensure that this Circular is brought to the attention of the Municipal Council, Board of Directors of Municipal Entities, relevant oversight structures (Municipal Executive, Audit Committee, and Municipal Public Account) and all other relevant stakeholders. Training providers are also requested to bring this Circular to the attention of trainees.

The introduction and application of these uniform norms, coupled with other financial reforms, will allow for comparisons with different type of municipalities and municipal entities and it is expected that they will replace earlier regulations issued that cover financial ratios and norms as these are based on the latest reforms in financial management.

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Chief Director: MFMA Implementation
17 January 2014

Annexure 1: Summary of the financial ratios, norms, formulae and data sources
Annexure 2: Excel template for calculation of the ratios and interpretation of results

SUMMARY OF UNIFORM FINANCIAL RATIO, FORMULAE, DATA SOURCE AND NORMS

1. FINANCIAL POSITION

A. Asset Management

	RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) × 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible Assets (Carrying Value)	Property, Plant and Equipment Impairment + Investment Property Impairment + Intangible Assets Impairment/(Total Property, Plant and Equipment + Investment Property + Intangible Assets) × 100	Statement of Financial Position, Notes to the AFS and AR	0%
3	Repairs and Maintenance as a % of Property, Plant and Equipment, Investment Property (Carrying Value)	Total Repairs and Maintenance Expenditure/ Property, Plant and Equipment and Investment Property(Carrying value) x 100	Statement of Financial Position, Statement of Financial Performance, IDP, Budgets and In-Year Reports	8%

B. Debtors Management

	RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Collection Rate	(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance + Bad Debts Written Off)/Billed Revenue x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget , In-Year Reports, IDP and AR	95%
2	Bad Debts Written-off as % of Provision for Bad Debt	Bad Debts Written-off /Provision for Bad Debt x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	100%
3	Net Debtors Days	((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue)) × 365	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	30 days

C. Liquidity Management

	RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Cash/Cost Coverage Ratio (Excluding Unspent Conditional Grants)	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In year Reports and AR	1 - 3 Months
2	Current Ratio	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1

D. Liability Management

	RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Capital Cost(Interest Paid and Redemption) as a % of Total Operating Expenditure	Capital Cost(Interest Paid and Redemption) / Total Operating Expenditure x100	Statement of Financial Position, Statement of Cash Flows, Statement of Financial Performance, Budget, IDP, In-Year Reports and AR	6% - 8%
2	Debt (Total Borrowings) / Revenue	(Overdraft + Current Finance Lease Obligation + Non Finance Lease Obligation + Short Term Borrowings + Long Term Borrowings) / Total Operating Revenue	Statement of Financial Position, Statement of Financial Performance, Budget, IDP and AR	45%

E. Sustainability

	RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Level of Cash Backed Reserves (Net Assets - Accumulated Surplus)	(Cash and Cash Equivalents - Bank overdraft + Short Term Investment + Long Term Investment - Unspent grants) / (Net Assets - Accumulated Surplus - Non Controlling Interest - Share Premium - Share Capital - Fair Value Adjustment - Revaluation Reserve)	Statement Financial Position, Budget and AR	100%

2. FINANCIAL PERFORMANCE

A. Efficiency

	RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Net Operating Surplus Margin	(Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue	Statement of Financial Performance, Budget, In-Year reports, AR, Statement of Comparison of Budget and Actual Amounts and Statement of Changes in Net Assets	= or > 0%
2	Net Surplus /Deficit Electricity	Total Electricity Revenue less Total Electricity Expenditure/Total Electricity Revenue × 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	0% - 15%
3	Net Surplus /Deficit Water	Total Water Revenue less Total Water Expenditure/Total Water Revenue × 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%
4	Net Surplus /Deficit Refuse	Total Refuse Revenue less Total Refuse Expenditure/Total Refuse Revenue × 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%
5	Net Surplus /Deficit Sanitation and Waste Water	Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure/Total Sanitation and Waste Water Revenue × 100	Statement of Financial Performance, Notes to AFS Budget, IDP, In-Year reports and AR	= or > 0%

B. Distribution Losses

RATIO		FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Electricity Distribution Losses (Percentage)	(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated) × 100	Annual Report, Audit Report and Notes to Annual Financial Statements	7% - 10%
2	Water Distribution Losses (Percentage)	(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified × 100	Annual Report, Audit Report and Notes to Annual Financial Statements	15% - 30%

C. Revenue Management

	RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Growth in Number of Active Consumer Accounts	(Period under review's number of Active Debtor Accounts - previous period number of Active Debtor Accounts)/ previous period number of Active Debtor Accounts x 100	Debtors System	None
2	Revenue Growth (%)	(Period under review's Total Revenue - previous period's Total Revenue)/ previous period's Total Revenue) x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= CPI
3	Revenue Growth (%) - Excluding capital grants	(Period under review's Total Revenue Excluding capital grants- previous period's Total Revenue excluding capital grants)/ previous period's Total Revenue excluding capital grants) x 100	Statement of Financial Performance, Notes to AFS , Budget, IDP, In-Year reports and AR	= CPI

D. Expenditure Management

	RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) × 365	Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR	30 days
2	Irregular, Fruitless and Wasteful and Unauthorised Expenditure / Total Operating Expenditure	(Irregular, Fruitless and Wasteful and Unauthorised Expenditure) / Total Operating Expenditure x100	Statement Financial Performance, Notes to Annual Financial Statements and AR	0%
3	Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) /Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	25% - 40%
4	Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	2% - 5%

E. Grant Dependency

RATIO		FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	Own funded Capital Expenditure (Internally generated funds + Borrowings) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information), Budget, IDP, In-Year reports and AR	None
2	Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure	Own funded Capital Expenditure (Internally Generated Funds) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information) Budget, IDP, In-Year reports and AR	None
3	Own Source Revenue to Total Operating Revenue(Including Agency Revenue)	Own Source Revenue (Total revenue - Government grants and Subsidies - Public Contributions and Donations)/ Total Operating Revenue (including agency services) x 100	Statement Financial Performance, Budget, IDP, In-Year reports and AR	None

3. BUDGET IMPLEMENTATION

	RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Capital Expenditure Budget Implementation Indicator	Actual capital Expenditure / Budget Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, In-Year reports and AR	95% - 100%
2	Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%
3	Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%
4	Service Charges and Property Rates Revenue Budget Implementation Indicator	Actual Service Charges and Property Rates Revenue / Budget Service Charges and Property Rates Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%

NATIONAL TREASURY

MFMA Circular No 71

Municipal Finance Management Act No. 56 of 2003

Annexure 2

Interpretation of results

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

Template for Calculation of Uniform Financial Ratios and Norms 2019/20 Audited

RATIO	FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION	MUNICIPAL COMMENTS (#)
					" R 000 "		
1. FINANCIAL POSITION							
A. Asset Management/Utilisation							
1	Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) × 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%		15%	
					Total Operating Expenditure	1 191 081 858	
					Taxation Expense	-	*Audited*
					Total Capital Expenditure	211 056 463	
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	Property, Plant and Equipment + Investment Property + Intangible Assets Impairment/(Total Property, Plant and Equipment + Investment Property + Intangible Assets) × 100	Statement of Financial Position, Notes to the AFS and AR	0%		0%	
					PPE, Investment Property and Intangible Impairment	1 834 594	
					PPE at carrying value	3 485 839 695	*Audited*
					Investment at carrying value	122 920 500	
					Intangible Assets at carrying value	9 168 010	
3	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	Total Repairs and Maintenance Expenditure/ Property, Plant and Equipment and Investment Property (Carrying value) x 100	Statement of Financial Position, Statement of Financial Performance, IDP, Budgets and In-Year Reports	8%		5%	
					Total Repairs and Maintenance Expenditure	188 517 252	
					PPE at carrying value	3 485 839 695	*Audited*
					Investment Property at Carrying value	122 920 500	
							Repairs & maintenance compises 15.83% of total expenditure. Asset value was enhanced with the introduction of GRAP i.r.o. Depreciated Replacement Cost.

B. Debtors Management

1	Collection Rate	(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off)/Billed Revenue x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget , In-Year Reports, IDP and AR	95%		96%		
					Gross Debtors closing balance	210 654 495		
					Gross Debtors opeining balance	175 201 265	*Audited*	
					Bad debts written Off	658 643		
					Billed Revenue	939 088 246		
2	Bad Debts Written-off as % of Provision for Bad Debt	Bad Debts Written-off/Provision for Bad debts x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	100%		1%		
					Consumer Debtors Bad debts written off	658 643	*Audited*	The norm range appears incorrect
					Consumer Debtors Current bad debt Provision	76 176 102		
3	Net Debtors Days	((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue)) × 365	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	30 days		52 days		
					Gross debtors	210 654 495	*Audited*	This compares ALL debtors to only billed revenue and therefore does not give the most accurate debtor days
					Bad debts Provision	76 176 102		
					Billed Revenue	939 088 246		

C. Liquidity Management

1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In year Reports and AR	1 - 3 Months		7 Month		
					Cash and cash equivalents	143 570 238		
					Unspent Conditional Grants	31 132 871		
					Overdraft		*Audited*	
					Short Term Investments	510 242 885		
					Total Annual Operational Expenditure	1 032 803 551		
2	Current Ratio	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1		2.75		
					Current Assets	809 608 926	*Audited*	
					Current Liabilities	294 861 174		

D. Liability Management

1	Capital Cost(Interest Paid and Redemption) as a % of Total Operating Expenditure	Capital Cost(Interest Paid and Redemption) / Total Operating Expenditure x 00	Statement of Financial Position, Statement of Cash Flows, Statement of Financial Performance, Budget, IDP, In-Year Reports and AR	6% - 8%		7%		
					Interest Paid	46 570 200		
					Redemption	39 724 608	*Audited*	
					Total Operating Expenditure	1 191 081 858		
					Taxation Expense			
2	Debt (Total Borrowings) / Revenue	(Overdraft + Current Finance Lease Obligation + Non current Finance Lease Obligation + Short Term Borrowings + Long term borrowing) / (Total Operating Revenue - Operational Conditional Grants) x 100	Statement of Financial Position, Statement of Financial Performance, Budget, IDP and AR	45%		41%		
					Total Debt	476 933 000	*Audited*	
					Total Operating Revenue	1 288 827 839		
					Operational Conditional Grants	123 140 482		

E. Sustainability

						20736%		
					Cash and cash Equivalents	143 570 238		
					Bank Overdraft			
					Short Term Investment	510 242 885		

1	Level of Cash Backed Reserves (Net Assets - Accumulated Surplus)	(Cash and Cash Equivalents - Bank overdraft + Short Term Investment + Long Term Investment - Unspent grants) / (Net Assets - Accumulated Surplus - Non Controlling Interest Share Premium - Share Capital - Fair Value Adjustment - Revaluation Reserve) x 100	Statement Financial Position, Budget and AR	100%	Long Term Investment	46 515 060	*Audited*	
					Unspent Grants	31 132 871		
					Net Assets	3 667 982 529		
					Share Premium			
					Share Capital			
					Revaluation Reserve			
					Fair Value Adjustment Reserve			
					Accumulated Surplus	3 664 755 365		

2. FINANCIAL PERFORMANCE

A. Efficiency

1	Net Operating Surplus Margin	(Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue	Statement of Financial Performance, Budget, In-Year reports, AR, Statement of Comparison of Budget and Actual Amounts and Statement of Changes in Net Asset	= or > 0%		8%	*Audited*	
					Total Operating Revenue	1 288 827 839		
					Depreciation - Revalued Portion *(Only populate if depreciation line item in the Statement of Financial Performance is based on the revalued asset value)*	-		
					Total Operating Expenditure	1 191 081 858		
					Taxation Expense	-		
2	Net Surplus /Deficit Electricity	Total Electricity Revenue less Total Electricity Expenditure/Total Electricity Revenue × 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	0% - 15%		8%	*Audited*	
					Total Electricity Revenue	459 980 208		
					Total Electricity Expenditure	421 063 990		
3	Net Surplus /Deficit Water	Total Water Revenue less Total Water Expenditure/Total Water Revenue × 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%		16%	*Audited*	
					Total Water Revenue	153 633 169		
					Total Water Expenditure	128 853 890		
4	Net Surplus /Deficit Refuse	Total Refuse Revenue less Total Refuse Expenditure/Total Refuse Revenue × 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%		5%	*Audited*	
					Total Refuse Revenue	86 662 024		
					Total Refuse Expenditure	82 343 978		
5	Net Surplus /Deficit Sanitation and Waste Water	Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure/Total Sanitation and Waste Water Revenue × 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	= or > 0%		-2%	*Audited*	
					Total Sanitation and Water Waste Revenue	103 933 774		
					Total Sanitation and Water Waste Expenditure	106 497 738		

B. Distribution Losses

		(Number of Electricity Units Purchased and/or				6%		

1	Electricity Distribution Losses (Percentage)	(Number of Electricity Units Purchased and/or Generated - Number of units sold) / Number of Electricity Units Purchased and/or generated) × 100	Annual Report, Audit Report and Notes to Annual Financial Statements	7% - 10%	Number of units purchased and/or generated	253 797 658	*Audited*	
					Number of units sold	238 519 039		
2	Water Distribution Losses (Percentage)	(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified × 100	Annual Report, Audit Report and Notes to Annual Financial Statements	15% - 30%		26%	*Audited*	
					Number of kilolitres purchased and/or purified	7 086 457		
					Number of kilolitres sold	5 250 356		
C. Revenue Management								
1	Growth in Number of Active Consumer Accounts	(Period under review's number of Active Debtor Accounts - previous period's number of Active Debtor Accounts)/ previous number of Active Debtor Accounts x 100	Debtors System	None		0%	*Audited*	
					Number of Active Debtors Accounts (Previous)	48 613		
					Number of Active Debtors Accounts (Current)	48 755		
2	Revenue Growth (%)	(Period under review's Total Revenue - previous period's Total Revenue)/ previous period's Total Revenue) x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= CPI		9%	*Audited*	Refer to flactuations in the housing grant (operational vs capital)
					CPI	5%		
					Total Revenue (Previous)	1 215 062 400		
					Total Revenue (Current)	1 329 949 463		
3	Revenue Growth (%) - Excluding capital grants	(Period under review's Total Revenue Excluding capital grants- previous period's Total Revenue excluding capital grants)/ previous period's Total Revenue excluding capital grants) x 100	Statement of Financial Performance, Notes to AFS , Budget, IDP, In-Year reports and AR	= CPI		11%	*Audited*	Refer to flactuations in the housing grant (operational vs capital)
					CPI	5%		
					Total Revenue Exl.Capital (Previous)	1 156 425 497		
					Total Revenue Exl.Capital (Current)	1 288 827 839		
D. Expenditure Management								
1	Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) × 365	Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR	30 days		33 days	*Audited*	
					Trade Creditors	71 304 910		
					Contracted Services	120 195 187		
					Repairs and Maintenance	92 032 858		
					General expenses	75 987 847		
					Bulk Purchases	278 547 666		
					Capital Credit Purchases *(Capital Credit Purchases refers to additions of Investment Property and Property,Plant and Equipment)*	211 056 463		
						0%		

2	Irregular, Fruitless and Wasteful and Unauthorised Expenditure / Total Operating Expenditure	(Irregular, Fruitless and Wasteful and Unauthorised Expenditure) / Total Operating Expenditure x100	Statement Financial Performance, Notes to Annual Financial Statements and AR	0%	Irregular, Fruitless and Wasteful and Unauthorised Expenditure	3 780 636	*Audited*	
					Total Operating Expenditure	1 191 081 858		
					Taxation Expense			
3	Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) /Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	25% - 40%		33%	*Audited*	
					Employee/personnel related cost	382 572 151		
					Councillors Remuneration	11 282 325		
					Total Operating Expenditure	1 191 081 858		
					Taxation Expense			
4	Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	2% - 5%		15%	*Audited*	Cost analysis conducted to deliver cost effective services.
					Contracted Services	178 363 151		
					Total Operating Expenditure	1 191 081 858		
					Taxation Expense			
E. Grant Dependency								
1	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	Own funded Capital Expenditure (Internally generated funds + Borrowings) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information), Budget, IDP, In-Year reports and AR	None		43%	*Audited*	
					Internally generated funds	39 357 705		
					Borrowings	50 476 397		
					Total Capital Expenditure	211 056 463		
2	Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure	Own funded Capital Expenditure (Internally Generated Funds) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information) Budget, IDP, In-Year reports and AR	None		19%	*Audited*	
					Internally generated funds	39 357 705		
					Total Capital Expenditure	211 056 463		
3	Own Source Revenue to Total Operating Revenue(Including Agency Revenue)	Own Source Revenue (Total revenue - Government grants and Subsidies - Public Contributions and Donations)/ Total Operating Revenue (including agency services) x 100	Statement Financial Performance, Budget, IDP, In-Year reports and AR	None		90%	*Audited*	
					Total Revenue	1 329 949 463		
					Government grant and subsidies	160 532 335		
					Public contributions and Donations	3 729 771		
					Capital Grants	37 391 853		
3. BUDGET IMPLEMENTATION								
1	Capital Expenditure Budget Implementation Indicator	Actual capital Expenditure / Budget Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, In-Year reports and AR	95% - 100%		77%	*Audited*	
					Actual Capital Expenditure	211 056 463		
					Budget Capital Expenditure	275 799 967		

2	Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%		91%	*Audited*	
					Actual Operating Expenditure	1 191 081 858		
					Budget Operating Expenditure	1 306 768 048		
3	Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%		100%	*Audited*	
					Actual Operating Revenue	1 288 827 839		
					Budget Operating Revenue	1 290 877 415		
4	Service Charges and Property Rates Revenue Budget Implementation Indicator	Actual Service Charges and Property Rates Revenue / Budget Service Charges and Property Rates Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%		101%	*Audited*	Not sure why 100% collection should be penalised
					Actual Service Charges and Property Rates Revenue	939 088 246		
					Budget Service Charges and Property Rates Revenue	932 999 816		

NATIONAL TREASURY

MFMA Circular No 71

Municipal Finance Management Act No. 56 of 2003

Annexure 2

Interpretation of results

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

Template for Calculation of Uniform Financial Ratios and Norms 2020/21 Projected

RATIO	FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION	MUNICIPAL COMMENTS (#)
					" R 000 "		
1. FINANCIAL POSITION							
A. Asset Management/Utilisation							
1	Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) × 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%		16%	*2020/21 Projected 5*	
					Total Operating Expenditure	1 320 935 942		
					Taxation Expense	-		
					Total Capital Expenditure	254 800 185		
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	Property, Plant and Equipment + Investment Property + Intangible Assets Impairment/(Total Property, Plant and Equipment + Investment Property + Intangible Assets) × 100	Statement of Financial Position, Notes to the AFS and AR	0%		0%	*2020/21 Projected 5*	
					PPE, Investment Property and Intangible Impairment	1 634 549		
					PPE at carrying value	3 599 140 994		
					Investment at carrying value	127 537 500		
					Intangible Assets at carrying value	8 993 219		
3	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	Total Repairs and Maintenance Expenditure/ Property, Plant and Equipment and Investment Property (Carrying value) x 100	Statement of Financial Position, Statement of Financial Performance, IDP, Budgets and In-Year Reports	8%		6%	*2020/21 Projected 5*	Repairs & maintenance compises 15.97% of total expenditure. Asset value was enhanced with the introduction of GRAP i.r.o. Depreciated Replacement Cost.
					Total Repairs and Maintenance Expenditure	210 900 890		
					PPE at carrying value	3 599 140 994		
					Investment Property at Carrying value	127 537 500		

B. Debtors Management

1	Collection Rate	(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off)/Billed Revenue x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget , In-Year Reports, IDP and AR	95%		100%	*2020/21 Projected 5*	
					Gross Debtors closing balance	205 277 094		
					Gross Debtors opeining balance	210 654 495		
					Bad debts written Off	856 499		
					Billed Revenue	994 418 895		
2	Bad Debts Written-off as % of Provision for Bad Debt	Bad Debts Written-off/Provision for Bad debts x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	100%		1%	*2020/21 Projected 5*	The norm range appears incorrect
					Consumer Debtors Bad debts written off	856 499		
					Consumer Debtors Current bad debt Provision	82 565 740		
3	Net Debtors Days	((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue)) × 365	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	30 days		45 days	*2020/21 Projected 5*	Taking into account/providing for the high risk regarding the COVID19 lockdown consequences
					Gross debtors	205 277 094		
					Bad debts Provision	82 565 740		
					Billed Revenue	994 418 895		

C. Liquidity Management

1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In year Reports and AR	1 - 3 Months		6 Month	*2020/21 Projected 5*	
					Cash and cash equivalents	202 481 996		
					Unspent Conditional Grants	24 029 735		
					Overdraft			
					Short Term Investments	410 240 607		
					Total Annual Operational Expenditure	1 173 088 027		
2	Current Ratio	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1		2.47	*2020/21 Projected 5*	
					Current Assets	765 708 927		
					Current Liabilities	310 222 432		

D. Liability Management

1	Capital Cost(Interest Paid and Redemption) as a % of Total Operating Expenditure	Capital Cost(Interest Paid and Redemption) / Total Operating Expenditure x 00	Statement of Financial Position, Statement of Cash Flows, Statement of Financial Performance, Budget, IDP, In-Year Reports and AR	6% - 8%		7%	*2020/21 Projected 5*	
					Interest Paid	48 805 228		
					Redemption	46 576 253		
					Total Operating Expenditure	1 320 935 942		
					Taxation Expense	-		
2	Debt (Total Borrowings) / Revenue	(Overdraft + Current Finance Lease Obligation + Non current Finance Lease Obligation + Short Term Borrowings + Long term borrowing) / (Total Operating Revenue - Operational Conditional Grants) x 100	Statement of Financial Position, Statement of Financial Performance, Budget, IDP and AR	45%		41%	*2020/21 Projected 5*	
					Total Debt	484 356 747		
					Total Operating Revenue	1 314 564 944		
					Operational Conditional Grants	140 895 452		

E. Sustainability

						19922%		
					Cash and cash Equivalents	202 481 996		
					Bank Overdraft			
					Short Term Investment	410 240 607		

1	Level of Cash Backed Reserves (Net Assets - Accumulated Surplus)	(Cash and Cash Equivalents - Bank overdraft + Short Term Investment + Long Term Investment - Unspent grants) / (Net Assets - Accumulated Surplus - Non Controlling Interest Share Premium - Share Capital - Fair Value Adjustment - Revaluation Reserve) x 100	Statement Financial Position, Budget and AR	100%	Long Term Investment	54 278 368	*2020/21 Projected 5*	
					Unspent Grants	24 029 735		
					Net Assets	3 698 830 307		
					Share Premium			
					Share Capital			
					Revaluation Reserve			
					Fair Value Adjustment Reserve			
					Accumulated Surplus	3 695 602 932		

2. FINANCIAL PERFORMANCE

A. Efficiency

1	Net Operating Surplus Margin	(Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue	Statement of Financial Performance, Budget, In-Year reports, AR, Statement of Comparison of Budget and Actual Amounts and Statement of Changes in Net Asset	= or > 0%		0%	*2020/21 Projected 5*	Refer to flactuations in the housing grant (operational vs capital)
					Total Operating Revenue	1 314 564 944		
					Depreciation - Revalued Portion *(Only populate if depreciation line item in the Statement of Financial Performance is based on the revalued asset value)*			
					Total Operating Expenditure	1 320 935 942		
					Taxation Expense			
2	Net Surplus /Deficit Electricity	Total Electricity Revenue less Total Electricity Expenditure/Total Electricity Revenue × 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	0% - 15%		9%	*2020/21 Projected 5*	
					Total Electricity Revenue	481 694 831		
					Total Electricity Expenditure	436 565 368		
3	Net Surplus /Deficit Water	Total Water Revenue less Total Water Expenditure/Total Water Revenue × 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%		10%	*2020/21 Projected 5*	
					Total Water Revenue	153 115 215		
					Total Water Expenditure	137 370 795		
4	Net Surplus /Deficit Refuse	Total Refuse Revenue less Total Refuse Expenditure/Total Refuse Revenue × 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%		-13%	*2020/21 Projected 5*	
					Total Refuse Revenue	94 656 778		
					Total Refuse Expenditure	107 328 369		
5	Net Surplus /Deficit Sanitation and Waste Water	Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure/Total Sanitation and Waste Water Revenue × 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	= or > 0%		4%	*2020/21 Projected 5*	
					Total Sanitation and Water Waste Revenue	117 987 054		
					Total Sanitation and Water Waste Expenditure	112 745 847		

B. Distribution Losses

		(Number of Electricity Units Purchased and/or				7%		

1	Electricity Distribution Losses (Percentage)	(Number of Electricity Units Purchased and/or Generated - Number of units sold) / Number of Electricity Units Purchased and/or generated) × 100	Annual Report, Audit Report and Notes to Annual Financial Statements	7% - 10%	Number of units purchased and/or generated	256 572 652	*2020/21 Projected 5*	
					Number of units sold	237 717 615		
2	Water Distribution Losses (Percentage)	(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified × 100	Annual Report, Audit Report and Notes to Annual Financial Statements	15% - 30%		28%	*2020/21 Projected 5*	
					Number of kilolitres purchased and/or purified	7 350 903		
					Number of kilolitres sold	5 273 591		
C. Revenue Management								
1	Growth in Number of Active Consumer Accounts	(Period under review's number of Active Debtor Accounts - previous period's number of Active Debtor Accounts)/ previous number of Active Debtor Accounts x 100	Debtors System	None		3%	*2020/21 Projected 5*	
					Number of Active Debtors Accounts (Previous)	48 755		
					Number of Active Debtors Accounts (Current)	50 000		
2	Revenue Growth (%)	(Period under review's Total Revenue - previous period's Total Revenue)/ previous period's Total Revenue) x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= CPI		2%	*2020/21 Projected 5*	Refer to flactuations in the housing grant (operational vs capital)
					CPI	5%		
					Total Revenue (Previous)	1 329 949 465		
					Total Revenue (Current)	1 351 783 715		
3	Revenue Growth (%) - Excluding capital grants	(Period under review's Total Revenue Excluding capital grants- previous period's Total Revenue excluding capital grants)/ previous period's Total Revenue excluding capital grants) x 100	Statement of Financial Performance, Notes to AFS , Budget, IDP, In-Year reports and AR	= CPI		0%	*2020/21 Projected 5*	Refer to flactuations in the housing grant (operational vs capital)
					CPI	5%		
					Total Revenue Exl.Capital (Previous)	1 288 827 841		
					Total Revenue Exl.Capital (Current)	1 290 645 809		
D. Expenditure Management								
1	Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) × 365	Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR	30 days		31 days	*2020/21 Projected 5*	
					Trade Creditors	74 659 212		
					Contracted Services	127 098 926		
					Repairs and Maintenance	109 204 826		
					General expenses	101 506 847		
					Bulk Purchases	298 272 081		
					Capital Credit Purchases *(Capital Credit Purchases refers to additions of Investment Property and Property,Plant and Equipment)*	254 800 185		
						0%		

2	Irregular, Fruitless and Wasteful and Unauthorised Expenditure / Total Operating Expenditure	(Irregular, Fruitless and Wasteful and Unauthorised Expenditure) / Total Operating Expenditure x100	Statement Financial Performance, Notes to Annual Financial Statements and AR	0%	Irregular, Fruitless and Wasteful and Unauthorised Expenditure		*2020/21 Projected 5*	
					Total Operating Expenditure	1 320 935 942		
					Taxation Expense			
3	Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) /Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	25% - 40%		34%	*2020/21 Projected 5*	
					Employee/personnel related cost	437 874 472		
					Councillors Remuneration	11 218 781		
					Total Operating Expenditure	1 320 935 942		
					Taxation Expense			
4	Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	2% - 5%		16%	*2020/21 Projected 5*	Cost analysis conducted to deliver cost effective services.
					Contracted Services	208 095 282		
					Total Operating Expenditure	1 320 935 942		
					Taxation Expense			
E. Grant Dependency								
1	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	Own funded Capital Expenditure (Internally generated funds + Borrowings) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information), Budget, IDP, In-Year reports and AR	None		85%	*2020/21 Projected 5*	
					Internally generated funds	172 138 914		
					Borrowings	45 442 500		
					Total Capital Expenditure	254 800 185		
2	Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure	Own funded Capital Expenditure (Internally Generated Funds) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information) Budget, IDP, In-Year reports and AR	None		68%	*2020/21 Projected 5*	
					Internally generated funds	172 138 914		
					Total Capital Expenditure	254 800 185		
3	Own Source Revenue to Total Operating Revenue(Including Agency Revenue)	Own Source Revenue (Total revenue - Government grants and Subsidies - Public Contributions and Donations)/ Total Operating Revenue (including agency services) x 100	Statement Financial Performance, Budget, IDP, In-Year reports and AR	None		87%	*2020/21 Projected 5*	
					Total Revenue	1 351 783 715		
					Government grant and subsidies	178 114 223		
					Public contributions and Donations	23 919 135		
					Capital Grants	37 218 771		
3. BUDGET IMPLEMENTATION								
1	Capital Expenditure Budget Implementation Indicator	Actual capital Expenditure / Budget Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, In-Year reports and AR	95% - 100%		91%	*2020/21 Projected 5*	
					Actual Capital Expenditure	254 800 185		
					Budget Capital Expenditure	280 086 380		

2	Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%		97%	*2020/21 Projected 5*	
					Actual Operating Expenditure	1 320 935 942		
					Budget Operating Expenditure	1 360 558 620		
3	Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%		100%	*2020/21 Projected 5*	
					Actual Operating Revenue	1 314 564 944		
					Budget Operating Revenue	1 310 080 334		
4	Service Charges and Property Rates Revenue Budget Implementation Indicator	Actual Service Charges and Property Rates Revenue / Budget Service Charges and Property Rates Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%		103%	*2020/21 Projected 5*	Not sure why 100% collection should be penalised
					Actual Service Charges and Property Rates Revenue	994 418 895		
					Budget Service Charges and Property Rates Revenue	969 449 769		

NATIONAL TREASURY

MFMA Circular No 71

Municipal Finance Management Act No. 56 of 2003

Annexure 2

Interpretation of results

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

Template for Calculation of Uniform Financial Ratios and Norms 2021/22 Projected

RATIO	FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION	MUNICIPAL COMMENTS (#)
					" R 000 "		
1. FINANCIAL POSITION							
A. Asset Management/Utilisation							
1	Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) × 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%		14%	*2021/22 Projected 4*	
					Total Operating Expenditure	1 520 917 890		
					Taxation Expense	-		
					Total Capital Expenditure	239 978 890		
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	Property, Plant and Equipment + Investment Property + Intangible Assets Impairment/(Total Property, Plant and Equipment + Investment Property + Intangible Assets) × 100	Statement of Financial Position, Notes to the AFS and AR	0%		0%	*2021/22 Projected 4*	
					PPE, Investment Property and Intangible Impairment			
					PPE at carrying value	3 733 040 637		
					Investment at carrying value	127 346 000		
					Intangible Assets at carrying value	8 602 881		
3	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	Total Repairs and Maintenance Expenditure/ Property, Plant and Equipment and Investment Property (Carrying value) x 100	Statement of Financial Position, Statement of Financial Performance, IDP, Budgets and In-Year Reports	8%		7%	*2021/22 Projected 4*	Repairs & maintenance compises 16.94% of total expenditure. Asset value was enhanced with the introduction of GRAP i.r.o. Depreciated Replacement Cost.
					Total Repairs and Maintenance Expenditure	257 628 417		
					PPE at carrying value	3 733 040 637		
					Investment Property at Carrying value	127 346 000		

B. Debtors Management								
1	Collection Rate	(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off)/Billed Revenue x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget , In-Year Reports, IDP and AR	95%		100%	*2021/22 Projected 4*	
					Gross Debtors closing balance	126 616 877		
					Gross Debtors opeining balance	128 344 606		
					Bad debts written Off	-		
					Billed Revenue	1 069 494 456		
2	Bad Debts Written-off as % of Provision for Bad Debt	Bad Debts Written-off/Provision for Bad debts x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	100%		0%	*2021/22 Projected 4*	The norm range appears incorrect
					Consumer Debtors Bad debts written off	-		
					Consumer Debtors Current bad debt Provision	42 141 428		
3	Net Debtors Days	((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue)) × 365	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	30 days		29 days	*2021/22 Projected 4*	Taking into account/providing for the high risk regarding the COVID19 lockdown consequences
					Gross debtors	126 616 877		
					Bad debts Provision	42 141 428		
					Billed Revenue	1 069 494 456		
C. Liquidity Management								
1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In year Reports and AR	1 - 3 Months		5 Month	*2021/22 Projected 4*	
					Cash and cash equivalents	166 301 919		
					Unspent Conditional Grants	-		
					Overdraft			
					Short Term Investments	400 000 000		
					Total Annual Operational Expenditure	1 361 712 238		
2	Current Ratio	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1		1.85	*2021/22 Projected 4*	
					Current Assets	707 463 401		
					Current Liabilities	382 499 677		
D. Liability Management								
1	Capital Cost(Interest Paid and Redemption) as a % of Total Operating Expenditure	Capital Cost(Interest Paid and Redemption) / Total Operating Expenditure x 00	Statement of Financial Position, Statement of Cash Flows, Statement of Financial Performance, Budget, IDP, In-Year Reports and AR	6% - 8%		7%	*2021/22 Projected 4*	
					Interest Paid	51 803 648		
					Redemption	54 645 960		
					Total Operating Expenditure	1 520 917 890		
					Taxation Expense			
2	Debt (Total Borrowings) / Revenue	(Overdraft + Current Finance Lease Obligation + Non current Finance Lease Obligation + Short Term Borrowings + Long term borrowing) / (Total Operating Revenue - Operational Conditional Grants) x 100	Statement of Financial Position, Statement of Financial Performance, Budget, IDP and AR	45%		38%	*2021/22 Projected 4*	
					Total Debt	481 057 758		
					Total Operating Revenue	1 438 553 209		
					Operational Conditional Grants	157 281 284		
E. Sustainability								
						19087%		
					Cash and cash Equivalents	166 301 919		
					Bank Overdraft			
					Short Term Investment	400 000 000		

1	Level of Cash Backed Reserves (Net Assets - Accumulated Surplus)	(Cash and Cash Equivalents - Bank overdraft + Short Term Investment + Long Term Investment - Unspent grants) / (Net Assets - Accumulated Surplus - Non Controlling Interest Share Premium - Share Capital - Fair Value Adjustment - Revaluation Reserve) x 100	Statement Financial Position, Budget and AR	100%	Long Term Investment	62 164 557	*2021/22 Projected 4*	
					Unspent Grants	12 442 381		
					Net Assets	3 691 222 284		
					Share Premium			
					Share Capital			
					Revaluation Reserve			
					Fair Value Adjustment Reserve			
					Accumulated Surplus	3 687 994 784		

2. FINANCIAL PERFORMANCE

A. Efficiency

1	Net Operating Surplus Margin	(Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue	Statement of Financial Performance, Budget, In-Year reports, AR, Statement of Comparison of Budget and Actual Amounts and Statement of Changes in Net Asset	= or > 0%		-6%	*2021/22 Projected 4*	Refer to flactuations in the housing grant (operational vs capital)
					Total Operating Revenue	1 438 553 209		
					Depreciation - Revalued Portion *(Only populate if depreciation line item in the Statement of Financial Performance is based on the revalued asset value)*			
					Total Operating Expenditure	1 520 917 890		
					Taxation Expense			
2	Net Surplus /Deficit Electricity	Total Electricity Revenue less Total Electricity Expenditure/Total Electricity Revenue × 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	0% - 15%		6%	*2021/22 Projected 4*	
					Total Electricity Revenue	538 843 532		
					Total Electricity Expenditure	505 140 622		
3	Net Surplus /Deficit Water	Total Water Revenue less Total Water Expenditure/Total Water Revenue × 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%		2%	*2021/22 Projected 4*	
					Total Water Revenue	147 445 938		
					Total Water Expenditure	144 040 386		
4	Net Surplus /Deficit Refuse	Total Refuse Revenue less Total Refuse Expenditure/Total Refuse Revenue × 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%		0%	*2021/22 Projected 4*	
					Total Refuse Revenue	94 144 886		
					Total Refuse Expenditure	94 017 578		
5	Net Surplus /Deficit Sanitation and Waste Water	Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure/Total Sanitation and Waste Water Revenue × 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	= or > 0%		7%	*2021/22 Projected 4*	
					Total Sanitation and Water Waste Revenue	106 856 118		
					Total Sanitation and Water Waste Expenditure	99 523 480		

B. Distribution Losses

		(Number of Electricity Units Purchased and/or				6%		

1	Electricity Distribution Losses (Percentage)	(Number of Electricity Units Purchased and/or Generated - Number of units sold) / Number of Electricity Units Purchased and/or generated) × 100	Annual Report, Audit Report and Notes to Annual Financial Statements	7% - 10%	Number of units purchased and/or generated	250 912 516	*2021/22 Projected 4*	
					Number of units sold	235 857 765		
2	Water Distribution Losses (Percentage)	(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified × 100	Annual Report, Audit Report and Notes to Annual Financial Statements	15% - 30%		25%	*2021/22 Projected 4*	
					Number of kilolitres purchased and/or purified	7 720 616		
					Number of kilolitres sold	5 829 065		
C. Revenue Management								
1	Growth in Number of Active Consumer Accounts	(Period under review's number of Active Debtor Accounts - previous period's number of Active Debtor Accounts)/ previous number of Active Debtor Accounts x 100	Debtors System	None		6%	*2021/22 Projected 4*	
					Number of Active Debtors Accounts (Previous)	50 000		
					Number of Active Debtors Accounts (Current)	53 000		
2	Revenue Growth (%)	(Period under review's Total Revenue - previous period's Total Revenue)/ previous period's Total Revenue) x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= CPI		10%	*2021/22 Projected 4*	Refer to flactuations in the housing grant (operational vs capital)
					CPI	5%		
					Total Revenue (Previous)	1 351 783 715		
					Total Revenue (Current)	1 491 211 751		
3	Revenue Growth (%) - Excluding capital grants	(Period under review's Total Revenue Excluding capital grants- previous period's Total Revenue excluding capital grants)/ previous period's Total Revenue excluding capital grants) x 100	Statement of Financial Performance, Notes to AFS , Budget, IDP, In-Year reports and AR	= CPI		11%	*2021/22 Projected 4*	Refer to flactuations in the housing grant (operational vs capital)
					CPI	5%		
					Total Revenue Exl.Capital (Previous)	1 290 645 809		
					Total Revenue Exl.Capital (Current)	1 438 553 209		
D. Expenditure Management								
1	Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) × 365	Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR	30 days		30 days	*2021/22 Projected 4*	
					Trade Creditors	83 000 000		
					Contracted Services	151 971 324		
					Repairs and Maintenance	134 823 447		
					General expenses	140 400 813		
					Bulk Purchases	353 706 800		
					Capital Credit Purchases *(Capital Credit Purchases refers to additions of Investment Property and Property,Plant and Equipment)*	239 978 890		
						0%		

2	Irregular, Fruitless and Wasteful and Unauthorised Expenditure / Total Operating Expenditure	(Irregular, Fruitless and Wasteful and Unauthorised Expenditure) / Total Operating Expenditure x100	Statement Financial Performance, Notes to Annual Financial Statements and AR	0%	Irregular, Fruitless and Wasteful and Unauthorised Expenditure	-	*2021/22 Projected 4*	
					Total Operating Expenditure	1 520 917 890		
					Taxation Expense	-		
3	Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) /Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	25% - 40%		32%	*2021/22 Projected 4*	
					Employee/personnel related cost	478 178 520		
					Councillors Remuneration	12 400 990		
					Total Operating Expenditure	1 520 917 890		
					Taxation Expense			
4	Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	2% - 5%		17%	*2021/22 Projected 4*	Cost analysis conducted to deliver cost effective services.
					Contracted Services	254 506 481		
					Total Operating Expenditure	1 520 917 890		
					Taxation Expense			
E. Grant Dependency								
1	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	Own funded Capital Expenditure (Internally generated funds + Borrowings) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information), Budget, IDP, In-Year reports and AR	None		53%	*2021/22 Projected 4*	
					Internally generated funds	54 094 232		
					Borrowings	72 761 444		
					Total Capital Expenditure	239 978 890		
2	Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure	Own funded Capital Expenditure (Internally Generated Funds) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information) Budget, IDP, In-Year reports and AR	None		23%	*2021/22 Projected 4*	
					Internally generated funds	54 094 232		
					Total Capital Expenditure	239 978 890		
3	Own Source Revenue to Total Operating Revenue(Including Agency Revenue)	Own Source Revenue (Total revenue - Government grants and Subsidies - Public Contributions and Donations)/ Total Operating Revenue (including agency services) x 100	Statement Financial Performance, Budget, IDP, In-Year reports and AR	None		92%	*2021/22 Projected 4*	
					Total Revenue	1 491 211 751		
					Government grant and subsidies	157 281 284		
					Public contributions and Donations	3 596 542		
					Capital Grants	49 062 000		
3. BUDGET IMPLEMENTATION								
1	Capital Expenditure Budget Implementation Indicator	Actual capital Expenditure / Budget Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, In-Year reports and AR	95% - 100%		100%	*2021/22 Projected 4*	
					Actual Capital Expenditure	239 978 890		
					Budget Capital Expenditure	239 978 890		

2	Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%		100%	*2021/22 Projected 4*	
					Actual Operating Expenditure	1 520 917 890		
					Budget Operating Expenditure	1 520 917 890		
3	Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%		100%	*2021/22 Projected 4*	
					Actual Operating Revenue	1 438 553 209		
					Budget Operating Revenue	1 438 553 209		
4	Service Charges and Property Rates Revenue Budget Implementation Indicator	Actual Service Charges and Property Rates Revenue / Budget Service Charges and Property Rates Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%		100%	*2021/22 Projected 4*	
					Actual Service Charges and Property Rates Revenue	1 069 494 456		
					Budget Service Charges and Property Rates Revenue	1 069 494 456		

NATIONAL TREASURY

MFMA Circular No 71

Municipal Finance Management Act No. 56 of 2003

Annexure 2

Interpretation of results

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

Template for Calculation of Uniform Financial Ratios and Norms 2022/23 Projected

RATIO	FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION	MUNICIPAL COMMENTS (#)
					" R 000 "		
1. FINANCIAL POSITION							
A. Asset Management/Utilisation							
1	Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) × 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%		13%	*2022/23 Projected 3*	
					Total Operating Expenditure	1 594 971 364		
					Taxation Expense	-		
					Total Capital Expenditure	236 019 596		
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	Property, Plant and Equipment + Investment Property + Intangible Assets Impairment/(Total Property, Plant and Equipment + Investment Property + Intangible Assets) × 100	Statement of Financial Position, Notes to the AFS and AR	0%		0%	*2022/23 Projected 3*	
					PPE, Investment Property and Intangible Impairment			
					PPE at carrying value	3 820 864 727		
					Investment at carrying value	132 846 000		
					Intangible Assets at carrying value	8 202 881		
3	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	Total Repairs and Maintenance Expenditure/ Property, Plant and Equipment and Investment Property (Carrying value) x 100	Statement of Financial Position, Statement of Financial Performance, IDP, Budgets and In-Year Reports	8%		7%	*2022/23 Projected 3*	Repairs & maintenance compises 16.80% of total expenditure. Asset value was enhanced with the introduction of GRAP i.r.o. Depreciated Replacement Cost.
					Total Repairs and Maintenance Expenditure	267 944 215		
					PPE at carrying value	3 820 864 727		
					Investment Property at Carrying value	132 846 000		

B. Debtors Management								
1	Collection Rate	(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off)/Billed Revenue x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget , In-Year Reports, IDP and AR	95%		99%	*2022/23 Projected 3*	
					Gross Debtors closing balance	138 847 954		
					Gross Debtors opeining balance	126 616 877		
					Bad debts written Off	-		
					Billed Revenue	1 137 582 800		
2	Bad Debts Written-off as % of Provision for Bad Debt	Bad Debts Written-off/Provision for Bad debts x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	100%		0%	*2022/23 Projected 3*	The norm range appears incorrect
					Consumer Debtors Bad debts written off	-		
					Consumer Debtors Current bad debt Provision	46 258 377		
3	Net Debtors Days	((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue)) × 365	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	30 days		30 days	*2022/23 Projected 3*	Taking into account/providing for the high risk regarding the COVID19 lockdown consequences
					Gross debtors	138 847 954		
					Bad debts Provision	46 258 377		
					Billed Revenue	1 137 582 800		
C. Liquidity Management								
1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In year Reports and AR	1 - 3 Months		4 Month	*2022/23 Projected 3*	
					Cash and cash equivalents	31 307 906		
					Unspent Conditional Grants			
					Overdraft			
					Short Term Investments	400 000 000		
					Total Annual Operational Expenditure	1 434 812 090		
2	Current Ratio	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1		1.71	*2022/23 Projected 3*	
					Current Assets	594 291 116		
					Current Liabilities	346 807 516		
D. Liability Management								
1	Capital Cost(Interest Paid and Redemption) as a % of Total Operating Expenditure	Capital Cost(Interest Paid and Redemption) / Total Operating Expenditure x 00	Statement of Financial Position, Statement of Cash Flows, Statement of Financial Performance, Budget, IDP, In-Year Reports and AR	6% - 8%		6%	*2022/23 Projected 3*	
					Interest Paid	48 056 000		
					Redemption	50 623 488		
					Total Operating Expenditure	1 594 971 364		
					Taxation Expense			
2	Debt (Total Borrowings) / Revenue	(Overdraft + Current Finance Lease Obligation + Non current Finance Lease Obligation + Short Term Borrowings + Long term borrowing) / (Total Operating Revenue - Operational Conditional Grants) x 100	Statement of Financial Position, Statement of Financial Performance, Budget, IDP and AR	45%		36%	*2022/23 Projected 3*	
					Total Debt	479 776 719		
					Total Operating Revenue	1 498 152 661		
					Operational Conditional Grants	166 183 796		
E. Sustainability								
						15557%		
					Cash and cash Equivalents	31 307 906		
					Bank Overdraft			
					Short Term Investment	400 000 000		

1	Level of Cash Backed Reserves (Net Assets - Accumulated Surplus)	(Cash and Cash Equivalents - Bank overdraft + Short Term Investment + Long Term Investment - Unspent grants) / (Net Assets - Accumulated Surplus - Non Controlling Interest Share Premium - Share Capital - Fair Value Adjustment - Revaluation Reserve) x 100	Statement Financial Position, Budget and AR	100%	Long Term Investment	70 005 332	*2022/23 Projected 3*	
					Unspent Grants			
					Net Assets	3 699 045 798		
					Share Premium			
					Share Capital			
					Revaluation Reserve			
					Fair Value Adjustment Reserve			
					Accumulated Surplus	3 695 823 298		

2. FINANCIAL PERFORMANCE

A. Efficiency

1	Net Operating Surplus Margin	(Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue	Statement of Financial Performance, Budget, In-Year reports, AR, Statement of Comparison of Budget and Actual Amounts and Statement of Changes in Net Asset	= or > 0%		-6%	*2022/23 Projected 3*	Refer to flactuations in the housing grant (operational vs capital)
					Total Operating Revenue	1 498 152 661		
					Depreciation - Revalued Portion *(Only populate if depreciation line item in the Statement of Financial Performance is based on the revalued asset value)*			
					Total Operating Expenditure	1 594 971 364		
					Taxation Expense			
2	Net Surplus /Deficit Electricity	Total Electricity Revenue less Total Electricity Expenditure/Total Electricity Revenue × 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	0% - 15%		6%	*2022/23 Projected 3*	
					Total Electricity Revenue	578 502 339		
					Total Electricity Expenditure	543 769 630		
3	Net Surplus /Deficit Water	Total Water Revenue less Total Water Expenditure/Total Water Revenue × 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%		4%	*2022/23 Projected 3*	
					Total Water Revenue	154 432 770		
					Total Water Expenditure	148 858 064		
4	Net Surplus /Deficit Refuse	Total Refuse Revenue less Total Refuse Expenditure/Total Refuse Revenue × 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%		-1%	*2022/23 Projected 3*	We noted that this indicator went below zero and the organisation will be proactive in this regard
					Total Refuse Revenue	96 834 597		
					Total Refuse Expenditure	97 766 118		
5	Net Surplus /Deficit Sanitation and Waste Water	Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure/Total Sanitation and Waste Water Revenue × 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	= or > 0%		5%	*2022/23 Projected 3*	
					Total Sanitation and Water Waste Revenue	112 181 355		
					Total Sanitation and Water Waste Expenditure	106 907 803		

B. Distribution Losses

		(Number of Electricity Units Purchased and/or				6%		

1	Electricity Distribution Losses (Percentage)	(Number of Electricity Units Purchased and/or Generated - Number of units sold) / Number of Electricity Units Purchased and/or generated) × 100	Annual Report, Audit Report and Notes to Annual Financial Statements	7% - 10%	Number of units purchased and/or generated	253 421 633	*2022/23 Projected 3*	
					Number of units sold	238 216 335		
2	Water Distribution Losses (Percentage)	(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified × 100	Annual Report, Audit Report and Notes to Annual Financial Statements	15% - 30%		25%	*2022/23 Projected 3*	
					Number of kilolitres purchased and/or purified	7 797 824		
					Number of kilolitres sold	5 887 357		
C. Revenue Management								
1	Growth in Number of Active Consumer Accounts	(Period under review's number of Active Debtor Accounts - previous period's number of Active Debtor Accounts)/ previous number of Active Debtor Accounts x 100	Debtors System	None		1%	*2022/23 Projected 3*	
					Number of Active Debtors Accounts (Previous)	53 000		
					Number of Active Debtors Accounts (Current)	53 721		
2	Revenue Growth (%)	(Period under review's Total Revenue - previous period's Total Revenue)/ previous period's Total Revenue) x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= CPI		6%	*2022/23 Projected 3*	
					CPI	5%		
					Total Revenue (Previous)	1 491 211 751		
					Total Revenue (Current)	1 583 069 343		
3	Revenue Growth (%) - Excluding capital grants	(Period under review's Total Revenue Excluding capital grants- previous period's Total Revenue excluding capital grants)/ previous period's Total Revenue excluding capital grants) x 100	Statement of Financial Performance, Notes to AFS , Budget, IDP, In-Year reports and AR	= CPI		4%	*2022/23 Projected 3*	
					CPI	5%		
					Total Revenue Exl.Capital (Previous)	1 438 553 209		
					Total Revenue Exl.Capital (Current)	1 498 152 661		
D. Expenditure Management								
1	Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) × 365	Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR	30 days		30 days	*2022/23 Projected 3*	
					Trade Creditors	89 059 900		
					Contracted Services	165 541 017		
					Repairs and Maintenance	142 531 005		
					General expenses	137 907 429		
					Bulk Purchases	384 160 956		
					Capital Credit Purchases *(Capital Credit Purchases refers to additions of Investment Property and Property,Plant and Equipment)*	236 019 596		
						0%		

2	Irregular, Fruitless and Wasteful and Unauthorised Expenditure / Total Operating Expenditure	(Irregular, Fruitless and Wasteful and Unauthorised Expenditure) / Total Operating Expenditure x100	Statement Financial Performance, Notes to Annual Financial Statements and AR	0%	Irregular, Fruitless and Wasteful and Unauthorised Expenditure	-	*2022/23 Projected 3*	
					Total Operating Expenditure	1 594 971 364		
					Taxation Expense	-		
3	Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) /Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	25% - 40%		32%	*2022/23 Projected 3*	
					Employee/personnel related cost	504 478 028		
					Councillors Remuneration	12 335 376		
					Total Operating Expenditure	1 594 971 364		
					Taxation Expense	-		
4	Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	2% - 5%		17%	*2022/23 Projected 3*	Cost analysis conducted to deliver cost effective services.
					Contracted Services	269 929 373		
					Total Operating Expenditure	1 594 971 364		
					Taxation Expense			
E. Grant Dependency								
1	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	Own funded Capital Expenditure (Internally generated funds + Borrowings) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information), Budget, IDP, In-Year reports and AR	None		48%	*2022/23 Projected 3*	
					Internally generated funds	32 143 075		
					Borrowings	80 174 839		
					Total Capital Expenditure	236 019 596		
2	Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure	Own funded Capital Expenditure (Internally Generated Funds) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information) Budget, IDP, In-Year reports and AR	None		14%	*2022/23 Projected 3*	
					Internally generated funds	32 143 075		
					Total Capital Expenditure	236 019 596		
3	Own Source Revenue to Total Operating Revenue(Including Agency Revenue)	Own Source Revenue (Total revenue - Government grants and Subsidies - Public Contributions and Donations)/ Total Operating Revenue (including agency services) x 100	Statement Financial Performance, Budget, IDP, In-Year reports and AR	None		93%	*2022/23 Projected 3*	
					Total Revenue	1 583 069 343		
					Government grant and subsidies	166 183 796		
					Public contributions and Donations	12 662 378		
					Capital Grants	72 254 304		
3. BUDGET IMPLEMENTATION								
1	Capital Expenditure Budget Implementation Indicator	Actual capital Expenditure / Budget Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, In-Year reports and AR	95% - 100%		100%	*2022/23 Projected 3*	
					Actual Capital Expenditure	236 019 596		
					Budget Capital Expenditure	236 019 596		

2	Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%		100%	*2022/23 Projected 3*	
					Actual Operating Expenditure	1 594 971 364		
					Budget Operating Expenditure	1 594 971 364		
3	Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%		100%	*2022/23 Projected 3*	
					Actual Operating Revenue	1 498 152 661		
					Budget Operating Revenue	1 498 152 661		
4	Service Charges and Property Rates Revenue Budget Implementation Indicator	Actual Service Charges and Property Rates Revenue / Budget Service Charges and Property Rates Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%		100%	*2022/23 Projected 3*	
					Actual Service Charges and Property Rates Revenue	1 137 582 800		
					Budget Service Charges and Property Rates Revenue	1 137 582 800		

NATIONAL TREASURY

MFMA Circular No 71

Municipal Finance Management Act No. 56 of 2003

Annexure 2

Interpretation of results

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

Template for Calculation of Uniform Financial Ratios and Norms 2023/24 Projected

RATIO	FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION	MUNICIPAL COMMENTS (#)
					" R 000 "		
1. FINANCIAL POSITION							
A. Asset Management/Utilisation							
1	Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) × 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%		10%	*2023/24 Projected 2*	
					Total Operating Expenditure	1 748 971 508		
					Taxation Expense			
					Total Capital Expenditure	203 615 366		
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	Property, Plant and Equipment + Investment Property + Intangible Assets Impairment/(Total Property, Plant and Equipment + Investment Property + Intangible Assets) × 100	Statement of Financial Position, Notes to the AFS and AR	0%		0%	*2023/24 Projected 2*	
					PPE, Investment Property and Intangible Impairment			
					PPE at carrying value	3 847 342 408		
					Investment at carrying value	138 346 000		
					Intangible Assets at carrying value	7 908 770		
3	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	Total Repairs and Maintenance Expenditure/ Property, Plant and Equipment and Investment Property (Carrying value) x 100	Statement of Financial Position, Statement of Financial Performance, IDP, Budgets and In-Year Reports	8%		7%	*2023/24 Projected 2*	Repairs & maintenance compises 16.5% of total expenditure. Asset value was enhanced with the introduction of GRAP i.r.o. Depreciated Replacement Cost.
					Total Repairs and Maintenance Expenditure	288 616 434		
					PPE at carrying value	3 847 342 408		
					Investment Property at Carrying value	138 346 000		

B. Debtors Management								
1	Collection Rate	(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off)/Billed Revenue x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget , In-Year Reports, IDP and AR	95%		98%	*2023/24 Projected 2*	
					Gross Debtors closing balance	165 977 110		
					Gross Debtors opeining balance	138 691 001		
					Bad debts written Off	-		
					Billed Revenue	1 277 210 485		
2	Bad Debts Written-off as % of Provision for Bad Debt	Bad Debts Written-off/Provision for Bad debts x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	100%		0%	*2023/24 Projected 2*	The norm range appears incorrect
					Consumer Debtors Bad debts written off	-		
					Consumer Debtors Current bad debt Provision	43 261 000		
3	Net Debtors Days	((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue)) × 365	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	30 days		35 days	*2023/24 Projected 2*	Taking into account/providing for the high risk regarding the COVID19 lockdown consequences
					Gross debtors	165 977 110		
					Bad debts Provision	43 261 000		
					Billed Revenue	1 277 210 485		
C. Liquidity Management								
1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In year Reports and AR	1 - 3 Months		4 Month	*2023/24 Projected 2*	
					Cash and cash equivalents	127 248 518		
					Unspent Conditional Grants			
					Overdraft			
					Short Term Investments	400 000 000		
					Total Annual Operational Expenditure	1 580 402 957		
2	Current Ratio	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1		2.04	*2023/24 Projected 2*	
					Current Assets	705 113 748		
					Current Liabilities	344 979 012		
D. Liability Management								
1	Capital Cost(Interest Paid and Redemption) as a % of Total Operating Expenditure	Capital Cost(Interest Paid and Redemption) / Total Operating Expenditure x 00	Statement of Financial Position, Statement of Cash Flows, Statement of Financial Performance, Budget, IDP, In-Year Reports and AR	6% - 8%		6%	*2023/24 Projected 2*	
					Interest Paid	47 734 000		
					Redemption	58 245 327		
					Total Operating Expenditure	1 748 971 508		
					Taxation Expense			
2	Debt (Total Borrowings) / Revenue	(Overdraft + Current Finance Lease Obligation + Non current Finance Lease Obligation + Short Term Borrowings + Long term borrowing) / (Total Operating Revenue - Operational Conditional Grants) x 100	Statement of Financial Position, Statement of Financial Performance, Budget, IDP and AR	45%		31%	*2023/24 Projected 2*	
					Total Debt	471 531 392		
					Total Operating Revenue	1 691 905 771		
					Operational Conditional Grants	185 579 350		
E. Sustainability								
						18742%		
					Cash and cash Equivalents	127 248 518		
					Bank Overdraft			
					Short Term Investment	400 000 000		

1	Level of Cash Backed Reserves (Net Assets - Accumulated Surplus)	(Cash and Cash Equivalents - Bank overdraft + Short Term Investment + Long Term Investment - Unspent grants) / (Net Assets - Accumulated Surplus - Non Controlling Interest Share Premium - Share Capital - Fair Value Adjustment - Revaluation Reserve) x 100	Statement Financial Position, Budget and AR	100%	Long Term Investment	77 846 109	*2023/24 Projected 2*	
					Unspent Grants			
					Net Assets	3 812 441 161		
					Share Premium			
					Share Capital			
					Revaluation Reserve			
					Fair Value Adjustment Reserve			
					Accumulated Surplus	3 809 212 661		

2. FINANCIAL PERFORMANCE

A. Efficiency

1	Net Operating Surplus Margin	(Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue	Statement of Financial Performance, Budget, In-Year reports, AR, Statement of Comparison of Budget and Actual Amounts and Statement of Changes in Net Asset	= or > 0%		-3%	*2023/24 Projected 2*	Refer to flactuations in the housing grant (operational vs capital)
					Total Operating Revenue	1 691 905 771		
					Depreciation - Revalued Portion *(Only populate if depreciation line item in the Statement of Financial Performance is based on the revalued asset value)*			
					Total Operating Expenditure	1 748 971 508		
					Taxation Expense			
2	Net Surplus /Deficit Electricity	Total Electricity Revenue less Total Electricity Expenditure/Total Electricity Revenue × 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	0% - 15%		9%	*2023/24 Projected 2*	
					Total Electricity Revenue	668 939 051		
					Total Electricity Expenditure	610 266 038		
3	Net Surplus /Deficit Water	Total Water Revenue less Total Water Expenditure/Total Water Revenue × 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%		5%	*2023/24 Projected 2*	
					Total Water Revenue	169 563 559		
					Total Water Expenditure	161 098 070		
4	Net Surplus /Deficit Refuse	Total Refuse Revenue less Total Refuse Expenditure/Total Refuse Revenue × 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%		0%	*2023/24 Projected 2*	
					Total Refuse Revenue	104 634 185		
					Total Refuse Expenditure	104 393 528		
5	Net Surplus /Deficit Sanitation and Waste Water	Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure/Total Sanitation and Waste Water Revenue × 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	= or > 0%		0%	*2023/24 Projected 2*	
					Total Sanitation and Water Waste Revenue	140 385 860		
					Total Sanitation and Water Waste Expenditure	140 117 163		

B. Distribution Losses

		(Number of Electricity Units Purchased and/or				6%		

1	Electricity Distribution Losses (Percentage)	(Number of Electricity Units Purchased and/or Generated - Number of units sold) / Number of Electricity Units Purchased and/or generated) × 100	Annual Report, Audit Report and Notes to Annual Financial Statements	7% - 10%	Number of units purchased and/or generated	233 677 322	*2023/24 Projected 2*	
					Number of units sold	220 450 304		
2	Water Distribution Losses (Percentage)	(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified × 100	Annual Report, Audit Report and Notes to Annual Financial Statements	15% - 30%		24%	*2023/24 Projected 2*	
					Number of kilolitres purchased and/or purified	6 925 359		
					Number of kilolitres sold	5 263 273		
C. Revenue Management								
1	Growth in Number of Active Consumer Accounts	(Period under review's number of Active Debtor Accounts - previous period's number of Active Debtor Accounts)/ previous number of Active Debtor Accounts x 100	Debtors System	None		1%	*2023/24 Projected 2*	
					Number of Active Debtors Accounts (Previous)	47 274		
					Number of Active Debtors Accounts (Current)	47 693		
2	Revenue Growth (%)	(Period under review's Total Revenue - previous period's Total Revenue)/ previous period's Total Revenue) x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= CPI		10%	*2023/24 Projected 2*	
					CPI	5%		
					Total Revenue (Previous)	1 583 069 343		
					Total Revenue (Current)	1 745 572 521		
3	Revenue Growth (%) - Excluding capital grants	(Period under review's Total Revenue Excluding capital grants- previous period's Total Revenue excluding capital grants)/ previous period's Total Revenue excluding capital grants) x 100	Statement of Financial Performance, Notes to AFS , Budget, IDP, In-Year reports and AR	= CPI		13%	*2023/24 Projected 2*	
					CPI	5%		
					Total Revenue Exl.Capital (Previous)	1 498 152 661		
					Total Revenue Exl.Capital (Current)	1 691 905 771		
D. Expenditure Management								
1	Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) × 365	Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR	30 days		27 days	*2023/24 Projected 2*	
					Trade Creditors	85 771 482		
					Contracted Services	295 738 018		
					Repairs and Maintenance	62 499 279		
					General expenses	164 253 965		
					Bulk Purchases	440 824 486		
					Capital Credit Purchases *(Capital Credit Purchases refers to additions of Investment Property and Property,Plant and Equipment)*	203 615 366		
						0%		

2	Irregular, Fruitless and Wasteful and Unauthorised Expenditure / Total Operating Expenditure	(Irregular, Fruitless and Wasteful and Unauthorised Expenditure) / Total Operating Expenditure x100	Statement Financial Performance, Notes to Annual Financial Statements and AR	0%	Irregular, Fruitless and Wasteful and Unauthorised Expenditure		2023/24 Projected 2	
					Total Operating Expenditure	1 748 971 508		
					Taxation Expense			
3	Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) /Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	25% - 40%		32%	2023/24 Projected 2	
					Employee/personnel related cost	538 535 096		
					Councillors Remuneration	12 513 913		
					Total Operating Expenditure	1 748 971 508		
					Taxation Expense			
4	Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	2% - 5%		17%	2023/24 Projected 2	Cost analysis conducted to deliver cost effective services.
					Contracted Services	295 738 018		
					Total Operating Expenditure	1 748 971 508		
					Taxation Expense			
E. Grant Dependency								
1	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	Own funded Capital Expenditure (Internally generated funds + Borrowings) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information), Budget, IDP, In-Year reports and AR	None		31%	2023/24 Projected 2	
					Internally generated funds	12 845 008		
					Borrowings	50 000 000		
					Total Capital Expenditure	203 615 366		
2	Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure	Own funded Capital Expenditure (Internally Generated Funds) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information) Budget, IDP, In-Year reports and AR	None		6%	2023/24 Projected 2	
					Internally generated funds	12 845 008		
					Total Capital Expenditure	203 615 366		
3	Own Source Revenue to Total Operating Revenue(Including Agency Revenue)	Own Source Revenue (Total revenue - Government grants and Subsidies - Public Contributions and Donations)/ Total Operating Revenue (including agency services) x 100	Statement Financial Performance, Budget, IDP, In-Year reports and AR	None		92%	2023/24 Projected 2	
					Total Revenue	1 745 572 521		
					Government grant and subsidies	185 579 350		
					Public contributions and Donations	-		
					Capital Grants	53 666 750		
3. BUDGET IMPLEMENTATION								
1	Capital Expenditure Budget Implementation Indicator	Actual capital Expenditure / Budget Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, In-Year reports and AR	95% - 100%		100%	2023/24 Projected 2	
					Actual Capital Expenditure	203 615 366		
					Budget Capital Expenditure	203 615 366		

2	Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%		100%	*2023/24 Projected 2*	
					Actual Operating Expenditure	1 748 971 508		
					Budget Operating Expenditure	1 748 971 508		
3	Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%		100%	*2023/24 Projected 2*	
					Actual Operating Revenue	1 691 905 771		
					Budget Operating Revenue	1 691 905 771		
4	Service Charges and Property Rates Revenue Budget Implementation Indicator	Actual Service Charges and Property Rates Revenue / Budget Service Charges and Property Rates Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%		100%	*2023/24 Projected 2*	
					Actual Service Charges and Property Rates Revenue	1 277 210 485		
					Budget Service Charges and Property Rates Revenue	1 277 210 485		

NATIONAL TREASURY

MFMA Circular No 71

Municipal Finance Management Act No. 56 of 2003

Annexure 2

Interpretation of results

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

Template for Calculation of Uniform Financial Ratios and Norms 2024/25 Projected

RATIO	FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION	MUNICIPAL COMMENTS (#)
					" R 000 "		
1. FINANCIAL POSITION							
A. Asset Management/Utilisation							
1	Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) × 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%		7%	*2024/25 Projected 1*	
					Total Operating Expenditure	1 855 792 361		
					Taxation Expense			
					Total Capital Expenditure	130 324 850		
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	Property, Plant and Equipment + Investment Property + Intangible Assets Impairment/(Total Property, Plant and Equipment + Investment Property + Intangible Assets) × 100	Statement of Financial Position, Notes to the AFS and AR	0%		0%	*2024/25 Projected 1*	
					PPE, Investment Property and Intangible Impairment			
					PPE at carrying value	3 826 369 165		
					Investment at carrying value	143 846 000		
					Intangible Assets at carrying value	7 602 110		
3	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	Total Repairs and Maintenance Expenditure/ Property, Plant and Equipment and Investment Property (Carrying value) x 100	Statement of Financial Position, Statement of Financial Performance, IDP, Budgets and In-Year Reports	8%		8%	*2024/25 Projected 1*	Repairs & maintenance compises 17.22% of total expenditure. Asset value was enhanced with the introduction of GRAP i.r.o. Depreciated Replacement Cost.
					Total Repairs and Maintenance Expenditure	315 055 786		
					PPE at carrying value	3 826 369 165		
					Investment Property at Carrying value	143 846 000		

B. Debtors Management								
1	Collection Rate	(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off)/Billed Revenue x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget , In-Year Reports, IDP and AR	95%		97%	*2024/25 Projected 1*	
					Gross Debtors closing balance	202 709 667		
					Gross Debtors opeining balance	165 977 110		
					Bad debts written Off	-		
					Billed Revenue	1 413 546 915		
2	Bad Debts Written-off as % of Provision for Bad Debt	Bad Debts Written-off/Provision for Bad debts x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	100%		0%	*2024/25 Projected 1*	The norm range appears incorrect
					Consumer Debtors Bad debts written off	-		
					Consumer Debtors Current bad debt Provision	54 617 196		
3	Net Debtors Days	((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue)) × 365	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	30 days		38 days	*2024/25 Projected 1*	Taking into account/providing for the high risk regarding the COVID19 lockdown consequences
					Gross debtors	202 709 667		
					Bad debts Provision	54 617 196		
					Billed Revenue	1 413 546 915		
C. Liquidity Management								
1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In year Reports and AR	1 - 3 Months		4 Month	*2024/25 Projected 1*	
					Cash and cash equivalents	134 490 404		
					Unspent Conditional Grants			
					Overdraft			
					Short Term Investments	400 000 000		
					Total Annual Operational Expenditure	1 684 511 588		
2	Current Ratio	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1		1.55	*2024/25 Projected 1*	We noted that this indicator went below the norm and the organisation will be proactive in this regard.
					Current Assets	723 234 310		
					Current Liabilities	468 032 890		
D. Liability Management								
1	Capital Cost(Interest Paid and Redemption) as a % of Total Operating Expenditure	Capital Cost(Interest Paid and Redemption) / Total Operating Expenditure x 00	Statement of Financial Position, Statement of Cash Flows, Statement of Financial Performance, Budget, IDP, In-Year Reports and AR	6% - 8%		5%	*2024/25 Projected 1*	
					Interest Paid	51 817 000		
					Redemption	40 906 657		
					Total Operating Expenditure	1 855 792 361		
					Taxation Expense			
2	Debt (Total Borrowings) / Revenue	(Overdraft + Current Finance Lease Obligation + Non current Finance Lease Obligation + Short Term Borrowings + Long term borrowing) / (Total Operating Revenue - Operational Conditional Grants) x 100	Statement of Financial Position, Statement of Financial Performance, Budget, IDP and AR	45%		30%	*2024/25 Projected 1*	
					Total Debt	480 624 735		
					Total Operating Revenue	1 829 319 255		
					Operational Conditional Grants	200 916 250		
E. Sustainability								
						19214%		
					Cash and cash Equivalents	134 490 404		
					Bank Overdraft			

1	Level of Cash Backed Reserves (Net Assets - Accumulated Surplus)	(Cash and Cash Equivalents - Bank overdraft + Short Term Investment + Long Term Investment - Unspent grants) / (Net Assets - Accumulated Surplus - Non Controlling Interest Share Premium - Share Capital - Fair Value Adjustment - Revaluation Reserve) x 100	Statement Financial Position, Budget and AR	100%	Short Term Investment	400 000 000	*2024/25 Projected 1*	
					Long Term Investment	85 829 923		
					Unspent Grants			
					Net Assets	3 791 590 637		
					Share Premium			
					Share Capital			
					Revaluation Reserve			
					Fair Value Adjustment Reserve			
					Accumulated Surplus	3 788 362 137		

2. FINANCIAL PERFORMANCE

A. Efficiency

1	Net Operating Surplus Margin	(Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue	Statement of Financial Performance, Budget, In-Year reports, AR, Statement of Comparison of Budget and Actual Amounts and Statement of Changes in Net Asset	= or > 0%		-1%	*2024/25 Projected 1*	Refer to flactuations in the housing grant (operational vs capital)
					Total Operating Revenue	1 829 319 255		
					Depreciation - Revalued Portion *(Only populate if depreciation line item in the Statement of Financial Performance is based on the revalued asset value)*			
					Total Operating Expenditure	1 855 792 361		
					Taxation Expense			
2	Net Surplus /Deficit Electricity	Total Electricity Revenue less Total Electricity Expenditure/Total Electricity Revenue × 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	0% - 15%		12%	*2024/25 Projected 1*	
					Total Electricity Revenue	767 034 378		
					Total Electricity Expenditure	673 704 310		
3	Net Surplus /Deficit Water	Total Water Revenue less Total Water Expenditure/Total Water Revenue × 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%		2%	*2024/25 Projected 1*	
					Total Water Revenue	175 191 662		
					Total Water Expenditure	171 683 917		
4	Net Surplus /Deficit Refuse	Total Refuse Revenue less Total Refuse Expenditure/Total Refuse Revenue × 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%		4%	*2024/25 Projected 1*	
					Total Refuse Revenue	116 862 113		
					Total Refuse Expenditure	112 052 336		
5	Net Surplus /Deficit Sanitation and Waste Water	Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure/Total Sanitation and Waste Water Revenue × 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	= or > 0%		-3%	*2024/25 Projected 1*	We noted that this indicator went below zero and the organisation will be proactive in this regard
					Total Sanitation and Water Waste Revenue	142 707 965		
					Total Sanitation and Water Waste Expenditure	147 625 300		

B. Distribution Losses

		(Number of Electricity Units Purchased and/or				6%		

1	Electricity Distribution Losses (Percentage)	(Number of Electricity Units Purchased and/or Generated - Number of units sold) / Number of Electricity Units Purchased and/or generated) × 100	Annual Report, Audit Report and Notes to Annual Financial Statements	7% - 10%	Number of units purchased and/or generated	224 330 229	*2024/25 Projected 1*	
					Number of units sold	211 632 292		
2	Water Distribution Losses (Percentage)	(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified × 100	Annual Report, Audit Report and Notes to Annual Financial Statements	15% - 30%		24%	*2024/25 Projected 1*	
					Number of kilolitres purchased and/or purified	6 509 838		
					Number of kilolitres sold	4 947 477		
C. Revenue Management								
1	Growth in Number of Active Consumer Accounts	(Period under review's number of Active Debtor Accounts - previous period's number of Active Debtor Accounts)/ previous number of Active Debtor Accounts x 100	Debtors System	None		0%	*2024/25 Projected 1*	
					Number of Active Debtors Accounts (Previous)	47 693		
					Number of Active Debtors Accounts (Current)	47 693		
2	Revenue Growth (%)	(Period under review's Total Revenue - previous period's Total Revenue)/ previous period's Total Revenue) x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= CPI		7%	*2024/25 Projected 1*	
					CPI	5%		
					Total Revenue (Previous)	1 745 572 521		
					Total Revenue (Current)	1 869 554 105		
3	Revenue Growth (%) - Excluding capital grants	(Period under review's Total Revenue Excluding capital grants- previous period's Total Revenue excluding capital grants)/ previous period's Total Revenue excluding capital grants) x 100	Statement of Financial Performance, Notes to AFS , Budget, IDP, In-Year reports and AR	= CPI		8%	*2024/25 Projected 1*	
					CPI	5%		
					Total Revenue Exl.Capital (Previous)	1 691 905 771		
					Total Revenue Exl.Capital (Current)	1 829 319 255		
D. Expenditure Management								
1	Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) × 365	Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR	30 days		27 days	*2024/25 Projected 1*	
					Trade Creditors	87 771 482		
					Contracted Services	323 451 858		
					Repairs and Maintenance	68 234 944		
					General expenses	164 413 918		
					Bulk Purchases	496 985 525		
					Capital Credit Purchases *(Capital Credit Purchases refers to additions of Investment Property and Property,Plant and Equipment)*	130 324 850		
						0%		

2	Irregular, Fruitless and Wasteful and Unauthorised Expenditure / Total Operating Expenditure	(Irregular, Fruitless and Wasteful and Unauthorised Expenditure) / Total Operating Expenditure x100	Statement Financial Performance, Notes to Annual Financial Statements and AR	0%	Irregular, Fruitless and Wasteful and Unauthorised Expenditure		*2024/25 Projected 1*	
					Total Operating Expenditure	1 855 792 361		
					Taxation Expense			
3	Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) /Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	25% - 40%		30%	*2024/25 Projected 1*	
					Employee/personnel related cost	549 451 886		
					Councillors Remuneration	13 013 810		
					Total Operating Expenditure	1 855 792 361		
					Taxation Expense			
4	Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	2% - 5%		17%	*2024/25 Projected 1*	Cost analysis conducted to deliver cost effective services.
					Contracted Services	323 451 858		
					Total Operating Expenditure	1 855 792 361		
					Taxation Expense			
E. Grant Dependency								
1	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	Own funded Capital Expenditure (Internally generated funds + Borrowings) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information), Budget, IDP, In-Year reports and AR	None		46%	*2024/25 Projected 1*	
					Internally generated funds	-		
					Borrowings	60 000 000		
					Total Capital Expenditure	130 324 850		
2	Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure	Own funded Capital Expenditure (Internally Generated Funds) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information) Budget, IDP, In-Year reports and AR	None		0%	*2024/25 Projected 1*	
					Internally generated funds	-		
					Total Capital Expenditure	130 324 850		
3	Own Source Revenue to Total Operating Revenue(Including Agency Revenue)	Own Source Revenue (Total revenue - Government grants and Subsidies - Public Contributions and Donations)/ Total Operating Revenue (including agency services) x 100	Statement Financial Performance, Budget, IDP, In-Year reports and AR	None		91%	*2024/25 Projected 1*	
					Total Revenue	1 869 554 105		
					Government grant and subsidies	200 916 250		
					Public contributions and Donations	-		
					Capital Grants	40 234 850		
3. BUDGET IMPLEMENTATION								
1	Capital Expenditure Budget Implementation Indicator	Actual capital Expenditure / Budget Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, In-Year reports and AR	95% - 100%		100%	*2024/25 Projected 1*	
					Actual Capital Expenditure	130 324 850		
					Budget Capital Expenditure	130 324 850		

2	Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%		100%	*2024/25 Projected 1*	
					Actual Operating Expenditure	1 855 792 361		
					Budget Operating Expenditure	1 855 792 361		
3	Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%		100%	*2024/25 Projected 1*	
					Actual Operating Revenue	1 829 319 255		
					Budget Operating Revenue	1 829 319 255		
4	Service Charges and Property Rates Revenue Budget Implementation Indicator	Actual Service Charges and Property Rates Revenue / Budget Service Charges and Property Rates Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%		100%	*2024/25 Projected 1*	
					Actual Service Charges and Property Rates Revenue	1 413 546 915		
					Budget Service Charges and Property Rates Revenue	1 413 546 915		

Name Of Municipality

Ratio Analysis Report			Audited	Projected				
		Norm	2020	2021	2022	2023	2024	2025
FINANCIAL POSITION								
Asset Management/Utilisation								
1	Capital Expenditure to Total Expenditure	10% - 20%	15%	16%	14%	13%	10%	7%
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	0%	0%	0%	0%	0%	0%	0%
3	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	8%	5%	6%	7%	7%	7%	8%
Debtors Management								
1	Collection Rate	95%	96%	100%	100%	99%	98%	97%
2	Bad Debts Written-off as % of Provision for Bad Debt	100%	1%	1%	0%	0%	0%	0%
3	Net Debtors Days	30 days	52 days	45 days	29 days	30 days	35 days	38 days
Liquidity Management								
1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	1 - 3 Months	7 Month	6 Month	5 Month	4 Month	4 Month	4 Month
2	Current Ratio	1.5 - 2:1	2.75	2.47	1.85	1.71	2.04	1.55
Liability Management								
1	Capital Cost(Interest Paid and Redemption) as a % of Total Operating Expenditure	6% - 8%	7%	7%	7%	6%	6%	5%
2	Debt (Total Borrowings) / Revenue	45%	41%	41%	38%	36%	31%	30%
FINANCIAL PERFORMANCE								
Efficiency								
1	Net Operating Surplus Margin	= or > 0%	8%	0%	-6%	-6%	-3%	-1%
2	Net Surplus /Deficit Electricity	0% - 15%	8%	9%	6%	6%	9%	12%
3	Net Surplus /Deficit Water	= or > 0%	16%	10%	2%	4%	5%	2%
4	Net Surplus /Deficit Refuse	= or > 0%	5%	-13%	0%	-1%	0%	4%
5	Net Surplus /Deficit Sanitation and Waste Water	= or > 0%	-2%	4%	7%	5%	0%	-3%
Distribution Losses								

1	Electricity Distribution Losses (Percentage)	7% - 10%	6%	7%	6%	6%	6%	6%
2	Water Distribution Losses (Percentage)	15% - 30%	26%	28%	25%	25%	24%	24%
Revenue Management								
1	Growth in Number of Active Consumer Accounts	None	0%	3%	6%	1%	1%	0%
2	Revenue Growth (%)	= CPI	9%	2%	10%	6%	10%	7%
3	Revenue Growth (%) - Excluding capital grants	= CPI	11%	0%	11%	4%	13%	8%
Expenditure Management								
1	Creditors Payment Period (Trade Creditors)	30 days	33 days	31 days	30 days	30 days	27 days	27 days
2	Irregular, Fruitless and Wasteful and Unauthorised Expenditure / Total Operating Expenditure	0%	0%	0%	0%	0%	0%	0%
3	Remuneration as % of Total Operating Expenditure	25% - 40%	33%	34%	32%	32%	32%	30%
4	Contracted Services % of Total Operating Expenditure	2% - 5%	15%	16%	17%	17%	17%	17%
Grant Dependency								
1	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	None	43%	85%	53%	48%	31%	46%
2	Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure	None	19%	68%	23%	14%	6%	0%
3	Own Source Revenue to Total Operating Revenue(Including Agency Revenue)	None	90%	87%	92%	93%	92%	91%
BUDGET IMPLEMENTATION								
1	Capital Expenditure Budget Implementation Indicator	95% - 100%	77%	91%	100%	100%	100%	100%
2	Operating Expenditure Budget Implementation Indicator	95% - 100%	91%	97%	100%	100%	100%	100%

3	Operating Revenue Budget Implementation Indicator	95% - 100%	100%	100%	100%	100%	100%	100%
4	Service Charges and Property Rates Revenue Budget Implementation Indicator	95% - 100%	101%	103%	100%	100%	100%	100%

ANNEXURE I

mSCOA IMPLEMENTATION STATUS

MUNICIPAL REGULATIONS ON A STANDARD CHART OF ACCOUNTS (mSCOA):

POST IMPLEMENTATION STATUS OF mSCOA PROJECT – MARCH 2023

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1. Executive Summary

The purpose of this submission to Council is to:

1. Inform Council on specific initiatives to date by National Treasury to enable a full and complete understanding of the scope and extent of the SCOA implementation as applicable to all municipalities and municipal entities;
2. Report to Council on progress made to date with the implementation of mSCOA at the Overstrand Municipality since the previous report to Council.
3. Maintain an on-going awareness of specific mSCOA initiatives in the Overstrand Municipality; and
4. Considerations on the way forward with the core financial system, being Samras Classic, currently in use by the Overstrand Municipality.

A comprehensive supplementary report in this regard, providing the necessary detail with regard to background and historic information over the past number of years for this National Treasury project, was also included previously (up to 31 December 2019), as part of the reporting to Council.

2. Updated status 2022/2023: March 2023 (Quarter 3)

Communication with the service provider is taking place on a regular basis with the attendance of all SAMRAS Usergroup workshops and meetings by senior Finance Directorate - and ICT Department staff in this regard. In providing insight regarding monitoring of progress with the development and implementation of web-based modules, the following background –

A senior delegation from the service provider (SOLVEM) made an on-site courtesy visit on 12 September 2022 and general systems information and incidents logs status were discussed and reviewed. Overstrand will continue to monitor progress with reference to implementation, especially relating to the client-wide implementation of the Expenditure/SCM module.

Challenges were experienced with the August 2022 reporting cycle system information extracts and reports, and although the incidents were logged timeously with the service provider, the issues were only resolved after the reporting due dates. A report on the system failure was requested from the service provider, and submitted to Provincial Treasury in response to an official enquiry by them.

The next Usergroup meeting was held on 20 October 2022 via the Teams platform. For Overstrand, the status quo is maintained regarding further considerations with regard to system implementation, pending the outcome of successful implementation of the organogram and SCM module at other comparable user sites.

Usergroup meetings allow municipalities to obtain feedback from the service provider with regard to progress made with development of the respective Web Modules as well as updates from these municipal sites where specific web module testing was in process. Confirmation of the dates for the next workshop and meeting are awaited.

The mSCOA committee currently follows a process of monthly monitoring with regard to before-mentioned development and implementation of web-based modules at sites as we become aware of information. Assurance of sucessfull implementation of web-based modules and the organogram are regarded as a pre-requisite for embarking on implementation of these modules.

The Action Plan of the municipality is based on the communication received from Solvem, containing the high level information of the modules required (migration to the web) to ensure integration with 3rd party systems and implementation of functionality with regard to workflow and document mangement. It is however important to note that the following status update for March 2022, is still relevant to the extent that none of those impelmentations could be confirmed as completed and successfully implemented in the respective municipal environments.

This development will be closely monitored and any important matters impacting on the Overstrand contract, service rendering levels, etc will be reported to Council, as well as the relevant spheres of government as might be applicable, inclusive of any assessment outcome. The admnistration will maintain continuation of quarterly reports as part of Budget Reports, due to the process currently still not leading to a close-out report in the current financial period.

3. Status 2022/2023 – December 2022 (Quarter 2)

Quarter 2 now combined with Quarter 3

September 2022 (Quarter 1)
A two-person delegation from the service provider (Solvem) made an on-site courtesy visit on 12 September 2022 and general systems information and incidents logs status were discussed and reviewed. Overstrand will continue to monitor progress with reference to implementation, especially relating to the client-wide implementation of the Expenditure/SCM module.

Challenges were experienced with the August 2022 reporting cycle system information extracts and reports, and although the incidents were logged timeously with the service provider, the issues were only resolved after the reporting due dates. A report on the system failure was requested from the service provider, and submitted to Provincial Treasury in response to an official enquiry by them.

The next Usergroup meeting is scheduled for 20 October 2022, and Council will be updated in the next quarterly report, as applicable.

National Treasury budgetary mSOCA guidance / communications:

The absence of any clear direction from National Treasury in terms of the anticipated outcome of the mSCOA systems audits as previously communicated, inclusive of National Treasury's envisaged transversal tender process and specifications, compounded challenges for municipalities. NT did not share any further information regarding the mentioned audits and confirmed in MFMA Budget Circular No. 112 (6 Dec 2021) the following: "However, should a municipality need to procure a new financial system, they must follow the processes set out in the MFMA read together with the Municipal Supply Chain Management Regulations and MFMA Budget Circulars No. 93, 98 and mSCOA Circulars No 5 and 6. In addition, National Treasury has not accredited any of the municipal financial systems available in the market and this should therefore not be advertised as a requirement in municipal tender documents.
National and Provincial Treasuries held extensive engagements with key system providers during which the system functionality on the following were demonstrated: IDP and budget, supply chain management (SCM), asset management, annual financial statements, revenue management, cash flow and period control. These engagements provided National and Provincial Treasuries with an understanding of what functionality is available on each system and what the key system related challenges are."

The following was furthermore stated: "Municipalities that procured systems through the RT25-2016 transversal tender must approach the market to procure a new service provider for system support and maintenance. Due to the high financial investment in procuring financial systems, it is not cost effective to change financial systems every 3 to 5 years. Also, the expiry of the SLA does not necessitate the procurement of a new financial system - unless the system that is being used is not complying with the required business processes and system specifications." From before-mentioned it can be derived that NT will not provide for any further communication to Local Government with regard to the before-mentioned release of audit results to assist municipalities with the outcome of their process in this regard. It is rather stated in the circular again that "It should be emphasised that the onus to ensure compliance with the mSCOA Regulations and minimum system specifications as per MFMA Circular No. 80 and its Annexure B rests with the municipality and not the system vendor. Municipalities should ensure that they budget sufficiently to become and remain mSCOA compliant."

National Treasury issued the following Circulars and guidance relating to mSCOA from December 2021 to March 2022:

i. *Municipal Budget Circular (No 112) for the 2022/23 MTREF - 04 December 2021;*
ii. *Municipal Budget Circular (No 115) for the 2022/23 MTREF - 04 March 2022:)*

The Draft and Final budgets were compiled according to the latest chart available on the financial system:

- mSCOA Segment Detail – (Final Version 6.6 – 6 Dec 2021) for implementation 2022/22
- mSCOA Segment Detail – (6.6.1. Patch to Version 6.6 – 4 Mar 2022) for implementation 2022/23

It was furthermore now advised in the Budget Circular for this draft budget cycle (No 112): “That the credibility of the mSCOA data strings remains a concern although we have observed a marked improvement in some areas. At the core of the problem is:

- The incorrect use of the mSCOA chart and segments, balance sheet budgeting, movement accounting and basic municipal accounting practices by municipalities;
- Some municipalities are not budgeting, transacting and reporting directly in/ from their core financial systems; have not purchased all the modules of the core financial system or have not upgraded to the Enterprise Resource Planning (ERP) (mSCOA enabling) version of their financial systems;
- A number of municipalities are still transacting on their legacy systems that are not the functionality of their financial systems, while they are paying for maintenance and support for the mSCOA enabling system that was procured. This constitute fruitless and wasteful expenditure; and
- Municipalities are not locking their adopted budgets and their financial systems at month-end to ensure prudent financial management. To enforce municipalities to lock their budgets and close their financial system at month-end in 2022/23, the Local Government Database and Reporting System will lock all submission periods within the reporting period at the end of each quarter. The published period will NOT be opened again to ensure consistency between publications. System vendors were also requested to build this functionality into their municipal financial systems.

Municipalities should refer to the guidance provided in the mSCOA circulars issued by the National Treasury to classify their transactions correctly.”

Section 5.3 of the circular also addresses the Regulation of Minimum Business Processes and System Specifications as follows:

“One of the key objectives of the mSCOA reform is to ensure that municipalities are planning, budgeting, transacting and reporting directly on and from integrated ERP systems to have one version of the truth in terms of the reported financial performance. The manual correction of data strings by municipal officials or system vendors are not allowed in terms of the mSCOA Regulations.
All municipalities and municipal entities had to comply with the mSCOA Regulations by 1 July 2017. MFMA Circular No. 80 (Annexure B) provided guidance on the minimum business processes and system specifications for all categories of municipalities (A, B and C). Anumber of Regulations and best practices as per the MFMA Circulars have been introduced since the issuing of MFMA Circular No. 80 in 2016.
The National Treasury will expand and regulate the business processes and system specifications in 2022/23 to these new developments. If your municipality has not yet achieved the minimum required level of mSCOA implementation, then a detailed action plan (road map) must be developed to indicate how the municipality will fast track the implementation of mSCOA.”

The Overstrand mSCOA Committee will at all times consider the appropriate approach in ensuring that the municipality will not be exposed to risk from either an operational- and/or monitary perspective in this regard, this also in accordance with previous confirmations in this regard.

4. SAMRAS Usergroup Workshops & Meetings:

The service provider of the SAMRAS system (Solvem) arranged for 2 day-sessions Tuesday 7 June 2022 to Wednesday 8 June 2022 to assist them in testing the development of modules up to date, indicating that they are looking forward to getting the best out of the training and workshop sessions to improve their product and user experience.

The two days were followed by the quarterly Usergroup meeting on 9 June 2022.

The following status reported on for Quarter 3 thus still applies –

"The service provider is still in process of continuous development of the Web system modules, with ongoing efforts to migrate West Coast District Municipality, Stellenbosch Municipality, George Municipality, Breede Valley Municipality and Bitou Municipality among other, starting with the initial steps (organogram, commodity codes, contract management data), in preparing (municipalities at various stages currently) for the roll-out of primarily the SCM web module, as the new version to replace the current classic version of the system ultimately."

The municipality is awaiting feedback from the service provider with regard to the testing of the Organogram functionality, a prerequisite for any other modules to be implemented in the web.

Previous SOLVEM SAMRAS Usergroup workshop and Usergroup meeting took place as a hibrid virtual/physical sessions on 3 - 4 November 2021.

The service provider is still in process of continuous development of the Web system modules, with ongoing efforts to migrate West Coast District Municipality, Stellenbosch Municipality, George Municipality, Breede Valley Municipality and Bitou Municipality among other, starting with the initial steps (organogram, commodity codes, contract management data), in preparing (municipalities at various stages currently) for the roll-out of primarily the SCM web module, as the new version to replace the current classic version of the system ultimately. On request of Overstrand Municipality to view a demo of the Asset Register, the municipality was advised that the web version is not ready yet. This is regarded as one of the critical considerations of a desirable The next SAMRAS Usergroup workshop and Usergroup meetings scheduled for March 2022 were phost-phoned on request of the service provider, to April 2022.

The necessary evidence and confirmation required, confirming that the service provider is in a position to provide the required resources is currently considered by the Overstrand mSCOA / conversion committee. Before-mentioned, inclusive of an updated and detailed project plan for a viable migration process, with regard to the SCM module to the web-based platform identified by SAMRAS as a critical priority, and during 2021 listed for actioning in the third quarter of the 2021/2022 financial year. The municipality is however currently aware of one municipality where this module has been implemented and funtional, though not representing the complete supply chain management functionality and workflow areas representative of formal procurement processes. During the next quarter (Apr 2022 onwards) a site visit to a municipality, who will be able to demonstrate the functionality of the implementation in the production environment, is envisaged.

It is again confirmed that the administration will consider the appropriate approach in ensuring that the municipality will not be exposed to risk from either an operational- and/or monetary perspective in this regard. As stated in previous reporting, the status as at 31 December 2021 remains the same with regard to the absence of any clear direction from National Treasury in terms of the outcome of systems audits.

The mSCOA committee currently follows a process of monitoring progress with regard to before-mentioned development and implementation of web-based modules at sites as we become aware of information. Assurance of sucessfull implementation of web-based modules is regarded as a pre-requisite for embarking on implementation of these modules.

Matters regarded of impportance and impacting on the Overstrand contract, service rendering levels, etc will be reported to Council, with the continuation of quarterly reports as part of the Budget Report, due to the process currently still not leading to a close-out report in the current financial period.

5. Previous quarter/historic status up to December 2021

<u>mSCOA Project Governance and Management: Solvem (previously Bytes Systems Integration) and engagements with regard to the Samras Financial System)</u>

It was reported to Council (Dec 2020, Quarter 2) that Overstrand Municipality received correspondence on 31 December 2020 from the service provider (Bytes Systems Integration) for the financial system currently in use (SAMRAS), inclusive of the following notification as corresponded to National Treasury:

"this letter serves to advise that the service provider for the SAMRAS system has changed from Altron TMT (Pty) Ltd to Solvem Consulting (Pty) Ltd. The effective date of the business transfer is the 1 December 2020. The transfer of the resources will be the 1 January 2021. The SAMRAS product and service offerings remain the same. The full resource team transfers in a section 197 process and hence continuity of service will be uninterrupted to our current clients."

It was also confirmed that this development will be closely monitored and any important matters impacting on the Overstrand contract, service rendering levels, etc. will be reported to Council, with the continuation of this quarterly report, due to the process still not leading to a close-out report in the near future.

The feedback provided to municipalities a year ago (March 2021) focused on the continuous development of the Web system modules and importantly, efforts currently with regard to the gradual migration of West Coast District Municipality, Stellenbosch Municipality, and lately George Municipality, in particular to the web modules. Progress with these efforts are currently at various stages, which could not be established as completed migration processes from the classic environment to the web. Other instances of municipalities involved and the extent of these municipal sites where specific web module testing is currently underway, or planning processes could not be established during these workshops and the usergroup meeting on the 4th of March 2021, to provide the necessary evidence and confirmation that the service provider is currently in a position to provide the required resources and detailed project plan for a

viable migration process with regard to any substantial module or section of a module, to the web-based platform.

The service provider provided the following feedback in terms of further development of web modules attended to, since the previous usergroup meeting towards the end of 2020, up to the end of February 2021:



The Overstrand mSCOA Committee awaited detailed information requested from the service provider, in order to consider the appropriate approach in ensuring that the municipality will not be exposed to risk from either an operational- and/or monitary perspective.

mSCOA Circulars

The inclusion of the following reference with regard to most recent mSCOA circulars in the past 2 years aims to provide Council with an overview of progress made by National Treasury in the roll-out of the mSCOA Regulation thus far -

Municipal SCOA Circular No. 7 - 02 March 2020: Guide on Construction Work in Progress (CWIP)
The principles stated in this circular were implemented during the 2019/2020 General Adjustments Budget, which served before Council on 26 February 2020 and was carried forward into the 2020/2021 Budget Cycle

Municipal SCOA Circular No. 8 - 24 April 2020: Guidance on Virement Policies for Municipalities
The guidance in this circular already forms an integral part of Overstrand municipality's Virement Policy.

Municipal SCOA Circular No. 9 - 09 June 2020: Reporting on COVID-19 using the mSCOA chart
The principle of Typical Workstream Projects relating to COVID-19 was implemented for the Special Adjustments Budget in June 2020, notwithstanding that is circular was issued on the same day that the Special Adjustments Budget was submitted to be tabled in Council.

Municipal SCOA Circular No. 10 – 14 October 2020: Cash Flow Guidance

This circular is to provide further guidance to municipalities on the correct use of the municipal standard chart of accounts (mSCOA) data strings to populate the cash flows tables in Schedules A, B and C of the Municipal Budget Reporting Regulations (MBRR)To ensure that the MBRR cash flow tables (A7, SA30, B7 and C7) are linked correctly to the mSCOA data strings.

National Treasury corrected the linkages in the segment item: asset and liabilities.

Municipal SCOA Circular No. 11 – 4 December 2020: Guidance on the use of the Fund Segment

The purpose of this circular is to provide guidance to municipalities on the use of the Fund segment.

Following the guidance provided in Circular 10, the following cash flow issues still had to be corrected and/or clarified:

- The recording of unallocated deposits;
- The duplication of capital assets other expenditure (trade and other payables – payables and accruals);
- The linking of construction Work-In-Progress (CWIP) to capital assets in Table A9 of the A1 Schedule;
- The linking of advance payments and retentions to the cash flow tables;
- The distinction of and payment between Inventory, Contracted Services and Other Expenditure line items not specifically listed under Liabilities in the mSCOA chart; and
- The linking of Income tax receivable, Income tax payables, Value Added Tax (VAT) receivable, VAT payable, Accrued interest on receivables to cash flow/payments.

Municipal SCOA Circular No. 12 – 01 October 2021: Guidance on Value Added Tax (VAT)

The purpose of this circular is to provide guidance to municipalities on how to budget, transact and report for Value Added Tax (VAT) using the Municipal Standard Chart of Accounts (mSCOA) chart.

The following guidance is provided in Circulr 12:

- When municipalities prepare their MTREF budgets, it must be exclusive of VAT and therefore the regulated budget Tables A4 and A5 must be VAT exclusive.
- It should also be noted that the accounts for Input and Output Tax on the mSCOA chart is named Input and Output VAT and irrecoverable debt is referred to as bad debt. Therefore, where reference is made to the VAT accounts in the chart in the examples used to explain the VAT transactions, Input and Output VAT and bad debt is used as per the mSCOA chart.
- These discrepancies in the terminology will be corrected in version 6.6 of the chart.

ANNEXURE J

DRAFT DMP

DEMAND MANAGEMENT PLAN 2023/2024

									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 / Income	Proposed Procurement Process to follow	Submission of specifications	BSC	Advert	Closing Date	BEC	BAC	Commencement of contract	New Contract expiry date
	SECTION A: REPEATABLE / MULTI-YEAR CONTRACTS															
A1	MANAGEMENT SERVICES	PROVISION OF MULTI-FUNCTIONAL OFFICE MACHINES	SC2211/2021	2024/06/30	TBC	VAN ASPEREN J	R 2 500 000.00	SECTION 116 (3) / TRANSVERSAL	2023/10/02	2023/10/19	2023/10/25	2024/11/24	2024/01/18	2024/02/02	2024/07/01	2027/06/30
A2	MANAGEMENT SERVICES	LEASE AGREEMENT FOR THE HOWSTAN / ONRUS RADIO MAST SITE FOR HOSTING 4 X ANTENNAE WITH RFG ELECTRONICS CC	SCD3271/2020	2024/06/30	TBC	JOHNSON C	R 260 000.00	DEVIATION	2023/04/01	N/A	N/A	N/A	N/A	N/A	2023/07/01	2026/06/30
A3	MANAGEMENT SERVICES	PROVISION OF WIDE FORMAT PLOTTER PRINTERS	SCD3349/2021	2024/06/30	TBC	VAN ASPEREN J	R 600 000.00	DEVIATION / TRANSVERSAL	2023/10/02	2023/10/19	2023/10/25	2024/11/24	2024/01/18	2024/02/02	2024/07/01	2027/06/30
A4	FINANCE	PROVISION OF BANKING SERVICES	SC1933/2019	2024/06/30	TBC	KING B	R 9 000 000.00	TENDER	2023/09/29	2023/10/04	2023/10/20	2024/01/12	2024/02/22	2024/03/01	2024/07/01	2029/06/30
A5	FINANCE	UNDERWRITING AND MANAGEMENT OF THE SHORT-TERM INSURANCE PORTFOLIO OF THE OVERSTRAND MUNICIPALITY	SC2188/2021	2024/06/30	TBC	VORSTER H	R 24 735 000.00	TENDER	2023/10/27	2023/11/15	2023/12/01	2024/01/05	2024/02/29	2024/03/15	2024/07/01	2027/06/30
A6	FINANCE	PROVISION OF WATER AND ELECTRICITY METER READING SERVICES	SC2145/2020	2024/06/30	TBC	HOONEBERG E	R 7 113 800.00	TENDER	2023/10/20	2023/11/08	2023/11/17	2023/12/01	2024/01/26	2024/02/16	2024/07/01	2027/06/30
A7	FINANCE	PROVISION OF CASH IN TRANSIT SERVICES	SC2158/2020	2024/06/30	TBC	HOONEBERG E	R 1 300 000.00	TENDER	2023/10/20	2023/11/15	2023/11/24	2023/11/30	2024/02/08	2024/02/23	2024/07/01	2027/06/30
A8	FINANCE	PROVISION OF METER READING SOFTWARE FOR MOBILE DEVICES	SC2152/2020	2024/06/30	TBC	HOONEBERG E	R 500 000.00	TENDER	2023/10/20	2023/11/08	2023/11/17	2023/12/01	2024/01/26	2024/02/16	2024/07/01	2027/06/30
A9	FINANCE	SUPPLY & DELIVERY OF TISSUE PAPER PRODUCTS, CLEANING MATERIALS, DISINFECTANTS AND SANITIZERS	SC2176/2021	2024/06/30	TBC	ROETS C	R 11 326 310.99	TENDER	2023/08/31	2023/09/14	2023/09/29	2023/10/27	2024/01/25	2024/02/09	2024/07/01	2027/06/30
A10	FINANCE	PROVISION OF ON-LINE ELECTRONIC SEARCHES AND VERIFICATION OF INFORMATION	SCD3317/2021	2024/06/30	TBC	HOONEBERG E	R 3 200 000.00	TENDER	2023/10/20	2023/11/15	2023/11/24	2023/11/30	2024/02/08	2024/02/23	2024/07/01	2027/06/30
A11	FINANCE	SUPPLY AND DELIVERY OF OVERALL. PROTECTIVE CLOTHING, PERSONAL PROTECTIVE EQUIPMENT (PPE) AND UNIFORMS	SC2187/2021	2024/06/30	TBC	ROETS C	R 8 863 391.00	TENDER	2023/09/30	2023/10/12	2023/10/27	2023/12/01	2024/02/29	2024/03/15	2024/07/01	2027/06/30
A12	FINANCE	SUPPLY AND DELIVERY OF WHEELIE BINS, HARDWARE, LUBRICANTS AND PAINT PRODUCTS	SC2175/2021	2024/06/30	TBC	ROETS C	R 5 880 597.86	TENDER	2023/10/31	2023/11/16	2024/01/19	2024/02/23	2024/04/23	2024/05/08	2024/07/01	2027/06/30
A13	FINANCE	SUPPLY AND DELIVERY OF PLASTIC TOILET DOORS	SC2204/2021	2024/06/30	TBC	ROETS C	R 283 331.25	TENDER	2023/11/30	2023/12/14	2024/01/19	2024/02/23	2024/04/23	2024/05/08	2024/07/01	2027/06/30
A14	FINANCE	CASEWARE LICENCE RENEWAL	SCD3414/2022	2023/07/31	TBC	KING B	R 94 000.00	DEVIATION	2023/07/01					2023/07/14	2023/08/01	2024/07/31
A15	PROTECTION SERVICES	INTERGRATED CLOUD AIDED DISPATCH SOLUTION	SC2156/2020	2024/06/30	TBC	SMITH L	R 124 896.00	TENDER	2023/09/01	2023/09/28	2023/10/11	2023/10/25	2023/11/09	2023/12/01	2024/07/01	2027/06/30
A16	PROTECTION SERVICES	SUPPLY AND DELIVERY OF NON-PERISHABLE AND PERISHABLE GOODS AND DISASTER MANAGEMENT ITEMS	SC2195/2021	2024/06/30	TBC	SMITH L	R 1 680 000.00	TENDER	2023/09/01	2023/09/28	2023/10/11	2023/10/25	2023/11/09	2023/12/01	2024/07/01	2027/06/30
A17	PROTECTION SERVICES	APPOINTMENT OF A SERVICE PROVIDER FOR THE INSTALLATION IMPLEMENTATION, OPERATION, SUPPORT AND MAINTENANCE OF AN ADVANCE TRAFFIC CONTRAVENTION MANAGEMENT SYSTEM	SC2183/2021	2024/06/30	TBC	FRASER R	R 3 600 000.00	TENDER	2023/10/11	2023/10/18	2023/11/01	2023/12/08	2024/02/08	2024/02/16	2024/07/01	2027/06/30
A18	PROTECTION SERVICES	CLEARING OF MUNICIPAL AND PRIVATE ERVEN IN THE OVERSTRAND MUNICIPAL AREA	SC2178/2021	2024/06/30	TBC	SMITH L	R 2 728 167.00	TENDER	2023/09/01	2023/09/28	2023/10/11	2023/10/25	2023/12/01	2023/12/08	2024/07/01	2027/06/30
A19	PROTECTION SERVICES	PROVISION OF SECURTIY GUARDING SERVICES ON AN AS AND WHEN REQUIRED BASIS	SC2218/2021	2024/06/30	TBC	SMITH L	R 11 230 686.00	TENDER	2023/09/01	2023/09/28	2023/10/11	2023/10/25	2023/11/09	2023/12/01	2024/07/01	2027/06/30
A20	PROTECTION SERVICES	SERVICE AND REPAIR OF SPECIALISED EQUIPMENT – JAWS OF LIFE	SCD3372/2021	2024/06/30	TBC	SMITH L	R 600 000.00	TENDER	2023/09/01	2023/09/28	2023/10/11	2023/10/25	2023/11/09	2023/12/01	2024/07/01	2027/06/30
A21	PROTECTION SERVICES	SERVICE AND REPAIR OF BAY DOORS AT FIRE STATIONS ACROSS OVERSTRAND JURISDICTION	N/A	N/A	TBC	SMITH L	R 100 000.00	TENDER	2023/09/01	2023/09/28	2023/10/11	2023/10/25	2023/11/09	2023/12/01	2024/07/01	2027/06/30
A22	PROTECTION SERVICES	SUPPLY AND DELIVERY OF UNIFORM AND HUMAN PROTECTIVE CLOTHING	SC2055/2019	2024/06/30	TBC	SMITH L	R 2 172 363.00	TENDER	2023/09/01	2023/09/28	2023/10/11	2023/10/25	2023/11/09	2023/12/01	2024/07/01	2027/06/30
A23	INFRASTRUCTURE AND PLANNING	OPERATION OF NEW MATERIALS RECOVERY FACILITY (MRF), HERMANUS	SC2182A/2021	2024/10/31	TBC	MITCHELL C	R 10 437 000.00	TENDER	2024/05/06	2024/05/15	2024/05/31	2024/07/05	2024/08/22	2024/09/06	2024/11/01	2027/06/30
A24	INFRASTRUCTURE AND PLANNING	APPOINTMENT OF ARCHITECTS, ARCHITECTURAL TECHNOLOGISTS, STRUCTURAL ENGINEERS AND QUANTITY SURVEYORS	SC2205/2021	2024/06/30	TBC	COETZEE L	R 6 000 000.00	TENDER	2024/01/01	2024/01/01	2024/02/01	2024/03/01	2024/04/01	2024/05/01	2024/07/01	2027/06/30
A25	INFRASTRUCTURE AND PLANNING	TRANSPORT OF CONTAINERISED MUNICIPAL SOLID WASTE AND CHIPPING OF GARDEN WASTE	SC2244/2021	2024/06/30	TBC	MITCHELL C	R 53 547 952.00	TENDER	2024/01/08	2024/01/17	2024/02/02	2024/03/08	2024/05/02	2024/05/10	2024/07/01	2027/06/30
A26	COMMUNITY SERVICES	MANAGEMENT OF GANSBAAI CARAVAN PARK	SC2202/2021	2024/06/30	TBC	SOLOMONS J	TBC	TENDER	2024/02/15	2024/02/22	2024/03/01	2024/03/18	01/07/2024	30/06/2025	2024/07/01	2025/06/30
A27	COMMUNITY SERVICES	PROVISION OF HYGIENE SERVICES AND PEST CONTROL AT OVERSTRAND MUNICIPALITY	SC2186/2021	2024/06/30	TBC	WYNGAARD A	R 1 000 000.00	TENDER	2024/01/12	2024/01/17	2024/01/24	2024/02/23	2024/03/14	2024/02/22	2024/07/01	2027/06/30
A28	COMMUNITY SERVICES	REPAIR AND MAINTENANCE OF DIESEL BOILER SYSTEMS AT ONRUS CARAVAN PARK	SC2219/2021	2024/06/30	TBC	WYNGAARD A	R 500 000.00	TENDER	2024/01/12	2024/01/17	2024/01/24	2024/02/23	2024/03/14	2024/02/22	2024/07/01	2027/06/30
A29	COMMUNITY SERVICES	SUPPLY, INSTALLATION, MAINTENANCE AND SERVICING OF AIR CONDITIONERS TO MUNICIPAL OFFICES BUILDINGS	SC2169/2020	2024/06/30	TBC	MARX T	R 300 000.00	TENDER	2024/01/12	2024/01/17	2024/01/24	2024/02/23	2024/03/14	2024/02/22	2024/07/01	2027/06/30
A30	COMMUNITY SERVICES	HIRING OF SEWERAGE VACUUM TANKERS	SC2217/2021	2024/06/30	TBC	STEENBERG T	R 12 000 000.00	TENDER	2024/02/15	2024/02/22	2024/02/28	2024/03/28	2024/04/29	2024/05/17	2024/07/01	2029/06/30
A31	COMMUNITY SERVICES	SUPPLY, DELIVERY AND APPLICATION OF FERTILIZER TO SPORTS FIELDS IN THE OVERSTRAND	SC2209/2021	2024/06/30	TBC	MARX T	R 4 000 000.00	TENDER	2023/09/15	2023/09/28	2023/10/12	2023/11/09	2023/11/23	2023/11/30	2024/07/01	2027/06/30
A32	COMMUNITY SERVICES	SUPPLY AND ERECTING OF FENCES AND REPAIRS ON AN "AS AND WHEN REQUIRED" BASIS IN THE OVERSTRAND AREA	SC2199/2021	2024/06/30	TBC	MARX T	R 5 000 000.00	TENDER	2024/01/12	2024/01/17	2024/01/24	2024/02/23	2024/03/14	2024/02/22	2024/07/01	2027/06/30
A33	COMMUNITY SERVICES	PROVISION OF SMALL WORKS AND MAINTENANCE AS AND WHEN NEEDED	SC2256/2020	2024/06/30	TBC	STEENBERG T	R 45 000 000.00	TENDER	2024/02/15	2024/02/22	2024/02/28	2024/03/28	2024/04/29	2024/05/17	2024/07/01	2029/06/30
A34	COMMUNITY SERVICES	CHEMICAL CONTROL OF WEEDS ON SPORT TURF & PUBLIC OPEN SPACES IN THE OVERSTRAND	SC2196/2021	2024/06/30	TBC	MARX T	R 1 600 000.00	TENDER	2023/11/01	2024/11/15	2024/11/29	2024/01/30	2024/02/22	2024/02/15	2024/07/01	2027/06/30
A35	COMMUNITY SERVICES	REFURBISHMENT, MAINTENANCE AND SERVICING OF HAWSTON POOL AND/OR PUMPS	SC2258/2022	2024/06/30	TBC	PLAATJIES B	R 400 000.00	TENDER	2024/01/12	2024/01/17	2024/01/24	2024/02/23	2024/03/14	2024/02/22	2024/07/01	2027/06/30

DEMAND MANAGEMENT PLAN 2023/2024

									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 / Income	Proposed Procurement Process to follow	Submission of specifications	BSC	Advert	Closing Date	BEC	BAC	Commencement of contract	New Contract expiry date
	SECTION B: CAPITAL PROJECTS															
B1	INFRASTRUCTURE & PLANNING	REPLACEMENT OF OVERSTRAND WATER PIPES	SC 2319/2022	2024/06/30	TBC	BLIGNAUT H	R 11 000 000.00	TENDER	2023/08/11	2023/08/23	2023/09/08	2023/10/13	2023/12/07	2023/12/15	2024/01/15	2025/06/30
B2	INFRASTRUCTURE & PLANNING	REFURBISHMENT OF KLEINMOND BUFFELS RIVER WTW	N/A	N/A	TBC	BLIGNAUT H	R 26 100 000.00	TENDER	2024/04/19	2024/05/01	2024/05/17	2024/06/21	2024/08/29	2024/09/06	2024/09/30	2026/06/30
B3	INFRASTRUCTURE & PLANNING	UPGRADE HERMANUS WELL FIELDS PHASE 2	N/A	N/A	TBC	BLIGNAUT H	R4 000 000.00	TENDER	2023/09/08	2023/09/20	2023/10/06	2023/11/10	2024/01/18	2024/01/26	2024/02/21	2025/06/30
B4	INFRASTRUCTURE & PLANNING	PEARLY BEACH WATER TOWER REFURBISH AND WTW PROCESS UPGRADE	N/A	N/A	TBC	BLIGNAUT H	R 3 750 000.00	TENDER	2023/08/11	2023/08/23	2023/09/08	2023/10/13	2023/12/07	2023/12/15	2024/01/15	2024/06/30
B5	INFRASTRUCTURE & PLANNING	NEW DISINFECTION SYSTEM AT PREEKSTOEL WTW AND WASTEWATER TREATMENT	N/A	N/A	TBC	BLIGNAUT H	R 16 500 000.00	TENDER	2023/08/04	2023/08/16	2023/09/01	2023/10/06	2023/11/30	2023/12/08	2024/01/15	2025/06/30
B6	INFRASTRUCTURE & PLANNING	UPGRADING OF PUMPSTATIONS & RISING MAINS	SC 2171/2020	2023/06/30	TBC	BLIGNAUT H	R 6 800 000.00	TENDER	2023/09/08	2023/09/20	2023/10/06	2023/11/10	2024/01/18	2024/01/26	2024/02/21	2025/06/30
B7	INFRASTRUCTURE & PLANNING	TELEMETRY SYSTEM UPGRADE	N/A	N/A	TBC	BLIGNAUT H	R 1 000 000.00	TENDER	2023/09/08	2023/09/20	2023/10/06	2023/11/10	2024/01/18	2024/01/26	2024/02/21	2025/06/30
B8	INFRASTRUCTURE & PLANNING	UPGRADE HAWSTON SPORT COMPLEX	N/A	N/A	TBC	D HENDRIKS	R 6 554 350.00	TENDER	2023/08/28	2023/09/11	2023/09/21	2023/10/27	2023/11/30	2023/12/08	2024/01/12	2024/06/30
B9	INFRASTRUCTURE & PLANNING	REHABILITATE ROADS BLOMPARK	N/A	N/A	TBC	D HENDRIKS	R 2 000 000.00	TENDER	2023/06/30	2023/07/10	2023/07/17	2023/08/18	2023/09/21	2023/09/29	2023/11/03	2024/06/30
B10	INFRASTRUCTURE & PLANNING	REHABILITATE ROADS STANFORD	N/A	N/A	TBC	D HENDRIKS	R 3 000 000.00	TENDER	2023/06/30	2023/07/10	2023/07/17	2023/08/18	2023/09/21	2023/09/29	2023/11/03	2024/06/30
B11	INFRASTRUCTURE & PLANNING	UPGRADE STORMWATER INFRASTRUCTURE- PROTEADORP, MOUNTAIN VIEW, EXT 6 & OVERHILLS	N/A	N/A	TBC	D HENDRIKS	R 8 232 400.00	TENDER	2023/05/15	2023/05/29	2023/06/08	2023/07/14	2023/08/17	2023/08/25	2023/09/29	2024/06/30
B12	INFRASTRUCTURE & PLANNING	MASAKHANE HOUSING PROJECT BULK STORMWATER (PHASE 2)	N/A	N/A	TBC	D HENDRIKS	R 4 500 000.00	TENDER	2023/08/28	2023/09/11	2023/09/21	2023/10/27	2023/11/30	2023/12/08	2024/01/12	2024/06/30
	SECTION C: AD-HOC PROCJECTS FUNDED FROM OPERATIONAL BUDGET															
C1	COMMUNITY SERVICES	SUPPLY AND DELIVER OF OFFICE CHAIRS AND EQUIPMENT	N/A	N/A	TBC	MARX T	R 200 000.00	FORMAL QUOTATION	2023/07/14	2023/07/19	2023/07/26	2023/08/18	2023/09/07	2023/09/15	2023/10/02	2024/06/30
C2	COMMUNITY SERVICES	SUPPLY AND DELIVER POLYWOOD PRODUCTS	N/A	N/A	TBC	MARX T	R 200 000.00	FORMAL QUOTATION	2023/07/14	2023/07/19	2023/07/26	2023/08/18	2023/09/07	2023/09/15	2023/10/02	2024/06/30
C3	INFRASTRUCTURE & PLANNING	STANFORD CLOSED LANDFILL REHABILITATION	N/A	N/A	TBC	MITCHELL C	R 5 767 650.00	TENDER	2023/08/21	2023/08/30	2023/09/15	2023/10/20	2023/12/07	2023/12/15	2024/01/22	2024/06/30
C4	INFRASTRUCTURE & PLANNING	ENVIRONMENTAL PPE	N/A	N/A	TBC	DE VILLIERS L	R 300 000.00	TENDER	2023/05/05	2023/05/05	2023/05/24	2023/06/02	2023/07/13	2023/07/28	2023/08/21	2023/06/30
	SECTION D: LAND SALES / LEASING															
D1	INFRASTRUCTURE & PLANNING	SALE OF ERF 6924 KLEINMOND (284M² IN EXTENT) FOR RESIDENTIAL PURPOSES	N/A	N/A	TBC	LE ROUX A	Income Tender	TENDER	2023/07/14	2023/02/08	2023/08/18	2023/09/22	2023/10/18	2023/10/27	N/A	N/A
D2	INFRASTRUCTURE & PLANNING	LEASE, MANAGEMENT AND MAINTENANCE (or SALE) OF ERF 9199 HERMANUS (SITUATED IN ZWELIHLE) FOR COMMUNITY PURPOSES	N/A	N/A	TBC	LE ROUX A	Income Tender	TENDER	2023/07/28	2023/08/08	2023/08/25	2023/09/29	2023/10/25	2023/11/03	N/A	N/A
D3	INFRASTRUCTURE & PLANNING	SALE OF ERF 6214 HERMANUS (361M² IN EXTENT) FOR RESIDENTIAL PURPOSES	N/A	N/A	TBC	LE ROUX A	Income Tender	TENDER	2024/02/08	2024/02/21	2024/03/08	2024/04/12	2024/05/08	2024/05/17	N/A	N/A
D4	INFRASTRUCTURE & PLANNING	SALE OF ERF 484 GANSBAAI (694M² IN EXTENT) FOR RESIDENTIAL PURPOSES	N/A	N/A	TBC	LE ROUX A	Income Tender	TENDER	2023/07/14	2023/08/02	2023/08/18	2023/09/22	2023/10/18	2023/10/27	N/A	N/A
D5	INFRASTRUCTURE & PLANNING	SALE OF ERF 7082 HERMANUS (312M² IN EXTENT) FOR RESIDENTIAL PURPOSES	N/A	N/A	TBC	LE ROUX A	Income Tender	TENDER	2023/07/14	2023/08/02	2023/08/18	2023/09/22	2023/10/18	2023/10/27	N/A	N/A
D6	INFRASTRUCTURE & PLANNING	SALE OF FOUR PORTIONS OF ERF 1 HAWSTON FOR BUSINESS PURPOSES	N/A	N/A	TBC	LE ROUX A	Income Tender	TENDER	2023/09/08	2023/09/20	2023/10/06	2023/11/10	2023/11/22	2023/12/01	N/A	N/A
D7	INFRASTRUCTURE & PLANNING	LEASE, DEVELOPMENT, MANAGEMENT AND MAINTENANCE OF THREE PORTIONS OF ERF 407 HAWSTON FOR COMMUNITY PURPOSES	N/A	N/A	TBC	LE ROUX A	Income Tender	TENDER	2023/09/08	2023/09/20	2023/10/06	2023/11/10	2023/11/22	2023/12/01	N/A	N/A
D8	INFRASTRUCTURE & PLANNING	SALE OF UNREGISTERED ERF 3231 HAWSTON (2,812M² IN EXTENT) FOR BUSINESS PURPOSES	N/A	N/A	TBC	LE ROUX A	Income Tender	TENDER	2023/09/08	2023/09/20	2023/10/06	2023/11/10	2023/11/22	2023/12/01	N/A	N/A
D9	INFRASTRUCTURE & PLANNING	SALE OF ERF 6559 KLEINMOND (575M² IN EXTENT) FOR RESIDENTIAL PURPOSES	N/A	N/A	TBC	LE ROUX A	Income Tender	TENDER	2023/07/14	2023/08/02	2023/08/18	2023/09/22	2023/10/18	2023/10/27	N/A	N/A
D10	INFRASTRUCTURE & PLANNING	SALE OF ERF 3274 KLEINMOND (595M² IN EXTENT) FOR RESIDENTIAL PURPOSES	N/A	N/A	TBC	LE ROUX A	Income Tender	TENDER	2023/09/29	2023/10/11	2023/10/27	2023/12/01	2024/01/04	2024/01/12	N/A	N/A
D11	INFRASTRUCTURE & PLANNING	SALE OF ERF 3300 KLEINMOND (595M² IN EXTENT) FOR RESIDENTIAL PURPOSES	N/A	N/A	TBC	LE ROUX A	Income Tender	TENDER	2023/09/29	2023/10/11	2023/10/27	2023/12/01	2024/01/04	2024/01/12	N/A	N/A
D12	INFRASTRUCTURE & PLANNING	LEASE/SALE OF TWO PORTIONS OF ERF 3374 GANSBAAI (MASAKHANE) FOR CHURCH PURPOSES	N/A	N/A	TBC	LE ROUX A	Income Tender	TENDER	2023/08/04	2023/08/16	2023/09/01	2023/08/12	2024/01/04	2024/01/12	N/A	N/A
D13	INFRASTRUCTURE & PLANNING	LEASE OF VARIOUS PORTIONS OF MUNICIPAL PROPERTIES FOR THE ERECTION OF TELECOMMUNICATION MASTS	N/A	N/A	TBC	LE ROUX A	Income Tender	TENDER	2023/11/17	2023/11/29	2024/01/05	2024/02/09	2024/02/28	2024/03/08	N/A	N/A
D14	INFRASTRUCTURE & PLANNING	SALE OF ERF 2788 HERMANUS (496M² IN EXTENT) FOR RESIDENTIAL PURPOSES	N/A	N/A	TBC	LE ROUX A	Income Tender	TENDER	2023/11/17	2023/11/29	2024/01/05	2024/02/09	2024/02/28	2024/03/08	N/A	N/A
D15	INFRASTRUCTURE & PLANNING	SALE OF REMAINDER ERF 4324 KLEINMOND FOR RESIDENTIAL PURPOSES	N/A	N/A	TBC	LE ROUX A	Income Tender	TENDER	2023/08/04	2023/08/16	2023/09/01	2023/12/08	2024/01/04	2024/01/12	N/A	N/A
D16	INFRASTRUCTURE & PLANNING	SALE OF ERF 751 HAWSTON (310M² IN EXTENT) FOR RESIDENTIAL PURPOSES	N/A	N/A	TBC	LE ROUX A	Income Tender	TENDER	2023/08/04	2023/08/16	2023/09/01	2023/12/08	2024/01/04	2024/01/12	N/A	N/A
D17	INFRASTRUCTURE & PLANNING	SALE OF ERF 1851 GANSBAAI (4000M² IN EXTENT) FOR BUSINESS/INDUSTRIAL PURPOSES	N/A	N/A	TBC	LE ROUX A	Income Tender	TENDER	2023/08/25	2023/09/05	2023/09/15	2023/10/20	2023/11/07	2023/11/17	N/A	N/A

DEMAND MANAGEMENT PLAN 2023/2024

									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 / Income	Proposed Procurement Process to follow	Submission of specifications	BSC	Advert	Closing Date	BEC	BAC	Commencement of contract	New Contract expiry date
D18	INFRASTRUCTURE & PLANNING	SALE OF REMAINDER ERF226 PRINGLEBAY (±1300M² IN EXTENT) FOR RESIDENTIAL PURPOSES	N/A	N/A	TBC	LE ROUX A	Income Tender	TENDER	2023/11/17	2023/11/29	2024/01/05	2024/02/09	2024/02/28	2024/03/08	N/A	N/A
D19	INFRASTRUCTURE & PLANNING	LEASE OF A PORTION OF ERF 210 GANSBAAI (±7500M² IN EXTENT) FOR NURSERY / SMALL BUSINESS PURPOSES	N/A	N/A	TBC	LE ROUX A	Income Tender	TENDER	2023/08/25	2023/09/05	2023/09/15	2023/10/20	2023/11/07	2023/11/17	N/A	N/A
D20	INFRASTRUCTURE & PLANNING	LEASE AND MAINTENANCE OF A PORTION OF ERF 462 FRANSKRAALSTRAND (FRANSRKAAL MUSEUM) FOR SMALL BUSINESS PURPOSES	N/A	N/A	TBC	LE ROUX A	Income Tender	TENDER	2023/08/25	2023/09/05	2023/09/15	2023/10/20	2023/11/07	2023/11/17	N/A	N/A

ANNEXURE K

NT TARIFF TOOL

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Version 2019.2

User instructions

Revenue

Expenditure

Surplus

Revenue required

Enter Municipality	Overstrand Municipality
Enter base year	2023
Enter year tariffs are set	2024

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This tool was developed in 2019 with funding from the African Development Bank. The tool has been developed to assist local municipalities in the tariff setting process for water, sanitation, electricity and solid waste removal tariffs. The tool is accompanied by a methodology and user notes. Along with this sheet, please read the accompanying methodology and user notes completely before using the tool.

Description of the tool

The tool has been developed in three levels. The data required becomes more sophisticated as users move to progressive levels in the tool. A user can choose to implement Level 1 only, or to advance to progressive levels of tariff setting based on the data available. The three levels are described below:

Level 1: Looks at each service as a whole. The outputs from Level 1 include: (i) fixed costs per customer for each trading service as a whole; (ii) variable costs per unit for each trading service as a whole; and (iii) tariff revenue required per unit sold for each trading service as a whole.

Level 2: Introduces customer categories. Level 2 outputs include: (i) average fixed and variable costs per customer category for each trading service; and (ii) revenue required per unit sold for each customer category within a trading service.

Level 3: Application of tariff structures and calculation of tariffs for each each customer group within a service. The outputs from Level 3 include fixed charges and tariffs per block in an inclining block tariff for each customer category within a trading service.

The user must complete the first four data entry sheets in the tool for all services. These sheets have grey tab colours. The user may choose to run the remainder of the tool for a single service only.

Colour coding in the tool: Cells in the tool are colour coded. The table below provides a guide to the colour coding of cells used in the tool.

Colour code	Meaning
	Yellow cells require data entries by the user
	Green cells indicate that a default is available. This means that the tool has proposed an entry for this cell. The user can choose to leave the green cell blank and accept the entry proposed by the tool, or the user can make an entry in the green cell and over-write the default proposed by the tool.
	Grey cells require entries by the user. These are not data entries but decisions that the user must make.
	White cells are calculated by the tool.

Reports: The tool includes a set of report sheets for each trading service. The report sheets have been formatted for ease of printing and contain a summary of the Level 2 and Level 3 outputs per customer category for each trading service based on user inputs and decisions.

Affordability: The affordability of tariffs to domestic customers is tested

Workbook sheets

Level 1 sheets	Revenue	The user enters data on what non-tariff revenues are expected in the year for which tariffs are being set, and allocates these between the services.
	Expenditure	The user enters data on the expenditure budget for the year in which tariffs are being set, and allocates expenditures between the services.
	Surplus	The user decides whether surpluses will be required from any services or deficits accepted.
	Revenue required	The tool calculates the revenue required from tariffs for each service based on entries on the previous sheets.
	1 Customer data	Customer data for each service should be captured in this sheet.
	1 Water	This sheet calculates the total fixed costs per month, the total variable cost per kl consumed, and the average revenue required per kl for all water services customers.
	1 Sanitation	This sheet calculates the total fixed costs per month, the total variable cost per kl treated,and the average revenue required per unit for all sanitation services customers.
	1 Electricity	This sheet calculates the customer cost per month, the demand cost per unit demand, the consumption costs per kWh consumed, and the average revenue required for all electricity services customers.

Level 2 sheets	1 Solid waste	This sheet calculates the unit costs and the average revenue required per unit for all solid waste services customers.
	2 Water	This sheet calculates the total fixed costs per month, the total variable cost per kl consumed, and the average revenue required per kl for water services per customer.
	2 Sanitation	This sheet calculates the fixed costs per month, the total variable cost per kl treated, and the average revenue required per unit for sanitation services per customer.
	2 Electricity	This sheet calculates the customer cost per month, the demand cost per unit demand, the consumption costs per kWh consumed, and the average revenue required for electricity services per customer.
	2 Solid waste	This sheet calculates the unit costs and the average revenue required per unit for solid waste services per customer.
Level 3 sheets	3 Water	This sheet requires the user to select the tariff structure to be used for setting water tariffs.
	3 Sanitation	This sheet requires the user to select the tariff structure to be used for setting sanitation tariffs.
	3 Electricity	This sheet requires the user to select the tariff structure to be used for setting electricity tariffs.
	3 Solid waste	This sheet requires the user to select the tariff structure to be used for setting solid waste tariffs.
Reports	Water report	This sheet presents the tariffs for water
	Sanitation report	This sheet presents the tariffs for sanitation
	Electricity report	This sheet presents the tariffs for electricity
	Solid waste report	This sheet presents the tariffs for solid waste removal
Affordability		This sheet provides analysis on the affordability of tariffs to domestic customers

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On this sheet, the user must enter data on non-tariff revenues anticipated in the year for which tariffs are being set and allocate these between the services.

OPERATING GRANTS AND SUBSIDIES

*User must enter the name of each individual operating grant and the amount that is anticipated to be received **in the year for which the tariffs are being set**. The user must then enter the amont to be allocated to each service. There is a check to the right of the table that the amounts allocated to the services all add up to the total. Make sure that this check is zero.*

Operational grants and subsidies	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)	Governance and administration (R)	check = 0
Equitable Share	185 579 350	16 916 059	22 482 509	51 038 979	19 151 207	21 818 350	54 172 246	-
Community Libraries								-
EPWP								-
FMG								-
Health								-
MSIG - FAR								-
Asset Management Syst								-
								-
								-
								-
								-
Total grant allocation per service	**185 579 350**	**16 916 059**	**22 482 509**	**51 038 979**	**19 151 207**	**21 818 350**	**54 172 246**	-

PROPERTY RATES

*Property rates are typically used to pay for services that are publicly accessed. This means that property rates are typically allocated to 'other' services. However, property rates might be allocated to a trading service if a portion of that trading service is publicly accessed. This may be the case for the street lighting component of electricity, for example. The user must enter the anticipated property rates revenue **in the year for which tariffs are being set**, and then allocate this revenue between the services in the table below. As a default, allocate all property rates revenue to 'other' services. There is a check to the right of the table that the amounts allocated to the services all add up to the total. Make sure that this check is zero.*

	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)	check = 0
Rates funding allocated to publicly accessed functions	340 506 300					340 506 300	-
Total Rates Funding allocated to each service	**340 506 300**	-	-	-	-	**340 506 300**	

OTHER INCOME SOURCES

*User must enter the amount of other income sources anticipated to be received **in the year for which the tariffs are being set**, and then allocate these between the service in the yellow highlighted cells. There is a check to the right of the table that the amounts allocated to the services all add up to the total. Make sure that this check is zero.*

	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)	Governance and administration (R)	check = 0
Service charges - other								-
Rental of facilities and equipment	6 772 600					6 212 500	560 100	-
Interest earned - external investments	43 100 100						43 100 100	-
Interest earned - outstanding debtors	6 400 400					200	6 400 200	-
Dividends received								-
Fines	19 597 170	95 000	-	75 000	-	19 422 970	4 200	-
Licences and permits	2 906 600					2 790 000	116 600	-
Agency services	8 319 000					8 309 000	10 000	-
Other revenue	139 765 566	300 300	226 416	600 000	53 100	131 558 950	7 026 800	-
Gains on disposal of PPE	7 900 000						7900000	-
								-
								-
Total	**234 761 436**	**395 300**	**226 416**	**675 000**	**53 100**	**168 293 620**	**65 118 000**	-

SERVICE CHARGES NOT SET USING THIS MODEL

This tool only sets tariffs for services. There are a number of other service charges identified in mSCOA v 6.3 that are not set using this tool. The user must allocate the value of these service charges anticipated ***in the year for which the tariffs*** *are being set in the yellow highlighted cells below.*

Non-tariff revenue	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)
Water	-	-			
Connection/disconnection					
Meter reading fees					
Industrial water (non-potable)					
Availability charges					
Wastewater management	-		-		
Industrial effluent					
Treatment of effluent					
Availability charges					
Connection/reconnection					
Pump/removal of wastewater (from tanks)					
Electricity	-			-	
Appliance maintenance					
Connection/reconnection					
Joint pole usage					
Meter compliance testing					
Meter reading fees					
Notice revenues					
Temporary service plant					
Electricity distribution revenue for services					
Availability charges					

Waste management	-				-
Carrier bags					
Disposal facilities					
Refuse bags					
Waste bins					
Availability charges					
Skip					
Total non-tariff service charges	-	-	-	-	-

SUMMARY: NON-TARIFF REVENUE SOURCES

	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)	Governance and administration (R)	check = 0
Operating grants and subsidies	185 579 350	16 916 059	22 482 509	51 038 979	19 151 207	21 818 350	54 172 246	-
Property rates	340 506 300	-	-	-	-	340 506 300	-	-
Other income	234 761 436	395 300	226 416	675 000	53 100	168 293 620	65 118 000	-
Non-tariff service charges	-	-	-	-	-	-	-	-
Total	**760 847 086**	**17 311 359**	**22 708 925**	**51 713 979**	**19 204 307**	**530 618 270**	**119 290 246**	-

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On this sheet, the user must enter data on expenditures anticipated in the year for which tariffs are to be set, and allocate these between services.

ALLOCATING DIRECT COSTS PER FUNCTION

Enter the total anticipated expenditure ***in the year for which the tariffs are being set*** *. This expenditure must then be allocated to each service in order to calculate the total direct cost of providing that service. The expenditure types in white cells are from the MBRR classification. The user may choose to enter other expenditure types in the yellow cells in the 'Type of expenditure' column. There is a check to the right of the table that the amounts allocated to the services all add up to the total. Make sure that this check is zero.*

Type of expenditure	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)	Governance and administration (R)	check = 0
Employee related costs	538 535 096	15 127 873	25 391 543	32 105 737	36 823 533	255 611 256	173 475 154	-
Remuneration of councillors	12 513 913	-	-	-	-	-	12 513 913	-
Debt impairment	19 414 147	339 698	802 297	858 219	328 759	15 256 028	1 829 146	-
Depreciation & asset impairment	149 154 404	24 545 168	20 807 558	27 785 874	3 753 220	50 679 455	21 583 129	-
Finance charges	49 658 000	19 765 000	13 925 000	15 100 000	248 000	590 000	30 000	-
Bulk purchases	440 824 486			440 824 486				-
Other materials	62 499 279	3 880 637	7 341 747	12 195 124	5 598 770	27 353 492	6 129 509	-
Contracted services	295 738 018	73 778 379	34 190 736	7 848 763	42 200 117	95 445 437	42 274 586	-
Transfers and subsidies	16 380 200	-	-	-	-	537 500	15 842 700	-
Other expenditure	164 253 965	8 096 867	3 829 227	1 875 643	6 921 888	82 834 091	60 696 249	-
Loss on disposal of PPE								-
								-
								-
								-
Total direct costs per service	**1 748 971 508**	**145 533 622**	**106 288 108**	**538 593 846**	**95 874 287**	**528 307 259**	**334 374 386**	-

ALLOCATING GOVERNANCE AND ADMINISTRATION COSTS

The cost of supply of a service includes a portion of the governance and administration costs (overheads) of the municipality. Governance and Administration costs must thus be allocated between services in order to determine the full cost of supply of that service. Enter the % of governance and administration costs that will be allocated to each service in the grey cells below.

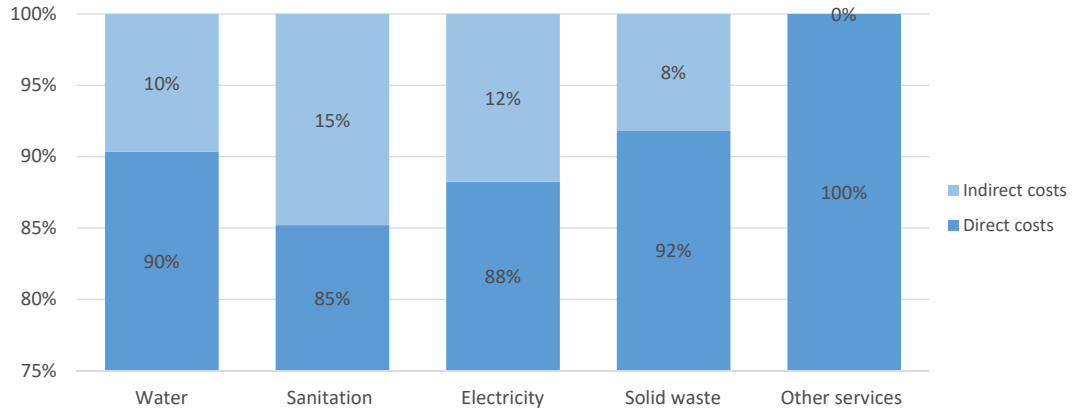
	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)	check = 0
% allocation of Gov & Admin costs		2.11%	3.25%	5.36%	0.23%		
	114 225 300	15 564 448	18 469 419	71 672 192	8 519 241		0

SUMMARY OF DIRECT AND INDIRECT COSTS

	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)
Direct costs	**1 634 746 208**	145 533 622	106 288 108	538 593 846	95 874 287	748 456 345
Indirect costs	**114 225 300**	15 564 448	18 469 419	71 672 192	8 519 241	-
Total costs	**1 748 971 508**	**161 098 070**	**124 757 527**	**610 266 038**	**104 393 528**	**748 456 345**

% direct costs		90%	85%	88%	92%	100%
% indirect costs (overheads)		10%	15%	12%	8%	0%

Chart: Proportion of costs that are direct and indirect



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On this sheet, the user must decide if deficits are to be accepted on any services. The user must then enter the surpluses to be generated on the trading services and check that these result in sufficient surplus to cross-subsidiseany deficits allowed and still generate an adequate surplus on the budget as a whole.

SUMMARY: EXPENDITURE ALLOCATED AND NON-TARIFF REVENUE RECEIVED AFTER ALLOCATION OF GOVERNANCE AND ADMINISTRATION

The table below summarises the allocation of expenditure and revenues in the previous sheets. Any non-tariff revenue allocated to the Governance and Administration function has been distributed between the services according to the allocation of the Governance and Administration expenditure between the services. There may be a gap to be filled through tariffs on 'Other services' if the property rates revenue and other non-tariff revenues are not sufficient to cover the costs of providing these services.

	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)
Direct expendtiure	**1 634 746 208**	145 533 622	106 288 108	538 593 846	95 874 287	748 456 345
Indirect expenditure	**114 225 300**	15 564 448	18 469 419	71 672 192	8 519 241	-
Total expenditure	**1 748 971 508**	**161 098 070**	**124 757 527**	**610 266 038**	**104 393 528**	**748 456 345**
Non-tariff revenue allocated to service	**641 556 840**	17 311 359	22 708 925	51 713 979	19 204 307	530 618 270
Non-tariff revenue allocated to Gov & Admin	**119 290 246**	16 254 603	19 288 385	74 850 260	8 896 999	-
Total non-tariff revenue allocated	**760 847 086**	**33 565 962**	**41 997 310**	**126 564 239**	**28 101 306**	**530 618 270**
Gap to be filled through tariffs	**988 124 422**	127 532 109	82 760 217	483 701 799	76 292 222	217 838 075

DEFICIT TO BE ACCEPTED ON SERVICES

Municipalities should move towards ensuring that all services at least break even. However, currently municipalities operate some services at a deficit. Enter the deficit that you are willing to accept on providing a service in the grey cells below. Bear in mind that you will have to generate surpluses on other services to cross-subsidise these deficits.

	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)
Expenditure	**1 748 971 508**	161 098 070	124 757 527	610 266 038	104 393 528	748 456 345
Enter deficit to be accepted as % of expenditure						
Deficit generated	**217 838 075**	-	-	-	-	217 838 075

SURPLUS TO BE GENERATED ON SERVICES

The Municipal Powers and Functions Act Number 12 of 2007 allows municipalities to levy a surcharge on tariffs. Enter the total surcharge that you plan to levy in the year for which tariffs are being set on each service in the table below. Make sure that you have not indicated a surplus to be generated if you have already indicated that there will be a deficit in the table above. If you do this, the cell entry will be highlighted in bold red text.

	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)
Expenditure	**1 748 971 508**	161 098 070	124 757 527	610 266 038	104 393 528	748 456 345

Enter surplus to be generated as % of expenditure						
Surplus generated	-	-	-	-	-	-

In order for the budget to be fully funded, surpluses generated must be sufficient to at least cover anticipated deficits. If this is not the case, the user must reduce the deficits anticipated or increase th surpluses to be generated. The net surplus below is the total surpluses less the total deficits. It must be positive. If it is negative, adjust the deficits to be accepted on services or the surpluses to be generated until a positive figure is obtained.

Net surplus or deficit	- 217 838 075	**Net surplus is negative. Adjust deficits to be accepted or surpluses to be generated until a positive figure is obtained.**
Net surplus or deficit as % of expenditure	**-12.5%**	

ALLOCATION OF SURPLUS

If you are generating surpluses on some services and deficits on others, you will need to make some decisions about how the surpluses should be allocated to cross-subsidise the deficits. This must be done ir the table below. The model provides a default allocation that allocates the available surplus to service in proportion to the deficit generated on a service. The user can choose to define an alternative allocation. Entries must be made in the grey cells only. This is not necessary for tariff setting, but only to confirm the overall funding of the budget.

	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)
Deficit generated	**217 838 075**	-	-	-	-	217 838 075
Surplus generated	-	-	-	-	-	-
Default allocation of surplus to cover deficits	-	-	-	-	-	-
Default % allocation of surplus		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Use default allocation?	Yes					
User defined allocation of surplus to cover deficits	-					
User defined % allocation of surplus						

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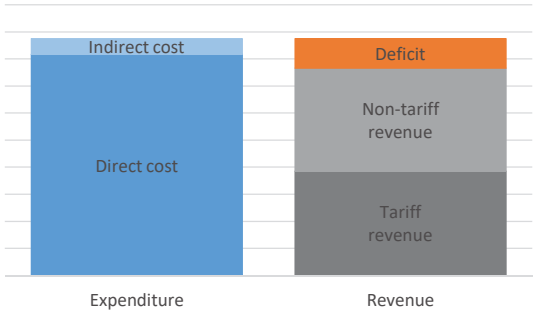
This sheet shows the revenue required from tariffs and the total funding of the budget. There are no user entries. It is a report sheet only.

REVENUE REQUIRED

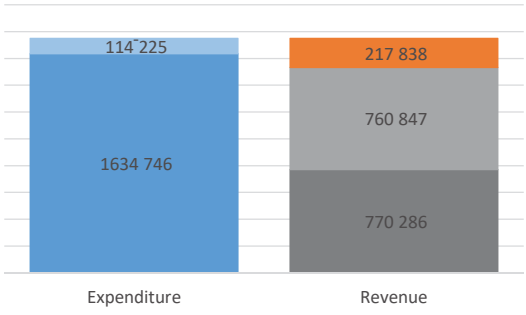
	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)
Direct expenditure	1 634 746 208	145 533 622	106 288 108	538 593 846	95 874 287	748 456 345
Indirect expenditure	114 225 300	15 564 448	18 469 419	71 672 192	8 519 241	-
Total expenditure	**1 748 971 508**	**161 098 070**	**124 757 527**	**610 266 038**	**104 393 528**	**748 456 345**
Surplus or deficit	- 217 838 075	-	-	-	-	- 217 838 075
Total expenditure plus surplus or deficit	**1 531 133 433**	**161 098 070**	**124 757 527**	**610 266 038**	**104 393 528**	**530 618 270**
Operating grants and transfers	185 579 350	24 297 621	31 241 776	85 030 079	23 191 524	21 818 350
Property rates revenue	340 506 300	-	-	-	-	340 506 300
Other income	234 761 436	9 268 341	10 755 534	41 534 160	4 909 782	168 293 620
Other non-tariff service charges	-	-	-	-	-	
Total non-tariff revenue	**760 847 086**	**33 565 962**	**41 997 310**	**126 564 239**	**28 101 306**	**530 618 270**
Revenue required from tariffs	**770 286 347**	**127 532 109**	**82 760 217**	**483 701 799**	**76 292 222**	
Total revenue	**1 531 133 433**	**161 098 070**	**124 757 527**	**610 266 038**	**104 393 528**	**530 618 270**

BUDGET FUNDING

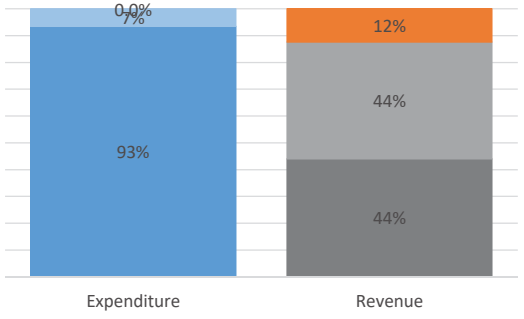
Budget funding: full budget: categories



Budget funding: full budget: R'000



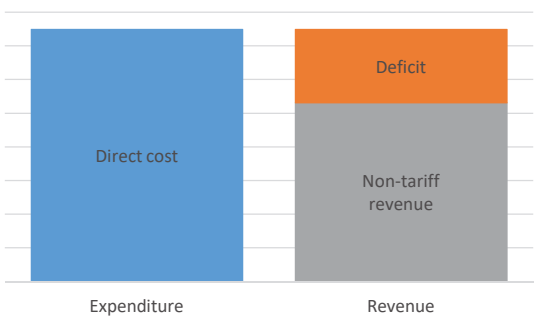
Budget funding: full budget: %s

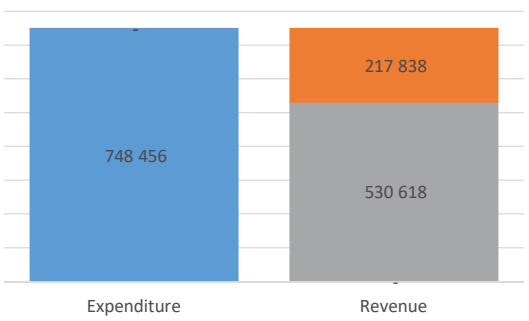


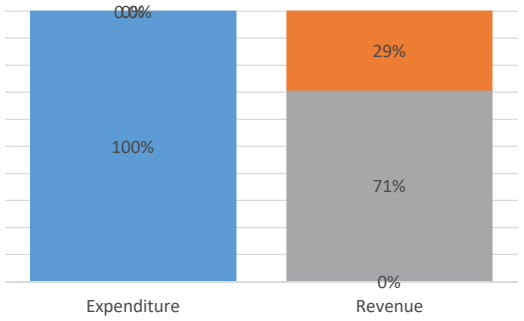
Budget funding: 'other' services: categories

Budget funding: 'other' services: R'000

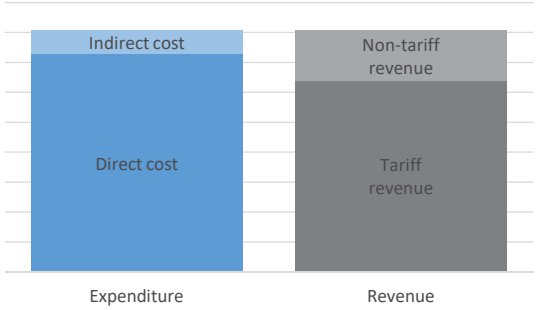
Budget funding: 'other' services: %s



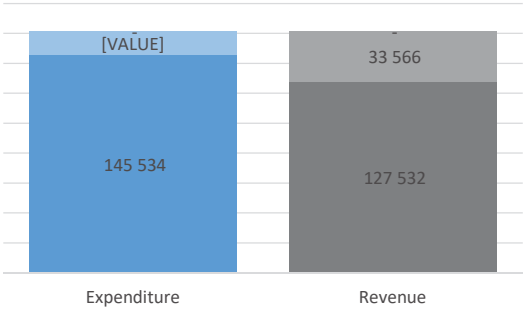




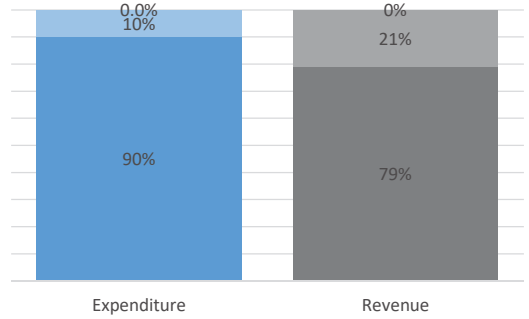
Budget funding: water service: categories



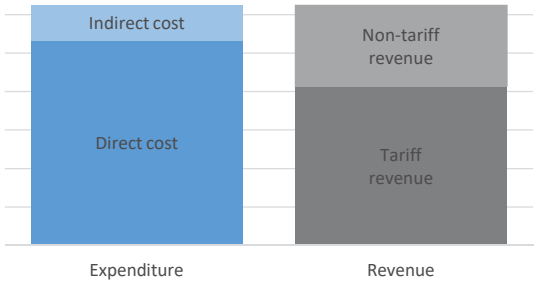
Budget funding: water service R'000



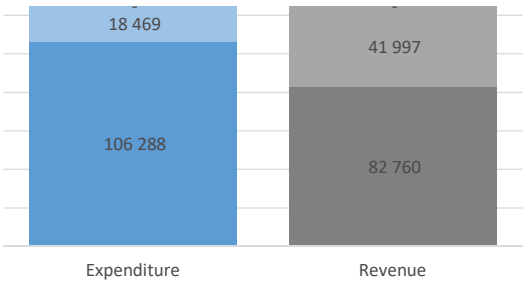
Budget funding: water service: %s



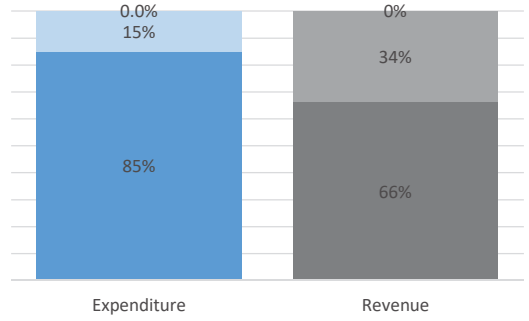
Budget funding: sanitation service: categories



Budget funding: sanitation service R'000



Budget funding: sanitation service: %s



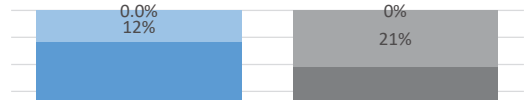
Budget funding: electricity service: categories

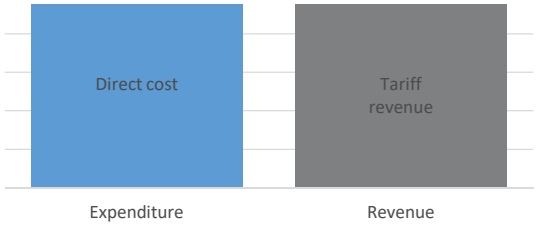


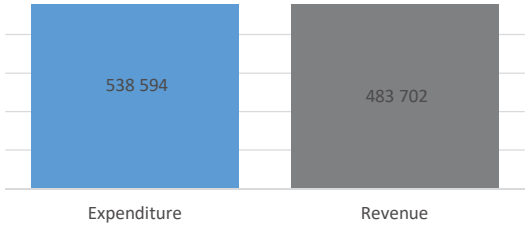
Budget funding: electricity service R'000

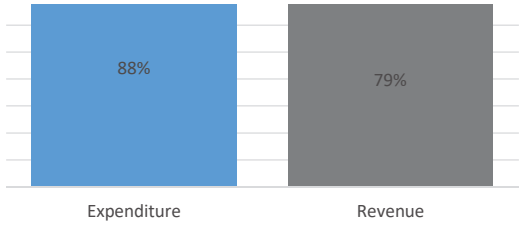


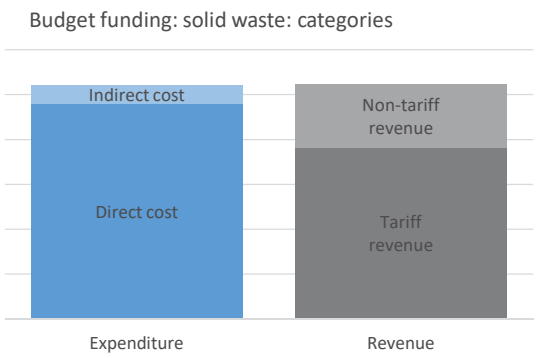
Budget funding: electricity service: %s

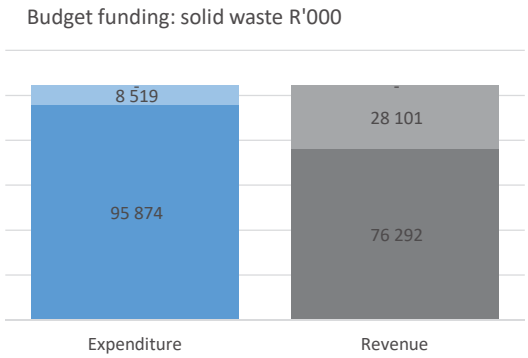


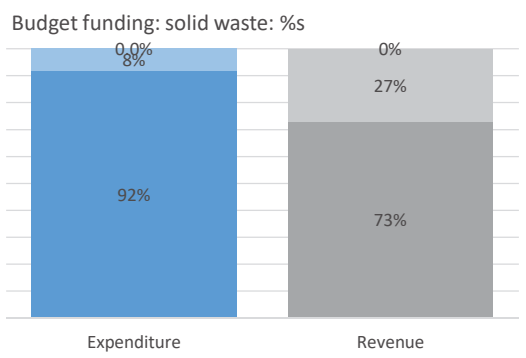












Figures for graph:

Full budget

	Expenditure	Revenue		Expenditure	Revenue
Direct cost	1 634 746		Direct cost	93%	
Indirect cost	114 225		Indirect cost	7%	
	-				
Tariff revenue		770 286	Tariff revenue		44%
Non-tariff revenue		760 847	Non-tariff revenue		44%
Deficit		217 838	Deficit		12%
Total	1 748 972	1 748 972			

Other services

	Expenditure	Revenue		Expenditure	Revenue
Direct cost	748 456		Direct cost	100%	
	-				
	-				
		-			
Non-tariff revenue		530 618	Non-tariff revenue		71%
Deficit		217 838	Deficit		29%
Total	748 456	748 456			

Water

	Expenditure	Revenue		Expenditure	Revenue
Direct cost	145 534		Direct cost	90%	

Indirect cost	15 564		Indirect cost	10%	
	-				
Tariff revenue		127 532	Tariff revenue		79%
Non-tariff revenue		33 566	Non-tariff revenue		21%
		-			
Total	161 098	161 098			

Sanitation

	Expenditure	Revenue		Expenditure	Revenue
Direct cost	106 288		Direct cost	85%	
Indirect cost	18 469		Indirect cost	15%	
	-				
Tariff revenue		82 760	Tariff revenue		66%
Non-tariff revenue		41 997	Non-tariff revenue		34%
		-			
Total	124 758	124 758			

Electricity

	Expenditure	Revenue		Expenditure	Revenue
Direct cost	538 594		Direct cost	88%	
Indirect cost	71 672		Indirect cost	12%	
	-				
Tariff revenue		483 702	Tariff revenue		79%
Non-tariff revenue		126 564	Non-tariff revenue		21%
		-			
Total	610 266	610 266			

Solid waste

	Expenditure	Revenue		Expenditure	Revenue
Direct cost	95 874		Direct cost	92%	
Indirect cost	8 519		Indirect cost	8%	
	-				
Tariff revenue		76 292	Tariff revenue		73%
Non-tariff revenue		28 101	Non-tariff revenue		27%
		-			
Total	104 394	104 394			

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On this sheet, the user must enter data about the customers, demand and sales of services.

ENTER WATER CUSTOMER DATA

Enter data on the number of customers and total annual sales volume in the base year in the yellow cells below.
Estimate the number of customers and annual sales volume in the year for which tariffs are to be set in the grey cells.

	2023	2024	% change
Total number of customers		-	0.0%
Total annual sales (kl per annum)		-	0.0%

ENTER SANITATION CUSTOMER DATA

Enter data on the number of customers and total annual water sales volume in the base year in the yellow cells below. Estimate the number of customers and annual water sales volume in the year for which tariffs are to be set in the grey cells. Note that the water sales volume entered here is the volume sold to sanitation customers. This may differ from the volume sold to water customers, entered in the table above. Also enter the average % return flow, which is the kl of wastewater treated as a % of the kl of water sold.

	2023	2024	% change
Total number of customers		-	0.0%
Total annual water sales (kl per annum)		-	0.0%
Average % return flow *(kl of wastewater treated as % of kl of water sold)*		70%	

Volume of wastewater treated (kl per annum)	-	-	0.0%

ENTER ELECTRICITY CUSTOMER DATA

Enter data on the number of customers and total annual sales volume in the base year in the yellow cells below. Estimate the number of customers and annual sales volume in the year for which tariffs are to be set in the grey cells. If you have data on the total network demand in kVA in the base year, enter this in the yellow cell provided. Also enter the estimated kVA in the year for whcih tariffs are set in the grey cell. If you do not have this data, these cells can be left blank.

	2023	2024	% change
Total number of customers		-	0.0%
Total annual sales (kWh per annum)		-	0.0%
Network demand (kVA)			0.0%

ENTER SOLID WASTE CUSTOMER DATA

Enter data on the number of customers in the base year in the yellow cell below. Estimate the number of customers in the year for which tariffs are to be set in the grey cell.

	2023	2024	% change
Total number of customers		-	0.0%

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This sheet calculates the fixed cost per customer; the variable cost per unit sold; and the tariff revenue required per unit sold for the water service as a whole.

ALLOCATE FIXED AND VARIABLE COSTS

In this box, the user must specify what proportion of each expenditure type is fixed in the grey cells below. Expenditures can be 100% fixed, 100% variable or a mix. Fixed costs will be allocated between customer groups based on number of customers in each group later in the model, and variable costs will be allocated based on volumes of water sold.

	Total expenditure (R)	% Fixed	% Variable	Fixed costs (R)	Variable costs (R)
Employee related costs	15 127 873		100%	-	15 127 873
Remuneration of councillors	-		100%	-	-
Debt impairment	339 698		100%	-	339 698
Depreciation & asset impairment	24 545 168		100%	-	24 545 168
Finance charges	19 765 000		100%	-	19 765 000
Bulk purchases	-		100%	-	-
Other materials	3 880 637		100%	-	3 880 637
Contracted services	73 778 379		100%	-	73 778 379
Transfers and subsidies	-		100%	-	-
Other expenditure	8 096 867		100%	-	8 096 867
Loss on disposal of PPE	-		100%	-	-
0	-		100%	-	-
0	-		100%	-	-
0	-		100%	-	-
Governance and administration	15 564 448		100%	-	15 564 448
Total cost	**161 098 070**	**0%**	**100%**	**-**	**161 098 070**

CALCULATION OF UNIT COSTS

This box shows the fixed and variable unit costs, based on the allocation of costs in the table above. It also shows the total cost of supply per unit sold.

Fixed unit cost (R per customer per month)	-
Variable unit cost (R per kl sold)	-
Total unit cost (R per kl sold)	**-**

CALCULATION OF UNIT REVENUE REQUIRED FOR WATER

This box shows the unit revenue required from tariffs for the service. This may be higher or lower than the total unit cost due to the allocation of subsidies, requirement for surpluses and allowance for deficits.

	(R)
Total expenditure	161 098 070
Deficit generated on water	-
Surplus generated on water	-
Expenditure minus deficit plus surplus	**161 098 070**
Operating grants and transfers	24 297 621
Property rates revenue	-
Other income	9 268 341
Other service charges	-
Total non-tariff revenue	**33 565 962**
Revenue required from tariff	127 532 109
Average unit revenue required (R per kl sold)	**#DIV/0!**

SUMMARY: WATER

Fixed unit cost (R per customer per month)	-

Variable unit cost (R per kl sold)	-
Total unit cost (R per kl sold)	-
Average unit revenue required (R per kl sold)	#DIV/0!
Unit revenue required as % of cost	#DIV/0!

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This sheet calculates the fixed cost per customer; the variable cost per unit sold; and the tariff revenue required per unit sold for the sanitation service as a whole.

ALLOCATE FIXED AND VARIABLE COSTS

In this box, the user must specify what proportion of each expenditure type is fixed in the grey cells below. Expenditures can be 100% fixed, 100% variable or a mix. Fixed costs will be allocated between customer groups based on number of customers in each group later in the model, and variable costs will be allocated based on volumes of wastewater treated.

Cost components	Total expenditure (R)	% Fixed	% Variable	Fixed costs (R)	Variable costs (R)
Employee related costs	25 391 543		100%	-	25 391 543
Remuneration of councillors	-		100%	-	-
Debt impairment	802 297		100%	-	802 297
Depreciation & asset impairment	20 807 558		100%	-	20 807 558
Finance charges	13 925 000		100%	-	13 925 000
Bulk purchases	-		100%	-	-
Other materials	7 341 747		100%	-	7 341 747
Contracted services	34 190 736		100%	-	34 190 736
Transfers and subsidies	-		100%	-	-
Other expenditure	3 829 227		100%	-	3 829 227
Loss on disposal of PPE	-		100%	-	-
0	-		100%	-	-
0	-		100%	-	-
0	-		100%	-	-
Governance and administration	18 469 419		100%	-	18 469 419
Total cost	**124 757 527**	**0%**	**100%**	**-**	**124 757 527**

CALCULATION OF UNIT COSTS

This box shows the fixed and variable unit costs, based on the allocation of costs in the table above. It also shows the total cost of supply per unit treated.

Fixed unit cost (R per customer per month)	-
Variable unit cost (R per kl treated)	-
Total unit cost (R per kl treated)	**-**

CALCULATION OF REVENUE REQUIRED FOR SANITATION

This box shows the unit revenue required from tariffs for the service. This may be higher or lower than the total unit cost due to the allocation of subsidies, requirement for surpluses and allowance for deficits.

	(R)
Total expenditure	124 757 527
Deficit generated on sanitation	-
Surplus generated on sanitation	-
Expenditure minus deficit plus surplus	**124 757 527**
Operating grants and transfers	31 241 776
Property rates revenue	-
Other income	10 755 534
Other service charges	-
Total non-tariff revenue	**41 997 310**
Revenue required from tariff	82 760 217
Average unit revenue required (R per kl treated)	**#DIV/0!**

SUMMARY: SANITATION

Fixed unit cost (R per customer per month)	-
Variable unit cost (R per kl treated)	-
Total unit cost (R per kl treated)	-
Average unit revenue required (R per kl treated)	#DIV/0!
Unit revenue required as % of cost	#DIV/0!

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This sheet calculates the fixed customer cost per customer; the fixed demand cost per unit of demand, and the variable cost per unit sold; as well as the tariff revenue required per unit sold for the electricity service as a whole.

ELECTRICITY EXPENDITURE BY ACTIVITY

In this box, the user must specify what proportion of each expenditure type is related to customers, what proportion is related to energy/consumption and what proportion is related to demand. This is in line with the NERSA Cost of Supply Framework. Expenditures can be 100% of one category or a mix of categories. Customer costs will be allocated to customers based on number of customers later in the model, consumption costs will be allocated based on volumes sold, and demand costs will be allocated based on network kVA demand per customer category. Note that if you do not have data on network kVA per category, then you should allocate all demand costs to customer costs if you wish to treat them as fixed or to consumption costs if you wish to treat them as variable.

Electricity direct cost components	Total expenditure (R)	% Fixed customer costs	% Variable energy costs	% Fixed demand cost	Customer costs (R)	Energy costs (R)	Demand costs (R)
Employee related costs	32 105 737			100%	-	-	32 105 737
Remuneration of councillors	-			100%	-	-	-
Debt impairment	858 219			100%	-	-	858 219
Depreciation & asset impairment	27 785 874			100%	-	-	27 785 874
Finance charges	15 100 000			100%	-	-	15 100 000
Bulk purchases	440 824 486			100%	-	-	440 824 486
Other materials	12 195 124			100%	-	-	12 195 124
Contracted services	7 848 763			100%	-	-	7 848 763
Transfers and subsidies	-			100%	-	-	-
Other expenditure	1 875 643			100%	-	-	1 875 643
Loss on disposal of PPE	-			100%	-	-	-
0	-			100%	-	-	-
0	-			100%	-	-	-
0	-			100%	-	-	-
Overheads	71 672 192			100%	-	-	71 672 192
Total costs	**610 266 038**	**0%**	**0%**	**100%**	**-**	**-**	**610 266 038**

CALCULATION OF UNIT COSTS

This box shows the customer, energy and demand unit costs, based on the allocation of costs in the table above. It also shows the total cost of supply per unit sold.

Customer cost (R per customer per month)	
Energy costs (R per kWh sold)	
Demand cost (R per kVA)	
Total cost (R per kWh sold)	

REVENUE REQUIRED FOR ELECTRICITY

This box shows the unit revenue required from tariffs for the service. This may be higher or lower than the total unit cost due to the allocation of subsidies, requirement for surpluses and allowance for deficits.

	(R)
Total expenditure	610 266 038
Deficit generated on electricity	-
Surplus generated on electricity	-
Expenditure minus deficit plus surplus	**610 266 038**
Operating grants and transfers	85 030 079
Property rates revenue	-
Other income	41 534 160
Other service charges	-
Total non-tariff revenue	**126 564 239**
Revenue required from tariff	483 701 799
Average unit revenue required (R per kWh sold)	**#DIV/0!**

SUMMARY: ELECTRICITY

Customer cost (R per customer per month)	
Energy costs (R per kWh sold)	
Demand cost (R per kVA)	
Total cost (R per kWh sold)	
Average unit revenue required (R per kWh sold)	#DIV/0!
Unit revenue required as % of cost	#DIV/0!

national treasury
Department
National Treasury
REPUBLIC OF SOUTH AFRICA

Scroll to top

Go to sheet

This sheet calculates the fixed cost per customer for the solid waste service as a whole.

CALCULATION OF UNIT COSTS

This box shows the unit cost per customer.

Total unit cost (R per customer per month)	-

REVENUE REQUIRED FOR SOLID WASTE

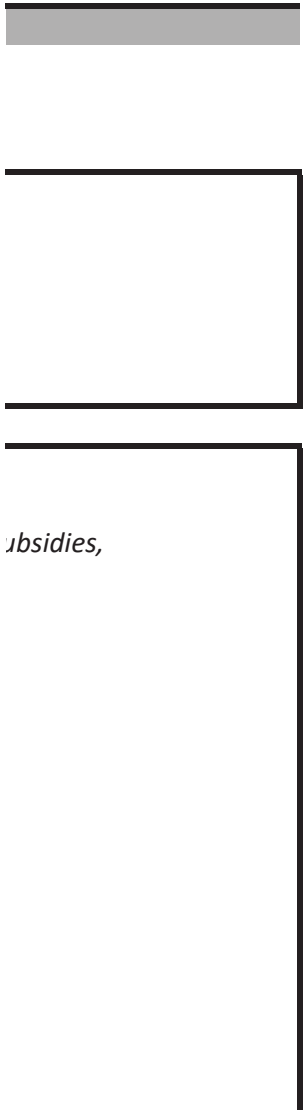
This box shows the unit revenue required from tariffs for the service. This may be higher or lower than the total unit cost due to the allocation of su
requirement for surpluses and allowance for deficits.

	(R)
Total expenditure	104 393 528
Deficit generated on solid waste	-
Surplus generated on solid waste	-
Expenditure minus deficit plus surplus	**104 393 528**
Operating grants and transfers	23 191 524
Property rates revenue	-
Other income	4 909 782
Other service charges	-
Total non-tariff revenue	**28 101 306**
Revenue required from tariff	76 292 222

Average unit revenue required (R per customer per month)	**#DIV/0!**

SUMMARY: SOLID WASTE

Total unit cost (R per customer per month)	-
Average unit revenue required (R per customer per month)	#DIV/0!
Unit revenue required as % of cost	#DIV/0!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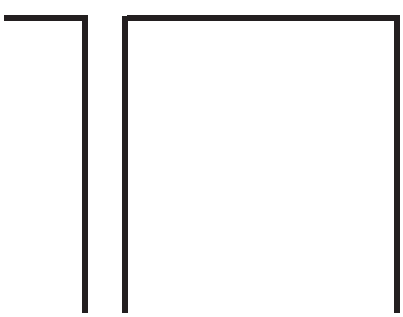

ANNEXURE L

BUDGET RELATED POLICIES

OVERSTRAND MUNICIPALITY

PROPERTY RATES POLICY

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SECTION A: INTRODUCTION, DEFINITIONS AND PRINCIPLES

1. INTRODUCTION

Section 3 of the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004) and Section 62(l) (f) (ii) of the Local Government: Municipal Finance Management Act, 2003 (No. 56 of 2003), requires municipalities to develop and adopt rates policies on the levying of rates on rateable property in the Municipality.

The Municipality requires a reliable source of revenue to provide basic services and perform its functions. Property Rates are the most important source of general revenue for the Municipality. Revenue from property rates is used to fund services that benefit the community as a whole.

Municipal property rates are set, collected and used locally. Revenue from property rates is spent within a Municipality, where the citizens and voters have a voice in decisions on how the revenue is spent as part of the Integrated Development Plans (IDPs) and budget processes in respect of which the Municipality invites communities for their inputs before adopting the budget.

This policy document guides the annual setting of property rates. It does not make specific property rates proposals. In imposing a rate in the Rand the Municipality may grant exemptions, rebates and reductions to the categories of properties and categories of owners as allowed for in this policy document.

2. DEFINITIONS

"Act"	means the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004);
"additional rate"	means a rate as contemplated in sections 19(1)(d) and 22(1)(b) of the MPRA read together with section 10 of the Municipality's Property Rates Policy and section 12(2) of the Municipality's Special Ratings Area By-law, which Additional Rate shall be determined on an annual basis by the Municipality and shall be a debt due to the Municipality by the registered owner of a property within the SRA, and collected in the same manner as other property rates imposed by the Municipality;
"Bona fide farming"	means farming with the intention of making a living from the development, cultivation and utilisation of agricultural land and includes subsistence farming;
Building Clause	building clause refers to a provision incorporated into either a deed of sale, development agreement, or as a restrictive title deed condition, which prescribes that the Purchaser / Owner and / or the Successors in Title must within the period determined from date of first registration of transfer erect or cause to be erected, a building or structure on the Erf or Erven of which the building plans have been approved by the municipality, of which the value of the building / structure will be based on the determined cost of construction. In the event that Purchaser / Owner / Successors in Title not having commenced with the bona fide erection of a building or structure of which the building plans have been approved by the municipality, the building clause may require that the Erf / Erven be re - transferred to the Seller at the purchase consideration originally paid by the Purchaser / Owner.
"Business"	means the activity of buying, selling or trade in goods or services and includes any office or other accommodation on the same erf, the use of which is incidental to such business, with the exclusion of the business of mining, agriculture, farming, or *inter alia*, any other business consisting of cultivation of soils, the gathering of crops or the rearing of livestock;
"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 deeds registry or the Surveyor-Generals' office, unless such land is on such plan or diagram described as a private street.
"Rateable property"	means property on which a rate or rates may be levied under section 7 of the Act.
"Rebate"	in relation to a rate payable on a property, a discount on the amount of the rate payable on the property;
"Reduction"	in relation to a rate payable on a property, the lowering of the amount for which the property was valued in terms of section 15(1)(b) of the Act and the rating of the property at that lower amount;
"Residential"	means improved property that is: (a) used predominantly (60% or more) for residential purposes, with not more than two dwelling units per property. (b) a unit registered in terms of the Sectional Title Act 95 of 1986, used predominantly (60% or more) for residential purposes, and includes any unit in the same Sectional Title Scheme registered in the name of the same owner which is used together with the residential unit as if it were one property, for example a garage or store room. (Any such grouping shall be regarded as one residential property for rate rebate or valuation purposes.) or (c) owned by a share-block company and used predominantly (60% or more) for residential purposes, or (d) a residence used for residential purposes situated on property used for or related to educational purposes.
"State-owned properties"	means properties owned by the State, which are not included in the definition of public service infrastructure in the Act. These state-owned properties are classified as follows: (a) State properties that provide local services. (b) State properties that provide regional/municipal district-wide/metro-wide service. (c) State properties that provide provincial/national service. (d) Vacant land.
"Vacant erven"	means all undeveloped land irrespective of its current or future intended zoning. Agricultural properties will not be considered as being vacant erven.
All other terms are given the same meaning as that assigned to it in the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004), unless the context indicates otherwise.	

3. POLICY PRINCIPLES

Rates are levied in accordance with the Act as an amount in the Rand based on the market value of rateable property contained in the Municipality's valuation roll and supplementary valuation rolls.

As allowed for in the Act, the Municipality may choose to differentiate between various categories of property and categories of owners of property. Some categories of property and categories of owners are granted relief from rates. The Municipality does not, however, grant relief in respect of

payments for rates to any category of owners or properties, or to owners of properties, on an individual basis, other than by way of an exemption, rebate or reduction provided for in this policy.

There will be no phasing in of rates based on the new valuation roll, effective from 01 July 2016, except as prescribed by legislation.

The rates policy for the Municipality is based on the following principles:-

a. Equity

The Municipality will treat all similar ratepayers with similar properties the same.

b. Affordability

The ability of a person to pay rates will be taken into account by the Municipality. In dealing with the poor/indigent ratepayers the Municipality will provide relief measures through exemptions and/or reductions and/or rebates.

c. Sustainability

Rating of property will be implemented in a way that-

i. it supports sustainable local government by providing a stable an buoyant revenue source within the discretionary control of the Municipality; and

ii. supports local social and economic development.

d. Cost efficiency

Rates will be based on the value of all rateable property and the amount required by the Municipality to balance the operating budget after taking into account the amounts required to finance exemptions, rebates and reductions as approved by the Municipality from time to time. The implementation of the policy must be as cost-effective as possible.

4. SCOPE OF POLICY

The policy document guides the annual setting (or revision) of property rates. It does not make specific property rates proposals. Details pertaining to the various property rates are determined when the budget is considered and approved every year.

5. APPLICATION OF THE POLICY

In imposing the rate in the Rand for each annual operating budget component, the Municipality may grant exemptions, rebates and reductions allowed for in this policy document.

6. CLASSIFICATION OF SERVICES AND EXPENDITURE

The Chief Financial Officer shall, subject to the guidelines provided by the legislation and the Executive Mayor, provide for the classification of services as outlined in the Municipality's annual budget into trading and economic services.

7. APPLICATIONS

a. All applications referred to in this policy must be received by the Municipality before the start of the financial year to which it refers. The Municipality may allow late receipts of such applications but not after 30 September of the financial year;

b. It is the duty of all such applicants to bring to the attention of the Municipality any amendments to such applications within 7 days after such occurrence.

SECTION B: CATEGORIES OF PROPERTY

8. CRITERIA FOR CATEGORIES OF PROPERTY FOR THE PURPOSE OF LEVYING DIFFERENT RATES

The following are the determined categories of properties in terms of section 8(2) of the Act: -

a. Residential properties.
b. Business and commercial properties.
c. Industrial properties.
d. Mining properties.
e. Public service infrastructure.
f. Public benefit organisations.
g. Agricultural properties used for bona fide farming;
h. State-owned properties that are used for public service purposes;
i. Municipal properties.
j. Protected areas.
k. Properties used for multiple purposes.
l. Vacant land.

Rates on properties, including properties used for multiple purposes, will be levied in accordance with the permitted or actual use of the property and not necessarily according to its zoning.

SECTION C: DIFFERENTIAL RATING

9. DIFFERENTIAL RATING

The following will be taken into consideration for the purposes of differential rating:

a. the nature of the property including its sensitivity to rating e.g. agricultural properties used for bona fide farming;
b. promotion of social and economic development by the Municipality;
c. zoning and/or actual use of property;
d. geographic rating areas i.e. when an improvement district has been established for that area or special rating areas; and
e. whether the owner was obliged to erect a building within a set time period and the period has lapsed.

Differential rating among the various property categories will be done by way of setting different Cents in the Rand for each property category.

10. ADDITIONAL RATES

The Municipality may in terms of the bylaw for the establishment of improvement districts and the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004), as amended-

a. determine an area within its boundaries as a special rating area;
b. levy an additional rate on property in that area for the purpose of raising funds for improving or upgrading that area; and
c. differentiate between categories of properties when levying an additional rate.

SECTION D: RELIEF MEASURES RELATED TO CATEGORIES OF PROPERTIES AND CATEGORIES OF OWNERS OF PROPERTIES

11. CRITERIA FOR EXEMPTIONS, REBATES AND REDUCTIONS

The following will be taken into consideration for the purpose of granting exemptions, rebates and reductions:

a. indigent status of the owner of a property;
b. income of the owner and/or household on a property;
c. market value of residential property below a determined threshold;

d. owners of property situated within an area affected by –
   i) a disaster within the meaning of the Disaster Management Act, 2002 (Act No. 57 of 2002); or
   ii) any other serious adverse social or economic conditions;
e. zoning and/or actual use of the property; and
f. availability of services funded by rates for a property.

12. GRANTING OF EXEMPTIONS

In terms of sections 9 and 15(1) (a) of the Act the owners of the following categories of properties are exempted from paying rates:-

a. Residential properties – including residential properties in the urban edge as determined by the Municipality

The Municipality will not levy a rate on the market value of properties as follows: -

i) on the first R15 000 on the basis set out in section 17 (1) (h) of the Act; and
ii) on a further amount in respect of developed residential properties; as an important part of the Municipality's indigent relief measures aimed primarily at alleviating poverty amongst those persons owning low-valued properties, in a cost-effective manner. To qualify for this reduction a property must be exclusively used for residential purposes.
iii) The Municipality may grant a further residential rebate on rates levied on the balance of the market value of developed residential properties, if any, as determined by Council during the budget process.

b. Multiple use properties

Properties used for multiple purposes which do not fall within the definition of residential properties and, accordingly, do not qualify for the residential rates rebate, may be included in the category of multiple use properties, for which an appointment value for each distinct use of the property will be calculated and used for billing at the appropriate and applicable rate.

Examples of properties used for multiple purposes are the following:

i) A block of flats with businesses on the ground floor.
ii) A double storey-building with a shop on the ground floor and the residential quarters on the top floor.
iii) A farm that consists of the residential portion, a farm portion and unused land, etc.

If the market value of the property cannot be apportioned to its various use purposes, then the entire property will be categorised in terms of the dominant (main or primary) use.

c. Public Benefit Organisations

Public Benefit Organisations may apply for the exemption of property rates subject to producing a tax exemption certificate issued by the South African Revenue Services (SARS) as contemplated in Part 1 of the Ninth Schedule of the Income Tax Act, 1962 (No 58 of 1962):

i) Health care institutions

Government properties used exclusively as a hospital, clinic and mental hospital, including workshops used by the patients, laundry or cafeteria facilities, provided that any profits from the use of the property are used entirely for the benefit of the institution and/or for charitable purposes within the Municipality.

ii) Welfare institutions

Properties used exclusively as an orphanage, non-profit retirement villages; old age home or benevolent institution, including workshops used by the inhabitants, laundry or cafeteria facilities, provided that any profits from the use of the property are used entirely for the benefit of the institution and/or for charitable purposes within the Municipality.

iii) Child headed households

Any child headed household where such oldest child is younger than 18 years. The applicant must submit proof of his/her age and identity and, in the case of a physically

or mentally handicapped person, also proof that he/she receives a social pension or, if he/she does not receive a social pension, proof of certification by a district medical officer. The rateable property in question must be categorised as residential, or as farm properties solely used for residential purposes.

iv) Charitable institutions

Property belonging to not-for-gain institutions or organisations that perform charitable work.

v) Sporting bodies

Property used by an organisation whose sole purpose is to use the property for amateur sport or any activity connected with such sport.

vi) Cultural institutions

Properties declared in terms of the Cultural Institutions Act, Act 29 of 1969 or the Cultural Institutions Act, Act 66 of 1989.

vii) Museums, libraries and art galleries

Registered in the name of private persons or organisations, open to the public and not operated for gain.

viii) Youth development organisations

Property owned and/or used by organisations for the provision of youth leadership or development programmes.

ix) Educational institutions

Property owned by not-for-gain institutions (declared or registered by law) and used for educational purposes including a residence registered in the name of the educational institution and used by full-time employees of the educational institution.

x) Animal welfare

Property owned or used by institutions/organisations whose exclusive aim is to protect birds, reptiles and animals on a not-for-gain basis.

d. In terms of section 17(1)(i) of the act, the municipality may not levy a rate on property registered in the name of and used primarily as a place of worship by a religious community, including an official residence registered in the name of that community which is occupied by an office bearer of that community who officiates at services at that place of worship.

e. Municipal properties that are not leased or rented out by the Municipality.

f. Public places and streets

All defined roads and/or streets and public places.

g. Exemptions are subject to the following conditions:

i) all applications must be addressed in writing to the Municipality;

ii) a SARS tax exemption certificate must be attached to all applications where applicable;

iii) the municipal manager or his/her nominee must have considered and approved all applications;

iv) the Municipality retains the right to refuse exemptions if the details supplied in the application form were incomplete, incorrect or false.

v) false declarations will lead to the forfeit of any exemption and may lead to criminal prosecution.

vi) a person who provides false information will be held liable for the immediate re-payment of any rebates already granted and legal, civil and criminal action may be instituted against the guilty party/ies.

13. GRANTING OF REBATES

13.1 Categories of properties:

a. State owned property

State owned property no longer qualifies for any rates rebate by virtue of ownership. However, the exemptions, rebates and reductions relating to the usage of the properties as specified in this Rates Policy would apply.

b. Public Service Infrastructure

Public service infrastructure (as defined in the Act) may not be rated on the first 30 percent of its market value in terms of section 17 (1) (a) of the Act.

c. Agricultural

in terms of section 8 of the Act.

d. Conservation Land

Section 17 (1) (e) of the Act precludes Council from levying rates on those parts of a special nature reserve, national park or nature reserve within the meaning of the National Environmental Management: Protected Areas Act, 2003 (Act 57 of 2003), or of a national botanical garden within the meaning of the National Environmental: Management: Biodiversity Act, 2004 (Act 10 of 2004) which are not developed or used for commercial, farming or residential purposes. The apportioned value of any portion of such properties utilized for any purpose other than that used for such conservation purposes will be rated accordingly.

e. Properties in rural areas

The Municipality may grant a rates rebate to properties in rural areas as a result of, and taking into account, the limited rate-funded services supplied to such properties.

f. Properties with a market value below a prescribed valuation level

Instead of a rate determined on the market value, properties with a valuation below an amount as determined by the Municipality may be rated at a fixed amount per property.

13.2. Categories of owners

a. Retired and Disabled Persons Rate Rebate

i) Retired and Disabled Persons qualify for special rebates according to monthly household income. To qualify for the rebate a property owner must:

- be a South African citizen;
- occupy the property as his/her primary residence, provided that where the owner is unable to occupy the property due to circumstances beyond his/her control, the spouse or minor children may satisfy the occupancy requirement. Absence of up to three months per year from the property will be disregarded for the purposes of this requirement;
- be at least 60 years of age or in receipt of a disability pension from the State;
- be in receipt of a total monthly income not exceeding the amount as decided by the Municipality; and
- not be the owner of more than one property.

ii) A *usufructuary* or *habitatio* (right of habitation) or an executor or administrator of a deceased estate will be regarded as the property

owner for purposes of a rebate application. The applicant must produce an Affidavit or a letter from the Master of the High Court to substantiate the appointment.

iii) Property owners must apply on a prescribed application form for a rebate as determined by the Municipality.

iv) Applications must be accompanied by -

- a certified copy of the identity document or any other proof of the owners age which is acceptable to the Municipality;
- sufficient proof of total monthly income by submission of a minimum of the latest three months bank statements from all financial institutions, for all persons normally residing on that property or, if those persons do not have bank accounts, such proof as the Municipality may require to substantiate the level of total monthly income of the person(s).
- an affidavit from the owner, (on the application form);
- if the owner is a disabled person proof of a disability pension payable by the state must be supplied; and
- if the owner has retired at an earlier stage for medical reasons proof thereof must be submitted.
- The CFO or his/her nominee has the right to conduct a full credit check or financial analysis on any person applying for any benefit in terms of this policy, or to review and recover any previous benefit received, based on evidence available.

v) Rebate percentages

- A rebate of 100% to approved applicant in terms of this Policy, who's gross monthly household income may not exceed the amount of two times (2x) the state funded social pensions per month;
- A rebate of 50% to approved applicant in terms of this Policy, who are older than 60 with a gross monthly household income less than four times (4x) the state funded social pensions per month;
- A rebate of 40% to approved applicant in terms of this Policy, who are older than 60 with a gross monthly household income more than four times (4x) but less than eight times (8x) the state funded social pensions per month.

vi) In the case of misrepresentation or false declaration, the Municipality reserves the right to refuse the approval of the rebate, or to recover any rebate, if already granted and may institute appropriate legal action, civil or otherwise against guilty party(ies).

13.3. Other cases

a. Municipal property and usage:-

i) A *pro rata* rebate may be granted where the seller sells land after the financial year has started.

ii) Where the Municipality register a road reserve or servitude on a privately owned property, a *pro rata* rebate equal to the value of the reserve or servitude will be given to the owner of the property.

SECTION E: RATES ADJUSTMENTS

14. RATE INCREASES/DECREASES

14.1 The Municipality will consider increasing/decreasing rates annually during the budget process.

14.2 Rate increases will be used to finance the increase in operating costs of rates funded services.

14.3 Rates adjustments may be made taking into account all or any of the following factors:

a. all salary and wage increases as agreed at the South African Local Government Bargaining Council;

b. inflation;

c. the cost of capital;

d. statutory increases affecting the Municipality; and

e. increases or decreases on operating subsidies received.

15. RESOLUTIONS LEVYING RATES

The process as set out in the Act will be followed in notifying the public of any decisions by the Municipality regarding rates resolutions.

SECTION F: LIABILITY FOR RATES

16. LIABILITY FOR RATES BY PROPERTY OWNERS

Ratepayers may choose between paying rates annually in one instalment on or before 30 September or monthly on or before the date on which it becomes payable. If the owner of property does not notify the Municipality before the start of the financial year that he/she prefers to pay rates in one payment on or before 30 September of the financial year, such owner must pay the amount due monthly. A notice from an owner regarding the manner of payment of rates will remain applicable for future financial years until withdrawn by the owner. Interest on arrear rates shall be payable.

If a property owner, who is responsible for the payment of property rates in terms of this policy, fails to pay such rates in the prescribed manner and on the date/s due, it will be recovered from him/her.

Arrear rates shall be recovered from tenants, occupiers and agents of the owner, in terms of the Act.

Where the rates levied on a particular property have been incorrectly determined, whether because of an error or omission on the part of the Municipality or false information provided by the property owner concerned or a contravention of the permitted use to which the property concerned may be put, the rates payable shall be appropriately adjusted for the period extending from the date on which the error or omission is detected back to the date on which rates were first levied in terms of the valuation roll.

In addition, where the error occurred because of false information provided by the property owner or as a result of a contravention of the permitted use of the property concerned, interest on the unpaid portion of the adjusted rates payable shall be levied at the maximum rate permitted by prevailing legislation.

17. CLEARANCE CERTIFICATE

17.1 On the sale of any property in the municipal jurisdiction, Council will withhold the transfer until all rates, service and sundry charges and any estimated amounts for the duration of the certificate in connection with the property are paid, by withholding a clearance certificate. The municipality will issue such clearance certificate on receipt of an application on the prescribed form from the conveyancer.

17.2 All payments will be allocated to the registered seller's municipal accounts and all refunds will be made to such seller.

17.3 No interest shall be paid in respect of these payments.

17.4 The Municipality will only issue a clearance certificate once a completed prescribed application form from the conveyancer has been received.

17.5 Where any residential or non-residential debtor has entered into an arrangement with the Municipality in respect of the arrears on a property, the prescribed certificate as referred to in Section 118 of the Systems Act, will not be issued until such time as the full outstanding amount has been paid.

17.6 The rates clearance certificate validation period is 60 days and the amount due for payment will include 3 (three) months advance collections plus all current outstanding debt on the property.

17.7 After receiving the rates clearance application form, the Municipality has 10 (ten) working days to forward the amount due for payment and another 10 (ten) working days to produce the rates clearance certificate, once proof of payment has been established.

18. REGULAR REVIEW PROCESSES

The rates policy will be reviewed on an annual basis.

19. IDENTIFICATION AND QUANTIFICATION OF COSTS AND BENEFITS

The cost to the Municipality and benefit to the local community of exemptions, rebates, reductions and exclusions referred to in sections 17 (1) (a), (e), (g) (h) and (i) of the Act are reflected in the Municipality's budget.

20. ADJUSTMENT OF RATES PRIOR TO SUPPLEMENTARY VALUATION

20.1 In circumstances where a valuation has been carried out by the municipal valuer, in pursuance of a Supplementary Valuation (SV) in terms of section 78(1)(d) or 78(1)(f) of the MPRA as a result for example, of a demolition having taken place on a property or a fire having destroyed buildings on a property, but the Municipality has not yet included such valuation of the relevant property in the SV, such valuation shall be submitted to the CFO for approval to levy rates on the property in accordance with such valuation, with effect from the date of the occurrence of the event caused a SV to be required.

20.2 If the owner of a property which has been subdivided or consolidated after the last general valuation wishes to sell the consolidated erf, or one or more of the erven which have been subdivided off the parent erf, as the case may be, applies to the Municipality for a clearance certificate in terms of section 118 of the Systems Act and if the Municipality has not yet included such valuation of the relevant property/s in the SV, then:-

a. The municipal valuer shall conduct a valuation of the relevant property/s for purposes of a SV; and

b. The valuation shall be submitted to the CFO for approval of the levying of rates on such property/s in accordance with such valuation, with effect from the date on which the relevant subdivision or consolidation (as may be the case), was registered in the Deeds Office.

20.3 Any valuations performed in terms of paragraph 20 shall be included in the next SV prepared by the Municipality without any amendments to the valuation and any objections to such valuation may only be lodged once such SV is made public in terms of section 49 of the Act.

21. IMPLEMENTATION PROCESS AND REVIEW PROCESS

This policy will come into effect on **1 July 2023** and will be reviewed at least annually or when required by way of a Council resolution.

22. SHORT TITLE

This policy will be referred to as the **Rates Policy of the Overstrand Municipality**.

POLICY SECTION:	SENIOR MANAGER: REVENUE
CURRENT UPDATE:	31 MAY 2023
PREVIOUS REVIEW	29 JUNE 2022
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
PREVIOUS REVIEW:	26 MAY 2010
PREVIOUS REVIEW:	27 MAY 2009
APPROVAL BY COUNCIL:	31 MAR 2008

OVERSTRAND MUNICIPALITY

TARIFF POLICY

PREAMBLE

Whereas section 74 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) requires a municipal council to adopt a tariff policy on the levying of fees for municipal services;

And whereas the tariff policy should at least include the principles contained in section 74(2) of the Act, thus giving effect to the By-Law required in terms of section 75 of the Act;

And whereas the tariff policy may differentiate between different categories of users, debtors, service providers, service standards and geographical areas as long as such differentiation does not amount to unfair discrimination;

Now therefore the Municipal Council of the Overstrand Municipality adopts the following Tariff Policy:

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OVERSTRAND MUNICIPALITY
TARIFF POLICY

1. DEFINITIONS

In this tariff policy, unless the context otherwise indicates –

"Availability Charge"	Availability charge means a charge levied on all properties with or without improvements, where a basic fee is not levied, to recover fixed costs which do not vary with consumption or volume produced.
"basic municipal service"	means the amount or level of any municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, could endanger public health or safety of the environment and for the purposes of this policy are restricted to electricity, refuse, sewage and water services;
"break even"	means the financial situation where the income derived by the Municipality from the supply of a service is equal to the aggregate of the fixed and the variable costs associated with the provision of the service concerned;
"capital contributions"	means the tariffs payable in respect of the water, electricity, sewage, storm water, roads and refuse removal infrastructure of the Municipality and which amounts exclude amounts payable towards the operational and maintenance costs of such infrastructure;
"Commercial Unit/Erf"	means a self-contained or lettable section within a building or a group of buildings on the same plot excluding short term residential accommodation establishments for e.g. hotels, bed & breakfast, guest houses etc. An owner of a commercial property may annually choose between being levied either per erf or per commercial unit for water and sewage basic charges. This choice must be applied on or before 30 September of each financial year.
"community services"	means the services referred to in paragraph 5(1)(c) and in respect of which the tariffs are set at a level that the costs of the services are not recovered fully from public service charges and are of a regulatory nature;
"consumer, customer, owner, occupier, account holder"	means individuals and other legal entities against whom a tariff, fee, charge or other levy specific to identifiable services are levied.
"Council" or "municipal council"	means a municipal council referred to in section 18 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) and for purposes of this policy, the municipal council of the Overstrand Municipality;
"economic services"	means services that the Council has classified as such and the tariffs have been compiled with the intention that the total costs of the services are recovered from customers;
"Electricity Service charge"	means the monthly charge payable per point of supply to recover administration-related and service-related costs such as meter reading, billing and meter capital. It is based on the monthly utilized capacity of each point of supply linked to an account.
"fixed costs"	means costs which do not vary with consumption or volume produced;
"lifeline"	Available to pre-paid consumers whose connection is ≤30Amp with a maximum average consumption of 350 kWh measured over a period of 12 months. This tariff is only available to Informal dwellings in informal settlements;
"low voltage metering point"	means a metering point at the set of nominal voltage levels that are used for the distribution of electricity and who's upper limit is generally accepted to be an a.c. voltage of 1000V or less
"medium voltage metering point"	means a metering point at the set of nominal voltage levels that lie above low voltage and below high voltage in the range of 1kV < Un <- 44kV
"multi-purpose"	In relation to a property, means the use of a property for more than one purpose;
"Municipality"	the institution that is responsible for the collection of funds and the provision of services to the customers of Overstrand;

"Municipal Manager"	means the accounting officer appointed in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) and being the head of administration and accounting officer in terms of section 55 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) and includes any person:- (a) acting in such position; and (b) to whom the Municipal Manager has delegated a power, function or duty in respective of such a delegated power, function or duty;
"NMD"	Notified Maximum Demand – the maximum capacity in kVA, as measured over a 30-minute integration period, per point of supply that the customer will contract for Overstrand to make available during all time periods.
"resident "	means a person who normally resides in the municipal area;
"residential unit"	means a single residential erf, flat, townhouse or group development unit, retirement village unit, guest house, bed and breakfast and any household related consumer that do not fall in one of the above household consumer categories;
"RUE"	means Residential Unit Equivalent;
"time of use"	means a tariff with energy charges based on the volume of electricity demand during high, mid and low demand periods and may differ per tariff.
"the Act"	means the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000);
"total cost"	means the sum of all fixed and variable costs associated with a service;
"trading services"	means services that the Council has classified as such and the tariffs have been compiled with the intention that the Council makes a profit from the delivery of the services;
"utilized capacity"	Means the higher of the notified maximum demand (NMD) or maximum demand, per point of supply measured in kVA, and registered each month.
"vacant land"	means all undeveloped land irrespective of its current or future intended zoning. Agricultural properties will not be considered as being vacant erven.
"variable costs"	means costs that vary with consumption or volume produced;
"wet Industry"	Defined as an industry using water as essential and fundamental input in the production process.

2. PURPOSE OF POLICY

The Overstrand Municipality wishes to achieve the following objectives by adopting this tariff policy:-

2.1. To comply with the provisions of section 74 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000).

2.2. To prescribe procedures for calculating tariffs where the Municipality wishes to appoint service providers in terms of section 76(b) of the Act.

2.3. To give guidance to the Portfolio Committee for Finance regarding tariff proposals that must be submitted to Council annually during the budgetary process.

3. TARIFF PRINCIPLES

The Overstrand Municipality wishes to record that the following tariff principles will apply:-

3.1. Service tariffs imposed by the Municipality shall be viewed as user charges and shall not be viewed as taxes, and therefore the financial ability of the relevant user of the services to which such tariffs relate, shall not be considered as a criterion.

3.2. Tariffs for the basic municipal services rendered by the Municipality, namely:

(a) electricity;
(b) water;
(c) sewage (waste water); and

(d) refuse removal (solid waste),

shall be calculated at a level which will recover all expenses associated with the rendering of these services.

3.3. To prevent existing consumers from subsidising the capital costs associated with new developments and subdivisions the Municipality will plan and manage the extension of services in such a manner that it will not impact negatively on the fixed costs and availability charges of existing tariffs.

3.4. Capital contributions to finance new developments and subdivisions will be required from all developers.

3.5. All users of municipal services, within a category of users, will be treated equitably.

3.6. The amount payable by consumers and/or owners will generally be in proportion to usage of the service.

3.7. The Municipality shall develop, approve and at least annually review an indigent support policy for the municipal area. This policy shall set out clearly the Municipality's cost recovery policy in respect of the tariffs which it levies on registered indigents, and the implications of such policy for the tariffs which it imposes on other users and consumers in the municipal region.

3.8. Subject to annual budgetary provisions and the availability of funds from National Treasury through the equitable share contribution, the Municipality may consider supplying free basic services to categories of consumers.

3.9. In the case of directly measurable services, namely electricity and water, the consumption of such services shall be properly metered by the Municipality, and meters shall be read, wherever circumstances reasonably permit, on a monthly basis. If a service is metered but it cannot be read due to financial and/or human resource constraints or circumstances beyond the control of the Municipality or its authorised agent, and the customer is charged for an estimated consumption, the account following the reading of the metered consumption must articulate the difference between the actual consumption and the average consumption, and the resulting credit or debit adjustments.

Tariffs must be set at a level that facilitates the sustainability of services. Sustainability will be achieved by ensuring that:-

(a) Cash inflows cover cash outflows. This means that sufficient provision for working capital and bad debts will be made.

(b) Access to the capital market is maintained. This will be achieved by providing for the repayment of capital, maintaining sufficient liquidity levels and if possible, generating a surplus on trading services.

(c) Service providers retain a fair rate of return on their investments.

3.10. Provision may be made in appropriate circumstances for surcharges on tariffs.

3.11. Efficient and effective use of resources may be encouraged by providing for penalties to prohibit or restrict exorbitant use.

3.12. The extent of subsidisation of tariffs will be disclosed and such disclosure will include the extent of subsidisation of the indigent or incentives for local development.

3.13. Provisions may be made for the subsidisation of the indigent and the promotion of local economic development by creating expenditure votes in the service budgets and including the costs in tariff calculations.

3.14. VAT is included in all tariffs where applicable.

3.15. This policy shall be binding on all tariffs other than those governed by legislation which supersedes the Act.

3.16. A property used for multiple purposes must, for purposes related to the services and categories of users concerned, be calculated at the appropriate and applicable rate for each distinct use of the property.

3.17. In order to provide the Municipality with appropriate security for payment of amounts owing to it from time to time for services rendered, the Council shall impose a system of deposits payable by consumers. The deposits shall be set with due regard to the potential financial risk associated with the amounts owing from time to time as well as sufficient provision for working capital. The level of the deposits shall be revised annually and the Municipality may introduce transitional arrangements in respect of existing consumers.

4. CATEGORIES OF CONSUMERS

4.1. Separate tariff structures may be imposed for the following categories of consumers (which the council may change) :

(a) domestic consumers;
(b) commercial consumers;
(c) industrial consumers;
(d) agricultural consumers;
(e) organs of state;
(f) municipalities;
(g) consumers with whom special agreements were made;
(h) consumers in certain geographical areas;
(i) sport and recreation facilities
(j) private schools & educational institutions;
(k) public benefit organisations and suchlike institutions, and
(l) vacant land

4.2. Section 74(3) of the Municipal Systems Act allows for the differentiation between different categories of users, debtors, service providers, services, service standards, geographical areas and other matters for tariff purposes as long as the differentiation does not amount to unfair discrimination.

4.3. Where there are substantial differences between the infrastructures used to provide services to specific groups of users within a category and/or standard of services provided, the Council can, after considering a report by the Municipal Manager or the relevant Director, determine differentiated tariffs for the different consumers within the specific category.

4.4. Differentiated tariffs must be based on one or more of the following elements; infrastructure costs, volume usage, availability and service standards.

4.5. If, for purposes of determining the tariff applicable to a particular user or category of users, the user or category of users has not specifically by definition been included under a defined category of users in this policy, the Municipal Manager shall, by applying the closest match principle, determine the category under which the user or category of users fits in best, taking into account the nature of the service concerned and the user or category of users involved.

5. INCENTIVE POLICY

5.1. Tariffs will not reflect incentives for investment or to promote economic development.

6. INDIGENT RELIEF

6.1. Tariffs will not reflect relief granted to indigent households. Such relief will be developed as a separate policy and be subject to the discretion of Council as to its sustainability.

6.2. All such relief will be reflected, accounted for and disclosed separately in invoices, account statements, budgets, financial statements or reports.

6.3. During implementation of such policy, cognisance will be taken of the fact that the existing tariffs and procedures may require amendment to accommodate the above clauses and that such amendments will be phased in over time.

6.4. Indigent households are expected to manage their consumption of services within the levels of relief granted.

6.5. Assistance and management of indigent households is contained in the Customer Care and Debt Collection Policy/By-Law. The Municipality, however, retains the right to limit consumption through prepaid meters or restriction if the accounts of assisted households fall into arrears.

7. SERVICE, EXPENDITURE CLASSIFICATION AND COST ELEMENTS

7.1. **Service classification**

7.1.1. To isolate the costs associated with a service, the Municipal Manager shall, subject to the guidelines provided by the National Treasury, Generally Recognised Accounting Practice (GRAP) and Executive Mayoral Committee of the Council, provide for the classification of services into the following categories:-

(i) trading services;
(ii) economic services;
(iii) community services; and
(iv) subsidised services.

7.1.2. Trading and economic services must be financially ring-fenced and financed from service charges while community and subsidised services will be financed from rates and related income.

7.2. **Expenditure classification**

Expenditure will be classified in accordance with GRAP.

7.3. **Cost elements**

The following cost elements may be used to calculate the tariffs of the different services:-

(a) *"Fixed costs"* which consist of the capital costs (interest and redemption) on external loans as well as internal advances and/or depreciation, whichever are applicable to the service, and any other costs of a permanent nature as determined by the Council from time to time.

(b) *"Variable costs"* which include all other variable costs that have reference to the service.

(c) *"Total cost"* which is equal to the fixed costs and variable costs.

8. TARIFF TYPES

In determining the type of tariff applicable to the type of service, the Municipality shall make use of any of the following six options or a combination thereof:-

8.1. **"Single tariff":-**

This tariff shall consist of a cost per unit consumed. All costs will be recovered through unit charges at the level where income and expenditure breaks even. Subject to a recommendation by the Municipal Manager, the Council may decide to approve profits on trading services during the budget meeting. Such profits will be added to the fixed and variable cost of the service for the purpose of calculating the tariffs.

8.2. **"Cost related to a two to four part tariff":-**

This tariff shall consist of two to four parts. Management, capital, maintenance and operating costs may be recovered by grouping certain components together, e.g. management, capital and maintenance costs may be grouped together and may be

recovered by a fixed charge, independent of consumption for all classes of consumers, or the total costs may be recovered by a unit charge per unit consumed. Three and four part tariffs may be used to calculate the tariff for electricity and to provide for maximum demand and usage during limited demand.

8.3. **"Inclining block tariff":-**

This tariff is based on consumption levels being categorised into blocks, the tariff being determined and increased as consumption levels increase.

8.4. **"Declining block tariff":-**

This tariff is the opposite of the inclining block tariff and decreases as consumption levels increase.

8.5. **"Regulating tariff":-**

This tariff is only of a regulatory nature and the Municipality may recover the full or a portion of the cost associated with rendering the service.

8.6. **"Cost plus mark-up tariff":-**

This tariff is for other services rendered.

9. CALCULATION OF TARIFFS FOR MAJOR SERVICES

9.1. **General**

In order to determine the tariffs which must be charged for the supply of the basic municipal services, (electricity, refuse, sewage and water), the Municipality shall use service and expenditure classifications and cost elements contained in clause 7 and identify all the costs associated with the service concerned, including the following:-

9.1.1. Cost of bulk purchases in the case of electricity and water.

9.1.2. Distribution costs, including distribution losses in the case of electricity and water.

9.1.3. Depreciation and finance charges.

9.1.4. Maintenance of infrastructure and other assets.

9.1.5. Administration and service costs, including:-

(a) service charges levied by other support services, such as finance, human resources and legal services;

(b) reasonable general overheads, such as the costs associated with the office of the Municipal Manager;

(c) adequate contributions to the provisions for bad debts, working capital and obsolescence of stock;

(d) all ordinary operating expenses associated with the service concerned, including the cost of providing street lighting in the municipal area in the case of the electricity service.

9.1.6. The intended surplus to be generated for the financial year shall be applied generally in relief of rates and general services.

9.1.7. Where a consumer has an option to choose between different tariffs on a service such option must be exercised before 30 September to be implemented for the specific financial year.

9.2. **Electricity**

9.2.1. The guidelines and policy issued by the National Energy Regulator from time to time will form the basis of calculating tariffs.

9.2.2. The Municipality has standardized on the installation of Pre-Payment Meters for all Domestic Consumers. As such it is compulsory for all new domestic

connections to be equipped with Pre Payment Meters. The Municipality has embarked on a program to effect the migration of all Credit Meters to Pre-Payment Meters. The change from Pre-Payment Meters to Credit Meter will therefore be disallowed unless special health circumstances exist, in which extreme case a credit meter will be installed by special concession from the Director of Infrastructure and Planning and by payment of the required change of meter fees as well as the required deposit.

9.2.3. When an adjustment is made to the electricity consumption registered on a meter in terms of Section 55(2) or 55(3) of the Electricity Supply By-Law, published on 21 October 2016, such adjustment shall either be based on the percentage error of the meter as determined by the test referred to in Section 55(5) or upon a calculation by the Municipality from consumption data in its possession. Where applicable, due allowance shall be made, where possible for seasonal or other variations which may affect the consumption of electricity.

9.2.4. To make electricity affordable to certain categories of consumers, cross subsidisation between and within categories of consumers will be allowed, based on the load factors of the categories and consumers within the category.

The first 50 kWh in the tariff block 0 – 350 of electricity per month shall be free of charge to domestic electricity consumers who applied and were approved in terms of the relevant clause as per the Overstrand Indigent Policy.

9.2.5. The fixed costs, or portions thereof, will be recovered through an energy or time-of-use charge.

9.2.6. A basic charge per electricity meter or unit in the municipal area, as determined by the Council from time to time, may be charged against all electricity consumers.

9.2.7. To apply the abovementioned principles, the consumer types and cost allocations reflected in the following table will be used:-

Categories of Consumers	Tariff Components			
	Fixed Charge (Rand/ consumer/ month)	Active Energy Charge (cent/kWh/ month)	Time-of-use Energy Charge Peak / Standard / Off-peak (sent/kWh/month)	Charge (Rand/KVA/ month)
Single Phase: (Domestic Credit meters)	X	X		***Note: IBT BLOCK** 1) 0 - 350 kWh 2) 351 – 600 kWh 3) > 600kWh
Single Phase: (Domestic Pre-paid meters)	X	X		***Note: IBT BLOCK** 1) 0 - 350 kWh 2) 351 – 600 kWh 3) > 600kWh
Life Line One – (pre-paid meters only)		X		0 – 350 kWh
One Part – (pre-paid meters only) Local Economic Development Projects		X		0 – 350 kWh
Single Phase: (Commercial Credit meters)	X	X		Flat rate
Single Phase: (Commercial Pre-paid meters)	X	X		Flat rate
Three Phase: (Domestic Credit meter) ≤ 100A	X	X		***Note: IBT BLOCK** 1) 0 - 350 kWh 2) 351 – 600 kWh 3) > 600kWh
Three Phase: (Domestic Pre-paid meter) ≤ 100A	X	X		***Note: IBT BLOCK** 1) 0 - 350 kWh

				2) 351 – 600 kWh 3) > 600kWh
Three Phase: (Commercial Credit meter) ≤ 100A	**X**	**X**		**Flat Rate**
Three Phase: (Commercial Pre-Paid meter) ≤100A	**X**	**X**		**Flat Rate**
Economic Pre-paid:- ≤ 100A		**X**		**Flat Rate**
Time of Use Tariff (.70kVA)	**X**	**X**	**X**	**X**
Service Charge (per month) for MV and LV consumers	**X**	**X**	**X**	**X**
Medium Voltage Metering Points (11000V) >500kVA	**X**	**X**	**X**	**X**
Low Voltage Metering Points (400V) >70kVA ≤ 500kVA	**X**	**X**	**X**	**X**

A basic level of service will be provided free to qualifying households with a total gross income level which is below a determined amount, and according to further specified criteria, as determined by Council from time to time.

9.2.8. An infrastructure basic charge for electricity will be levied on a monthly basis on all properties or meters.

9.2.9. An availability charge will be levied on all erven or units not connected to the electricity network, but can reasonably be connected to the service.

9.2.10. The use of tariffs E5A10 "Exceed NOTIFIED MAXIMUM DEMAND (NMD) per kVA Per month".

Each Time-of-Use consumer must nominate the Maximum Demand that the consumer intends to draw from the Overstrand Municipal Electricity Network. This nominated figure is known as the Nominated Maximum Demand (NMD) and is measured in kVA.

Upon exceeding this NMD, the consumer will be warned that he/she has exceeded the NMD and upon exceeding such NMD again within the next 12 months, the consumer will be required to pay the charge per kVA as indicated under tariffs E5A10 as the case may be. Each subsequent exceeding of the NMD will be charged similarly. When the NMD has not been exceeded in any 12 consecutive months, the consumer will then only receive a warning upon the next time the NMD is exceeded, after which the required tariff will again be instituted as shown above.

The consumer may increase his/her NMD and would be required to pay the associated tariffs as indicated under E15, where appropriate. A consumer may increase his NMD as many times as is needed within one financial year, but may only decrease the NMD once within any Financial Year.

9.2.11. Overstrand Municipality allows for approved SSEG customers to feed electricity back into our electricity network. Customers however need to be net consumers who purchase more electricity than they feed back (over a consecutive12 month period). This period will be in line with the Municipal financial year and all excess credit accumulated by the customer within this period will be forfeited by them.

9.3. **Water**

9.3.1. The categories of water consumers as set out in clause 9.3.4 shall be charged at the applicable tariffs as approved by the Council in each annual budget.

9.3.2. The first 6kℓ of water consumption per month shall only be supplied pro rata free of charge to domestic water consumers who qualify for the indigent grant.

9.3.3. Because water is a scarce national resource, and this Municipality is committed to the prudent conservation of such resources, the tariff levied for consumption of water shall escalate according to the volume of water consumed.

9.3.4. The tariffs for consumption of purified water shall be based on the levels reflected in the following table:-

Category of Consumer	**Basic Fixed Charge (Rand/meter/month)**	**Unit Charge per kℓ**	**Level of Consumption (Rand/kℓ/month)**
NORMAL TARIFF			
Single Residential Flats Group Housing (including Townhouse Developments) Retirement Villages Guest Houses	X	X	**HOUSEHOLD** 0 - 6 kℓ 7 - 18 kℓ **[19 - 30 kℓ]** 19[31] - 45 kℓ 46 - 60 kℓ >60 kℓ
Churches Caravan Parks Boutique Hotels and Hotels Other Consumers	X	X	**NON-HOUSEHOLD** 0 - 18 kℓ **[19 - 30 kℓ]** 19[31] - 45 kℓ 46 - 60 kℓ >60 kℓ
RESTRICTION TARIFF 1 (LEVELS 2 & 3 WATER RESTRICTIONS) PLUS 30% on Normal Tariff)			
Single Residential Flats Group Housing (including Townhouse Developments) Retirement Villages Guest Houses	X	X	**HOUSEHOLD** 7 - 18 kℓ **[19 - 30 kℓ]** 19[31] - 45 kℓ 46 - 60 kℓ >60 kℓ
Churches Caravan Parks Boutique Hotels and Hotels Other Consumers	X	X	**NON-HOUSEHOLD** 0 - 18 kℓ **[19 - 30 kℓ]** 19[31- 45 kℓ 46 - 60 kℓ >60 kℓ
RESTRICTION TARIFF 2 (LEVELS 4 & 5 WATER RESTRICTIONS) PLUS 60% on Normal Tariff)			
Single Residential Flats Group Housing (including Townhouse Developments) Retirement Villages Guest Houses	X	X	**HOUSEHOLD** 7 - 18 kℓ **[19 - 30 kℓ]** 19[31- 45 kℓ 46 - 60 kℓ >60 kℓ
Churches Caravan Parks Boutique Hotels and Hotels Other Consumers	X	X	**NON-HOUSEHOLD** 0 - 18 kℓ **[19 - 30 kℓ]** 19[31- 45 kℓ 46 - 60 kℓ >60 kℓ

Single Residential Flats Group Housing (including Townhouse Developments) Retirement Villages Guest Houses	X	X	**HOUSEHOLD** 7 - 18 kℓ **19 - 30 kℓ]** 19[**31**- 45 kℓ 46 - 60 kℓ >60 kℓ
Churches Caravan Parks Boutique Hotels and Hotels Other Consumers	X	X	**NON-HOUSEHOLD** 0 - 18 kℓ **19 - 30 kℓ]** 19[**31**- 45 kℓ 46 - 60 kℓ >60 kℓ

9.3.5. A basic charge per water meter or unit in the municipal area, as determined by the Council from time to time, may be charged against all water consumers.

9.3.6. An infrastructure basic charge for water will be levied on a monthly basis on all erven or units.

9.3.7. An availability charge will be levied on all erven or units not connected to the water network but can reasonably be connected to the service.

9.3.8. Allocation of RUE's to categories of Household consumers:

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

9.3.9. The number of water basic and infrastructure charges for non-household consumers shall be coupled to the number of commercial sewage basic and infrastructure charges. The owner has the option to select to be charged either one commercial unit, or for the respective individual number of lettable sections.

9.3.10. The tariffs for consumption of irrigation and raw water shall be based on the levels reflected in the following table:-

Category of Consumer	Basic Charge (Rand/meter/month)	Level of Consumption (Rand/kiloliter/month)
Use and pump water	**X**	80 – 90 minutes
Small Holdings	**X**	(i) 0 – 70 kℓ (ii) > 70 kℓ

9.3.11. **Wet Industries –**

9.3.11.1. Commercial and Sport (Customers must apply for this tariff)

Detail	Basic Charge (Rand/meter/month)	Unit Charge / kℓ	Level of Consumption (Rand/kiloliter/month)
Normal Tariff	**X**	**X**	(i) 0 – 500 kℓ (ii) 501 – 1 000 kℓ (iii) > 1 000 kℓ
Restriction Tariff 1 (levels 2 & 3 water restrictions) **PLUS 30% of Normal Tariff**	**X**	**X**	(i) 0 – 300 kℓ (ii) 301 – 700 kℓ (iii) > 700 kℓ
Restriction Tariff 2 (levels 4 & 5 water restrictions) **PLUS 60% of Normal Tariff**	**X**	**X**	(i) 0 – 250 kℓ (ii) 251 – 500 kℓ (iii) > 500 kℓ
Restriction Tariff 3 (level 6 **water** restrictions) **PLUS 100% of Normal Tariff**	**X**	**X**	(i) 0 – 100 kℓ (ii) > 100 kℓ

9.3.11.2. Industry - Marine (Customers must apply for this tariff)

Detail	Basic Charge (Rand/meter/month)	Unit Charge / kℓ	Level of Consumption (Rand/kiloliter/month)
Normal Tariff	**X**	**X**	(i) 0 – 5 800 kℓ (ii) >5 800 kℓ
Restriction Tariff 1 (levels 2 & 3 water restrictions) **PLUS 30% of Normal Tariff**	**X**	**X**	(i) 0 – 5 800 kℓ (ii) >5 800 kℓ
Restriction Tariff 2 (levels 4 & 5 water restrictions) **PLUS 60% of Normal Tariff**	**X**	**X**	(i) 0 – 5 800 kℓ (ii) >5 800 kℓ
Restriction Tariff 3 (level 6 **water** restrictions) **PLUS 100% of Normal Tariff**	**X**	**X**	(i) 0 – 5 800 kℓ (ii) >5 800 kℓ

9.3.12. The tariffs for consumption of Treated Effluent water shall be based on the levels reflected in the following table:-

Detail	Basic Charge (Rand/meter/month)	Unit Charge / kℓ	Level of Consumption (Rand/kiloliter/month)
Hermanus Golf Club	**X**	**X**	As per agreement
Schools, municipal sport grounds& project sport grounds as per agreement		**X**	As per Agreement
Curro Holdings		**X**	250kℓ free per day
Other		**X**	

9.3.13. Restriction Tariff

9.3.13.1. When level 1 water restrictions are implemented by the Directorate Infrastructure & Planning, no restriction tariffs will be implemented;

9.3.13.2. When level 2 water restrictions are implemented by the Directorate Infrastructure & Planning, level 1 restriction tariffs will be implemented;

9.3.13.3. When level 3 water restrictions are implemented by the Directorate Infrastructure & Planning, level 1 restriction tariffs will remain applicable;

9.3.13.4. When level 4 water restrictions are implemented by the Directorate Infrastructure & Planning, level 2 restriction tariffs will be implemented;

9.3.13.5. When level 5 water restrictions are implemented by the Directorate Infrastructure & Planning, level 2 restriction tariffs will remain applicable;

9.3.13.6. When level 6 water restrictions are implemented by the Directorate Infrastructure & Planning, level 3 restriction tariffs will be implemented;

9.4. **Refuse Removal**

9.4.1. A separate fixed monthly refuse removal charge shall apply to each category of users based on the costs of the service concerned and the applicable level of service, which can vary from once a week up to 7 times a week.

9.4.2. The fixed basic charge will be based on the number of removals per week.

9.4.3. An availability charge will be levied on all erven/units where no building plan has been approved. -

9.4.4. The tariff for refuse removal for residential units will be one removal per household per week.

9.4.5. Household refuse collection is the responsibility of the Municipality in the urban areas and only where a service cannot be rendered, a private contractor can do the collection per agreement with the municipality.

9.5. **Sewage**

9.5.1. The categories of users as set out below, shall be charged monthly at the applicable tariff as approved by Council in each annual budget:-

(i) Domestic (including Semi Permanent Caravan Sites);
(ii) Hotels, Hostels, Hospitals, Old Age Homes and Group Housing;
(iii) Guest Houses and Bed & Breakfast Establishments;
(iv) Shops and Offices;
(v) Low Cost Housing Schemes;
(vi) Schools;
(vii) Caravan Parks with communal ablution facilities;
(viii) Departmental Municipality;
(ix) Consumers with a conservancy tank.

9.5.2. A monthly basic charge shall be levied on all properties or units within urban areas, irrespective of the type of service available.

9.5.3. A sewage **usage charge** will be levied on all properties or units that produce sewage or have a water meter. This charge will be levied as follows:

(i) SEWAGE – SINGLE AND INTERMEDIATE RESIDENTIAL (Dwelling houses and Duplex apartments)

The sewage volume will be deemed to be 70% of water consumption, up to a maximum of 35kℓ of sewage per month (70% of 50kl water per month).

(ii) SEWAGE – GENERAL RESIDENTIAL (Blocks of apartments and Residential Buildings)

Sewage volume will be deemed to be 90% of water consumption per individual unit up to a maximum of 45kℓ of sewage per month (90% of 50kℓ water per month).

(iii) SEWAGE – GUEST HOUSES AND BED & BREAKFAST ESTABLISHMENTS

Sewage volume will be deemed to be 70% of water consumption per individual unit.

(iv) ALL OTHER USERS (Including Commercial, Industrial, School, Sport, etc.)

The sewage volume will be deemed to be 90% of water consumption.

The 90% may be adjusted by the Municipal Manager as appropriate to the consumer. The Municipal Manager may also institute a cap on the volume of sewage if appropriate to the consumer.

(v) SEWAGE–CONSUMERS WITH NO WATER METER OR NO MUNICIPAL WATER USE

Sewage volume will be charged as **one additional basic fee per RUE 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 -developed land.

9.5.10. [Consumers who are connected to the municipal sewerage system, but who are not using the municipal water supply system, will be charged twice the sewage availability charge to compensate for the use of the sewer system in the absence of a water meter reading to calculate the sewerage volume.]

9.6. **Minor tariffs**

9.6.1. All minor tariffs shall be standardised within the municipal region.

9.6.2. All minor tariffs shall be approved by the Council in each annual budget and shall, when deemed appropriate by the Council, be subsidised by property rates and general revenues, particularly when the tariffs will prove uneconomical when charged to cover the cost of the service concerned, or when the cost cannot be determined accurately, or when the tariff is designed

purely to regulate rather than finance the use of the particular service or amenity.

9.6.3. Minor tariffs may include fees for the following:-

A	Administration	▪ Access to information ▪ Administration Costs ▪ Advertisements / Advertising ▪ Bank cost on foreign accounts ▪ Deposit ▪ Duplicate Accounts ▪ Duplicate Pay Day Slip ▪ Facsimiles ▪ Interest on Accounts in Arrear ▪ Laminated documents	▪ Photocopies ▪ Placard / Poster Costs ▪ Section 62 Appeals ▪ Tender Objections ▪ Top Management Consultation ▪ Top Management Deposit ▪ Trace of Direct Deposits
B	Building Control	▪ Administration / Viewing Request, Filing retrieval and Copying of Plans ▪ Building Plans ▪ Demolition application ▪ Heritage Investigations	▪ Plan Printing Fees ▪ Plan Scrutiny Fees ▪ Plan validity extension ▪ Re-inspection fees ▪ Signage
C	Cemeteries	▪ Grave-depths ▪ Indication of grave	▪ Plot Cost ▪ Wall of Remembrance
D	Business License	▪ Application for extended Liquor hours ▪ Duplicates ▪ License- Formal	▪ License - Informal ▪ Liquor License ▪ Re-inspection Fee
E	Commercial Filming/Photographing	▪ Animals ▪ Application Fee ▪ Area required for production and catering ▪ Cancellation Fee	▪ Environmental Control Officer ▪ Permits ▪ Vehicles off Public Roads per Parking Bay
F	Credit Control & Debt Collecting	▪ Administration fee ▪ Notices ▪ Sheriff fee ▪	▪ SMS ▪ Tracing fee
G	Development Contributions	▪ Water ▪ Electricity ▪ Sewerage ▪ Roads ▪ Sanitation	▪ Storm water ▪ Solid Waste ▪ Off Grid Developments ▪ Evaluations/Investigations Levies
H	Electricity	▪ Builders connection ▪ Call-out fee ▪ Cancellation Fee ▪ Capital Contributions ▪ Casual Supplies ▪ Change to SSEG or Time of Use ▪ Change of Circuit Breaker ▪ Commission of Bulk Meter ▪ Connection and Disconnection of Service ▪ Consumer Deposits ▪ Contractor inspections ▪ Conversion of meters ▪ Credit Control and Debt Collection ▪ Damaged cables ▪ Damaged meter ▪ Deposits cables etc.	▪ 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

		▪ Development Contribution ▪ Erection & Removal of Banners ▪ Fee recalculation – no access ▪ Hire of temporary distribution kiosk ▪ Hire of Sleeve Space for fiber optic cable	▪ 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 **[Fee]** ▪ Leases	▪ Memorial Benches ▪ Radio Mast
R	Public Works	▪ Felling and Pruning of Trees ▪ Private Work ▪ Sale of Miscellaneous Items ▪ Storm Water Drainage	▪ Street Signage ▪ Tar and Patch Work ▪ Vehicle Entrances
R	Recreational Amenities	▪ Affiliated Members ▪ Beaches ▪ Boat Launching ▪ Boat License/Permits ▪ Caravan Parks ▪ Change Rooms	▪ Leases of stalls/containers ▪ Non-Affiliated Members ▪ Office Rental ▪ Open Spaces ▪ Parking ▪ Passenger Boats

		▪ 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	▪ 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 ▪ Baboon Resistant Bins ▪ Deposits ▪ Rental of Bulk Containers	▪ Self-Dumping ▪ Replacement of lock on baboon resistant wheelie bin ▪ Weigh Bridge
V	Sewage	▪ Capital Contributions ▪ Connection of tanks ▪ Development Contribution	▪ Disposal ▪ Tank Services ▪ Testing of tanks
W	Storm water	▪ Development Contribution	
X	Swimming Pool	▪ Entrance Fee ▪ Galas	▪ Training session
Y	Town Planning	▪ Advertising Cost ▪ Application Fee ▪ Closure of Public Place ▪ Contravention ▪ Penalty ▪ Demolition of Administrative Penalty ▪ Departure ▪ Deposit – Appeal ▪ Determination of Zoning ▪ Exemption ito Section 26 ▪ Extension of Time	▪ Formal Structure ▪ Informal Structures ▪ Land use planning Fee ▪ Permission ito Zoning Scheme ▪ Relaxation of Title Deed ▪ Registered Letter ▪ Removal of Title Deed Restrictions ▪ Search Fee ▪ Section 30(2) Certification/Clearance ▪ Spatial Development Framework ▪ Sub-division ▪ Zoning Certificate
Z	Traffic	▪ Business and Other Events ▪ Disabled Parking Tokens ▪ Driver's Licenses ▪ Escorting and Other Services ▪ Hiring Traffic cones ▪ Impoundment of Boats ▪ Impoundment of Public Transport Vehicles ▪ Leaner's Licenses ▪ Parking Meters ▪ Professional Driver's Permits	▪ Removal of Vehicles ▪ Roadworthy Certificates ▪ Storage Fees ▪ Taxi Rank Tokens ▪ Traffic Cones ▪ Towing Charge ▪ Vehicle Registration ▪ Wheel clamping fee
AA	Valuation (Property Information)	▪ Access to Information ▪ Clearance Certificates ▪ Deeds Office Registrations ▪ Extract from Valuation Roll	▪ Revaluation ▪ Valuation Certificates ▪ Valuation Roll ▪ Voters' Roll

BB	Water	▪ Administration Fee – recalculation no meter access ▪ Call-out Fee ▪ Capital Contributions ▪ 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 **1 July 2023** and will be reviewed at least annually or when required by way of a Council resolution.

14. SHORT TITLE

This policy shall be called the **Tariff Policy of the Overstrand Municipality.**

POLICY SECTION:	**MANAGER: INCOME**
CURRENT UPDATE:	31 MAY 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

OVERSTRAND MUNICIPALITY



CUSTOMER CARE, CREDIT CONTROL AND DEBT COLLECTION POLICY

P R E A M B L E

Whereas section 96 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) requires a municipality to adopt, maintain and implement a credit control, debt collection and customer care policy;

And whereas section 97 of the Systems Act prescribes what such policy must provide for;

Now therefore the Municipal Council of the Municipality of Overstrand adopts the Customer Care, Credit Control and Debt Collection Policy as set out in this document:-

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1. DEFINITIONS

For the purpose of this policy, unless the context indicates otherwise, any word or expression to which a meaning has been attached in the Act shall bear the same meaning and means:-

"Act"	The Local Government Act: Municipal Systems Act 2000 (Act No 32 of 2000) as amended from time to time.
"arrears"	means any amount which is due, owing and payable and which remains unpaid by the due date;
"authorised representative"	the person or instance legally appointed by the Council to act or to fulfil a duty on its behalf.
"basic service"	the amount or level of any municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety of the environment and for the purposes of this Policy are restricted to the delivery of electricity, refuse, sewerage and water services.
"Chief Financial Officer"	an officer of the Municipality appointed as the Head of the Finance Department and includes any person:- (a) acting in such position; and (b) to whom the Chief Financial Officer has delegated a power, function or duty in respective of such a delegated power, function or duty.
"child-headed household"	a household where all the occupants of a residential property are younger than 18 years old, i.e. a child-headed household is a household consisting only of children.
"Council" or ***"municipal council"***	a municipal council referred to in section 18 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) and for purposes of this policy, the municipal council of the Municipality of Overstrand.
"Credit control" and debt collection"	the functions relating to the collection of any monies due and payable to the Municipality.
"Closely connected person"	any immediate relative of the person namely spouse, child, parent, parent-in-law, life partner.
"customer"	any occupier of any property to which the Municipality has agreed to supply services or already supplies services to, or if there is no occupier, then the owner of the property (including registered indigent household).
"defaulter"	a person who owes money to the Municipality in respect of a municipal account after the due date for payment has expired.
"Director"	the person in charge of the civil and/or electrical component(s) of the Municipality and includes any person:- (a) acting in such position; and (b) to whom the Director has delegated a power, function or duty in respective of such a delegated power, function or duty.
"equipment"	a, structure, pipe, pump, wiring, cable, meter, machine or any fittings.
"household"	all persons who are jointly living on a stand or site on a permanent basis and who receive electricity and/or water from one meter, regardless whether the person rents or owns the property.
"Income"	Income is the gross sum of all monthly income from all sources, including wages, salaries, profits, dividends, pensions, rentals, board & lodging, interest received, grants or investment income and other forms of earnings received by every person residing on the property.
"indigent"	a household which is not financially capable of paying for the delivery of basic services and meeting criteria determined by Council from time to time.[**– this also includes poor households.]**
"interest"	a levy with the same legal priority as service fees and calculated on the first day of the new month on all arrear amounts older than the most recent monthly service account in respect of assessment rates and service levies at a standard rate as approved by Council.

"Municipality"	the institution that is responsible for the collection of funds and the provision of services to the customers of Overstrand.
"municipal account"* or *"billing"	the proper and formal notification by means of a statement of account, to persons liable for monies levied and indicating the net accumulated balance of the account, specifying charges levied by the Municipality, or any authorised and contracted service provider, in the format of, but not limited to:- (a) show the levies for assessment rates and/or building clause; and (b) *"monthly account"* rendered monthly and shows the levies for assessment rates and/or building clause, availability charge, sewerage, refuse removal, electricity, water, sundries, housing rentals and instalments, as well as the monthly instalment for annual services paid monthly.
"Municipal Manager"	the accounting officer appointed in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) and being the head of administration and accounting officer in terms of section 55 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) and includes any person:- (a) acting in such position; and (b) to whom the Municipal Manager has delegated a power, function or duty in respective of such a delegated power, function or duty.
"municipal services"	those services provided by the Municipality such as, amongst others the supply of water and electricity, refuse removal, sewerage treatment, and for which payment is required by the Municipality or not.
"occupier"	any person who occupies any property or part thereof, without any regard to the title under which he/she so occupies the property – in process of phasing out from 01/07/2010.
"owner"	(a) the person in whom the legal title to the property is vested; (b) a person mentioned below may for the purposes of this Policy be regarded by a municipality as the owner of a property in the following cases: (i) A trustee, in the case of a property in a trust excluding state trust land; (ii) an executor or administrator, in the case of a property in a deceased estate; (iii) a trustee or liquidator, in the case of a property in an insolvent estate or in liquidation; (iv) a judicial manager, in the case of a property in the estate of a person under judicial management; (v) a curator, in the case of a property in the estate of a person under curator ship; (vi) a person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude; (vii) a lessee, in the case of a property that is registered in the name of a municipality and is leased by the lessee; (viii) a buyer, in the case of a property that was sold by a municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer; (c) in the case where the Council is unable to determine the identity of such person, the person who is entitled to the benefit of such property or any building thereon; (d) in the case of a property for which a lease agreement of 30 years or more has been entered into, the lessee thereof; (e) regarding:- (i) a portion of land delineated on a sectional title plan registered in terms of the Sectional Titles Act, 1986 (Act No 95 of 1986), and without restricting the above mentioned stipulations, the developer or body corporate of the communal property; or (ii) a portion as defined in the Sectional Titles Act, the person in whose name that portion is registered under a sectional title deed, including the legally appointed representative of such person; (i) any legal entity, including but not limited to:-

	(i) a company registered in terms of the Companies Act, 2008 (Act No 71 of 2008), a trust *inter vivos*, trust *mortis causa*, a closed corporation registered in terms of the Closed Corporations Act, 1984 (Act No 69 of 1984), and any voluntary organisation; (ii) any local, provincial or national government; (iii) any council, board or entity established in terms of any legislation applicable to the Republic of South Africa; and (iv) any embassy or other foreign entity. (ii) in the case of property owned by the Council and which has been alienated, but which has not been transferred to the person to whom it has been alienated, such person from the date of the alienation concerned; and (iii) in the case of property owned by or under the control or management of the Council while held under a lease or any express or tacit extension thereof or under any other contract or under a servitude or right analogous thereto, the person so holding the right to the immovable property.
"premises"* or *"property"	any portion of land, the external surface boundaries of which are delineated on:- (a) a general plan or diagram registered in terms of the Land Survey Act, 1927 (Act No 9 of 1927) or in terms of the Deeds Registry Act,1937 (Act No 47 of 1937); or (b) a sectional plan registered in terms of the Sectional Titles Act, 1986 (Act No 95 of 1986); which is situated within the area of jurisdiction of the Municipality.
"Residential"	means improved property that is: (a) used predominantly (60% or more) for residential purposes, with not more than two dwelling units per property. (b) a unit registered in terms of the Sectional Title Act 95 of 1986,, used predominantly (60% or more) for residential purposes, and includes any unit in the same Sectional Title Scheme registered in the name of the same owner which is used together with the residential unit as if it were one property, for example a garage or store room. (Any such grouping shall be regarded as one residential property for rate rebate or valuation purposes.) or (c) owned by a share-block company and used predominantly (60% or more) for residential purposes, or (d) a residence used for residential purposes situated on property used for or related to educational purposes.

2. GENERAL OBJECTIVES:

The objectives of this Policy are to:-

2.1 provide a framework within which the Municipality can exercise its executive and legislative authority with regard to credit control and debt collection;
2.2 ensure that all monies due and payable to the Municipality are levied and collected in a financially sustainable manner;
2.3 provide a framework for customer care and indigent support;
2.4 describe credit control measures and sequence of events;
2.5 outline debt collection and credit control procedures and mechanisms; and
2.6 set realistic targets for credit control and debt collection.

3. PRINCIPLES

3.1 The administrative integrity of the Municipality must be maintained at all costs. The democratically elected councillors are responsible for the approval of the policy, while it is the responsibility of the Municipal Manager to ensure the execution of this policy.
3.2 All customers must complete an official application form, formally requesting the Municipality to connect them to service supply lines. Existing customers may be required to complete new application forms from time to time, as determined by the Municipal Manager.

3.3 Application forms, agreements and documents relating to this Policy must be available in Afrikaans and English. Officials designated to control and manage these documents must be able to explain the contents thereof in the three languages of the Western Cape.
3.4 A copy of the application form, conditions of services and extracts of the Council's Customer Care, Credit Control and Debt Collection Policy and By-Laws must be handed to every customer on request at such fees as may be prescribed by Council.
3.5 Billing is to be accurate, timeous and understandable as far as possible.
3.6 The customer is entitled to reasonable access to pay points and to a variety of reliable payment methods which will include cash, 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.

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.

OVERSTRAND MUNICIPALITY
CUSTOMER CARE, CREDIT CONTROL AND DEBT COLLECTION POLICY

6. CUSTOMER CARE

6.1 Objective

To focus on the customer's need in a responsible and pro-active way to enhance the payment for services and to create a positive and cooperative relationship between the persons responsible for the payment for services received and the Municipality and where applicable, the service provider.

6.2 Communication and feedback

6.2.1 The Municipality will, within its financial and administrative capacity, conduct an annual process of compiling and communicating its budget, which will include targets for credit control and debt collection. This process will include the effort to ensure that the residents and customers understand the costs involved in the service provision, the reasons for payment of service tariffs and the manner in which monies raised from the customers are utilised.
6.2.2 Council will endeavour to distribute a regular newsletter (also available on the website), which will give prominence to customer care and debt collection issues.
6.2.3 Ward councillors will give feedback at ward meetings, at which customer care and debt collection issues will be given prominence.
6.2.4 The press will be encouraged to give prominence to Council's customer care, credit control and debt collection issues, and may be invited to council or committee meetings where these are discussed.
6.2.5 The residents and users of services will be encouraged to give feedback through the established mechanisms to the Municipality regarding the quality of services and the performance of service providers.

6.3 Metering

6.3.1 The Municipality will endeavour, within practical and financial constraints, to provide meters to every paying customer for all measurable services.
6.3.2 All meters will be read monthly, as far as possible. If the meter is not read monthly, the consumption may be estimated in terms of Council's operational procedures.
6.3.3 If any meter is not accessible for meter reading, the customer must apply and pay to have the meter moved out to the borderline and convert the electricity meter to a pre-paid meter.
6.3.4 Customers must:-
(a) safeguard and maintain service meters in a readable condition;
(b) notify the Municipality when services are no longer required at a particular service delivery point;
(c) maintain credit and pre-payment meters; and
(d) supply the Municipality with accurate information with regard to the supply of services or applications for indigent cases.
6.3.5 Customers are entitled to request verification of meter readings at the prescribed tariff.
6.3.6 Customers are entitled to request testing of meters for accuracy within reason. If the test reveals the meter to register outside the norm as prescribed for the service in question (Electricity or Water), the meter will be replaced and the customer's account will be adjusted accordingly. The adjustment may not exceed a period of six (6) months, preceding the date on which the metering equipment was found to be inaccurate. If the outcome shows that the meter was not defective, the consumer is liable for payment for the cost of the test at the prescribed tariff as well as for other amounts outstanding.
6.3.7 Customers must give notice of at least 48 hours to the Municipality should a final reading or discontinuation of service be required. When a customer vacates a property and a final reading of the meter is not possible due to no access, an estimated consumption will be used by the Municipality and the final account rendered accordingly.

6.3.8 If a service is metered but it cannot be read due to financial and/or human resource constraints or circumstances beyond the control of the Municipality or its authorised agent, and the customer is charged for an estimated consumption, the account following the reading of the metered consumption must articulate the difference between the actual consumption and the average consumption, and the resulting credit or debit adjustments.

6.3.9 The Municipality may apply debt collection as a percentage (at least [40]60%) on the pre-payment electricity system, to ensure collection of all arrear debt on the account of the customer.

6.4 Accounts and billing

6.4.1 The Municipality will as far as possible render to its customers on the billing system an understandable and accurate statement, which will consolidate all service costs and subsidies granted in terms of this Policy for that property.

6.4.2 Accounts will be produced in accordance with the meter reading cycle and due dates will be linked to the statement date.

6.4.3 The customer's municipal account shall be credited for energy generated by the embedded generator and exported to the network in the amount/s reflected in the annual tariff relating to the import and export of electrical energy for embedded generation. Small scale embedded generator customers (SSEG) will be billed as follows:

(a) The service charge and all energy and maximum demand charges, as applicable, will be billed on the monthly electricity account.

(b) A credit will be passed for export of energy monthly against the normal monthly electricity account.

(c) Customers will not be compensated if the monthly export reflects a credit balance. A credit balance for export will be carried forward to the following month.

(d) In the instance where an export credit exists on 30 June, this credit will be forfeited.

(e) At the time that the customer ceases to be on the small scale embedded generation tariff, any remaining credit balance for export, will not be refunded to the customer.

(f) The municipality shall not be obliged to grant credit to the customer for export not received onto the electrical grid due to unavailability of the grid or for any other reason.

6.4.4 If no official complaint in writing is received by the 15th of the month it will be considered that the account delivered is correct.

6.4.5 Accounts will be rendered monthly in cycles of approximately 30 days at the address last recorded with the Municipality or its authorised agent.

6.4.6 It is the customer's responsibility to ensure that his/her postal address and all other required details are correct.

6.4.7 Should an owner have an e-mail address stated on the clearance application form, during and subsequent to the transfer of the property into his or her name, said e-mail address shall take preference over a postal address provided on the said application. The email address shall be regarded as the default address for all correspondence inclusive of the monthly account send to that owner until otherwise advised in writing.

6.4.8 (a) Accounts are delivered monthly. It is the customer's responsibility to enquire from the Municipality should an account not be received in order to ensure timely payment and to obtain a duplicate account when the account is not delivered during the normal billing cycle.

(b) Customers residing outside the borders of the Republic of South Africa will receive only electronic accounts, unless a local address is supplied.

6.4.9 Settlement or due dates will be as indicated on the statement and are normally as follows:-

(a) Monthly accounts are payable before or on the due date in accordance with the specific account billing (invoicing) cycle as indicated on the

account, or the first working day thereafter should it fall on a weekend or public holiday, of the month following the month of the statement of the account.

(b) Large Power and Time of Use electricity customer accounts are payable on or before the 15th of each month, or the first working day thereafter should the 15th be on a week-end.

(c) Annual accounts are payable on or before the 30th of September of each year.

(d) Accounts of councillors and employees may be deducted from their salaries/allowances on a monthly basis; alternatively, they may sign a debit order for deduction of the monthly account off their bank account.

(e) Staff arrears will be dealt with in accordance with Schedule 2(10) of Local Government: Municipal Systems Act 32 of 2000 and in terms of any procedures, method or actions referred to in this Policy. Notwithstanding any other procedure, method or action that may be taken in terms of this Policy, the Municipality shall deduct any outstanding amount from such staff members' salary after this 3 (three) month period. Outstanding arrears will be settled out of any annual bonus due to the staff member.

(f) All staff joining the Municipality must, within 30 days, sign an agreement to pay arrears.

(g) Where the Municipality provides temporary employment to members of the community who are in arrears with payments for municipal rates and services, they will be required to enter into a written agreement to pay up to a maximum of 30% of their gross remuneration towards the arrear debt.

(h) In accordance with Schedule 1(12A) of the Local Government: Municipal Systems Act 32 of 2000, a Councillor of the Municipality may not be in arrears to the Municipality for rates and service charges for a period longer than 3 months. Notwithstanding any other procedure, method or action that may be taken in terms of this Policy, the Municipality shall deduct any outstanding amount from such Councillors' remuneration after this 3 (three) month period.

6.4.10 Where an account is not settled in full, any lesser amount tendered and accepted shall not be deemed to be in full and final settlement of such an account.

6.4.11 Where any payment made to the Municipality, or its authorised representative, by negotiable instrument is subsequently dishonoured by a bank, the Municipality or its authorised agent:-

(a) may recover the average bank charges incurred relating to dishonoured negotiable instruments, together with an administration fee, against the account of the customer;

(b) shall regard such an event as a default on payment and services may be discontinued should a valid payment by cash, a bank-guaranteed cheque or electronic fund transfer not be made by the date provided by the authorized official;

(c) may insist on cash, debit order or electronic fund transfer payments for all future accounts;

(d) may only consider application for re-instatement of debit order/cheque after twelve months, except in instances where the Senior Manager: Revenue, or delegated official, authorises otherwise.

6.4.12 The Municipality must issue a duplicate account or any acceptable alternative to a customer on request, at a cost determined by Council from time to time.

6.4.13 The registered owner of a property being leased is at his/her own cost entitled to obtain a copy of the account of a lessor and to be informed if a lessee is in arrears with his/her service charges within 60 days.

6.4.14 All contracts for service delivery with tenants will be phased out over a period of time and all new service contracts will only be with the owners of the property.

6.4.15 Opening of tenant accounts will only be allowed when :

(a) the customer is an indigent household and the property is registered in the name of another person;

(b) the customer is a contractor for municipal projects

6.4.16 When tenants are in default, the service contract with the tenant will be cancelled and services transferred to the owner.

6.4.17 The amount which the Municipality may recover from the tenant or occupier of a property where there exists only an owners account, is limited to the amount of rent or other money due and payable, but not yet paid, by the tenant or occupier to the owner of the property

6.4.18 The tenant or occupier of a property must, on request from the Municipality, furnish the Municipality with a written statement specifying all payments to be made by the tenant or occupier to the owner of the property for rent or other money payable on the property during a period determined by the Municipality.

6.5 Payment facilities and methods

6.5.1 The Municipality will operate and maintain suitable payment facilities, which facilities will be accessible to all customers.

6.5.2 The Municipality will, at its discretion, allocate a payment between service debts. A debtor does not have the right to indicate that the payment is for a specific portion of the account.

6.5.3 The Municipality may, in terms of section 103 of the Act and with the consent of a customer, approach an employer of the customer to secure a debit or stop order arrangement.

6.5.4 The Municipality will endeavour to appoint a variety of agents (super markets, SA Postal Service, etc.) for the receipt and transfer of payments to the Municipality. The customer will acknowledge in the customer agreement that the use of customer agents in the transmission of payments to the Municipality is at the risk of the customer – also the time lapse for transfer of the payment.

6.5.5 The Municipality will, in the event of notices sent to customers, as well as in the instance of services having been disconnected or restricted, only accept cash or electronic fund transfer / direct deposit into the Municipality's bank account, or payment at any one of the nominated cash receipting points or agents of the Municipality. Documented proof must be send via e-mail to the sender as stated on the Overstrand Municipality's notice document, during office hours, not later than 16:00.

6.6 Incentives for prompt payment (Annexure "A")

6.6.1 The Council may, to encourage prompt payment and/or to reward regular payers, from time to time consider incentives for the prompt payment of accounts or payment by debit or stop order.

6.6.2 If introduced, the cost associated with the incentive scheme will be reflected in the operational budget as additional expenditure.

6.7 Feedback, enquiries, appeals and service complaints

6.7.1 Within its administration and financial ability the Municipality will establish:-

(a) Decentralised complaints/feedback offices;

(b) A centralised complaints database to enhance co-ordination of complaints, their speedy resolution and effective communication with customers;

(c) Appropriate training for officials dealing with the public to enhance communications and service delivery; and

(d) The introduction of a regular article in the newsletter to inform customers on the safe and economic use of services.

6.7.2 If a customer is convinced that his/her account is inaccurate, he/she can lodge a query, together with supporting documentation and proof, with the Municipality before due date for investigation of this account, and where necessary the relevant alterations.

6.7.3 In the interim the debtor must pay an average based on previous consumption where such history of the account is available. Where no such history is available,

the debtor is to pay an estimate provided by the Municipality before payment due date until the matter is resolved.

6.7.4 The relevant department will investigate and endeavour to inform the debtor within 14 days of the outcome of the investigation and the measures that have been or will be taken to correct the situation.

6.7.5 Failure to make such agreed interim payment or payments will result in the customer forming part of the normal credit control procedures.

6.7.6 A customer may appeal against the finding of the Municipality in terms of sub clause (6.7.4).

6.7.7 An appeal and request in terms of sub clause (6.7.6) must be made and lodged with the Municipality within 21 (twenty-one) days after the customer became aware of the finding referred to in sub clause (4) and must:-

(a) set out the reasons for the appeal;

(b) be accompanied by any security determined for the testing of a measuring device, if applicable.

(c) Appeal deposits in accordance with approved tariffs for the review of water rebate applications, will be levied to the customer's municipal account, in the instance of a dismissal of the appeal.

6.8 Customer assistance programs

6.8.1 Water leakages:

(a) If the leakage is on the customer's side of the meter, the customer will be responsible for payment of the full account.

(b) Water leakage discount will not be considered in the instance of irrigation systems.

(c) A customer will qualify for a Water Leakage Discount upon application on the prescribed form within 90 days after the leak has been repaired, which application will only be regarded as a valid application if complete information and documentation as prescribed is received and:-

(i) the leak was repaired within 10 working days since its detection; or any further leakages was prevented effectively after detection, with reference to the subsequent consumption patterns;

(ii) the customer applied only once in a cycle of 30 months for a discount; and in the instance were a customer experience a second leak within the 30 months period as mentioned in above, the customer may apply on the prescribed form within 60 days after the leak has been repaired, which application will only be regarded as a valid application if the customer is prepared to convert to a flow restrictor meter at cost of the customer

(iii) proof of repair and costs as well as the date of repair, or a sworn affidavit from any person who has repaired the leak, has been submitted, or where the leak was repaired through the client's insurance, all of the following must be submitted:

(1) proof of claim submitted to the insurance;

(2) confirmation letter from the plumber who was appointed by the insurance to repair the leak.

(d) Discount for consumption over the period that the leak was present will be calculated by comparing the average consumption over a corresponding period. Any consumption above the average will be charged at the rebate tariff applicable, subject to a maximum period of 3 months.

(e) A discount will be applicable on the excess sewer consumption charge as calculated.

(f) It is the responsibility of the customer to control and monitor his/her consumption.

6.8.2 Rate rebates:
(a) The municipal council may grant rate rebates annually to certain categories of ratepayers in accordance to the Municipality's Property Rates Policy and By-Laws.
(b) Rate rebates will be subject to certain criteria as determined by Council from time to time.

6.8.3 Arrangements for payment of arrears **(Annexure "B"):**
(a) Customers whose municipal accounts become in arrears may enter into a written arrangement for settlement of the arrears with the Municipality. Such customers may be requested to complete a new application and agreement for Municipal Services.
(b) If required, customers with arrears must agree to the conversion to a pre-payment electricity meter and a flow limiter water meter. If and when implemented, the cost of which, and the arrears total, will be paid off either by:-
(i) adding the debt to the arrears bill and repaying it over the agreed period; or
(ii) adding the debt as a surcharge to the pre-paid electricity cost, and repaying it with each purchase of electricity at a percentage rate (at least [40]60%), until the debt is liquidated.
(c) In the case of the customer who is not a natural person, an organ of state, a local authority, a public company or a public corporation, the major shareholder or member will be obligated to guarantee the debt of the customer.
(d) Council reserves the right to raise the deposit/security requirement of debtors who seek arrangements and/or other stipulations it may deem necessary.

6.9 Subsidy for indigent households
Please refer Overstrand Municipality, Indigent Policy

6.10 Additional subsidy categories
6.10.1 Subject to an equitable share contribution received from National Treasury, Council may provide, free of charge to a customer, basic services as determined from time to time.
6.10.2 Rebates on property rates may be granted to categories of properties or owners in accordance to Council's Property Rates Policy.

6.11 Customer categories

6.11.1 Customers will be categorised according to specific classifications based on amongst others the type of entity, applicable tariffs and risk levels of the provision of services. Processes for credit control, debt collection and customer care may differ from category to category, as deemed appropriate from time to time by the Municipal Manager.

6.12 Deceased Estates

6.12.1 the death certificate of the deceased person must be presented;
6.12.2 proof from the Registrar of Estates should be obtained that a deceased estate is not liable for any claims;
6.12.3 if the estate will be liable for claims, a claim should be laid against the said estate;
6.12.4 if no estate is registered but a death certificate was obtained, such debts should be written off with effect from the date of death;
6.12.5 if a subsequent new tenant/owner/authorised person qualify for indigent subsidies, the total outstanding amount should be written off;
6.12.6 in the instance that the new tenant/owner/authorised person will not qualify for a subsidy, the new tenant/owner/authorised person shall be responsible to pay the

outstanding amount on the account from the date of death of the deceased person, up to the current date, or to arrange for a settlement agreement;
6.12.7 child headed families, where the parents are both deceased and only unemployed minor children stays in the dwelling, a social worker report must be obtained in order for the debt to be written off. The child headed family may apply for indigent subsidy on the account of the deceased owner;
6.12.8 In the case of a deceased property owner, the authorised person(s) of the family members may give permission with the submission of an affidavit to identify the responsible occupier of the property, to be responsible for the payment of the municipal account on the property. This occupier may apply for indigent subsidy. The account will stay in the name of the registered owner but will be the responsibility of the authorised occupier, regardless of the outcome of any indigent application.

CREDIT CONTROL POLICY

7.1 Objective

7.1.1 To implement procedures which ensure the collection of debt, meeting of service targets and the prevention of escalation in arrear debt.
7.1.2 To facilitate financial assistance and basic services for the community's poor.
7.1.3 To provide incentives for prompt payment.
7.1.4 To limit risk levels by means of effective management tools.

7.2 Service applications and agreements

7.2.1 All customers of services will be required to sign an agreement governing the supply and cost of municipal services. On default by a tenant, the owner will be the debtor of last resort except where the Municipality is the owner of the property.
7.2.2 Prior to signing these agreements, customers will be entitled to access the policy documents. Also available on the official website at: www.overstrand.gov.za.
7.2.3 On the signing of the agreement when requested thereto, customers will receive a copy of the agreement for their records.
7.2.4 Customers will accept responsibility in the agreement for administration costs of collection, interest and penalties in the event of delayed and/or non-payment.
7.2.5 The Municipality may refuse to supply services to an applicant should such applicant owe monies to the Municipality regarding a previous period when he/she was rendered services by the Municipality, until such debt has been settled in full. Should the applicant prove to the Chief Financial Officer that he/she is unable to pay, the application will be dealt with in terms of Council's Indigent Subsidy Scheme.
7.2.6 The Municipality will read the meters within the period stipulated in the agreement after notification of change in ownership or application for the supply of services and render an account within the normal cycle applicable to the property.
7.2.7 Existing customers may be required to sign new agreements in the following instances:
(a) Any change of service profile;
(b) With any instruction given or actual disconnection or restriction of services or any legal action taken;
(c) Any form of tampering with service networks or meters etc (as mentioned in Section 7.5.1 below;
(d) As determined by the Municipal Manager from time to time.
7.2.8 Should a customer fail to enter into such agreement with Council or to provide the security described in clause 7.6, Council may:-
(a) hold the customer liable for all outstanding debt on services for the property; and/or
(b) restrict or discontinue the supply of Municipal services.
7.2.9 The Municipality shall open only one account per property for the rates, fixed levies and service charges.
7.2.10 All arrangements may be subject to periodic review.
7.2.12 Debtors who default on two occasions in respect of arrangements, will be denied the privilege of making further arrangements, and the full amount will be payable. Interest will be calculated on the first day of the new month on all arrear amounts older than the most recent monthly service account, taking any payments into consideration.
7.2.13 An amount of at least the monetary value of the most recent 3 months accounts must be settled before a recommendation by the Manager: Revenue can be made for further arrangements in excess of the two occasions mentioned above, to be considered by the Senior Manager: Revenue, based on current circumstances.

7.3 Right of access to premises

7.3.1 The owner and/or occupier of a property is to allow an authorised representative of the Municipality access at all reasonable hours to the property in order to read,

inspect, install or repair any meter or service connection for reticulation, or to disconnect, stop or restrict, or reconnect the provision of any service.
7.3.2 The owner is responsible to ensure that all meters installed on his/her property are easily accessible.
7.3.3 The owner is responsible for the cost of relocating a meter if satisfactory access is not possible.
7.3.4 If a person fails to comply to any requirements, the Municipality or its authorised representative may:-
(a) by written notice require such person to restore access at his/her own expense within a specified period.
(b) without prior notice restore access and recover the cost from such person if it is the opinion that the situation is a matter of urgency.

7.4 Enforcement mechanisms

7.4.1 Interest may be raised as a charge on all accounts not paid by the due date in accordance with applicable legislation.
7.4.2 The Municipality shall restrict or discontinue the supply of services or implement any other debt collection actions necessary due to late or non-payment of accounts, relating to any customer, owner or property.
7.4.3 Council reserves the right to deny or restrict the sale of electricity or water to customers who are in arrears with their rates or other municipal charges.
7.4.4 Upon the liquidation of arrears, or the conclusion of acceptable arrangements for term payments, the service will be reconnected as soon as conveniently possible.
7.4.5 The administration cost of the restriction or disconnection, and the reconnection, will be determined by tariffs approved by Council, and will be payable by the customer.
7.4.6 If a person is indigent a pre-paid electricity meter must be installed and a flow limiter water meter may be installed free of charge.
7.4.7 The deposit(s) of any defaulter will be adjusted in terms of paragraph 7.2.2 and brought into line with relevant policies of Council.
7.4.8 Defaulters' deposits will be reviewed annually, based on the debtor's Municipal payment record, indicating no default, over the preceding 12 (twelve) months, excluding customers with current arrangements. The deposit will be adjusted to the minimum deposit required in terms of the approved Tariff Schedule.
7.4.9 Defaulters deposits will be reviewed immediately, where the account was settled in full and a debit order is signed to prevent late payments.
7.4.10 In accordance with Section 102 of the Municipal Systems Act, the Municipality may
Consolidate any separate accounts of persons liable for payments to the municipality;
(b) Credit a payment of such a person against any account of that person; and
(c) Implement any of the debt collection and credit control measures provided for in Chapter 9 of the Act in relation to any arrears on any of the accounts of such a person.

7.5 Theft and fraud

7.5.1 Any person (natural or juristic) found to be illegally connected or reconnected to municipal services, tampering with meters, the reticulation network or any other supply equipment or committing any unauthorised act associated with the supply of municipal services, as well as theft of and damage to Council property, will be prosecuted and/or liable for costs at the prescribed tariffs as determined from time to time.
7.5.2 The Municipality has the right to obtain authorisation from the Magistrate for the imposition of fines for the offences as mentioned in paragraph 7.5.1 above.

7.5.3 The Municipality may terminate and/or remove the electricity supply of services to a customer should such conduct as outlined above, be detected and certified.

7.5.4 The Municipality may install a water flow restrictor meter to a customer should such conduct as outlined above, be detected and certified.

7.5.5 The total bill owing, including administration cost, assessment of unauthorised consumption and discontinuation and reconnection fees, and increased deposits as determined by Council if applicable, will be due and payable before any reconnection can be sanctioned.

7.5.6 Council will maintain monitoring systems and teams in order to identify and monitor customers who are undertaking such illegal actions.

7.5.7 Council reserves the right to lay criminal charges and/or to take any other legal action against both vandals and thieves.

7.5.8 Any person failing to provide information or providing false information on his application for or other document pertaining to the supply of services to the Municipality may face immediate disconnection of services.

7.6 Customer screening and securities

7.6.1 Security deposits, may be required. The minimum deposit being the equivalent of amounts fixed from time to time by the Municipality.

7.6.2 Security deposit in respect of electricity will be adjusted annually, which will be equal to twice the average consumption during the preceding 12 months.

7.6.3 Applicants who are not natural persons, organs of state, local authorities, public companies or public corporations must supply details of their directors, members, partners or trustees and at least the main shareholder must in his/her personal capacity guarantee the payment of the applicant's municipal account and in the case of a trust, all the trustees in their personal capacity.

7.6.4 On the termination of the agreement the amount of the deposit, less any outstanding amount due to the Municipality, will be refunded to the customer.

7.7 Contractors who tender to the Municipality

7.7.3 The Supply Chain and Procurement Management Policy and Tender Conditions of the Municipality will include the following:-

(a) When inviting tenders for the provision of services or delivery of goods, potential contractors may submit tenders subject to a condition that consideration and evaluation thereof will necessitate that the tenderer obtain from the Municipality a certificate stating that all relevant municipal accounts owing by the tenderer and/or its directors, owners or partners have been paid or that suitable arrangements (which include the right to set off in the event of non-compliance) have been made for payment of any arrears.

(b) No tender will be allocated to a person/contractor until a suitable arrangement for the repayment of arrears has been made. No further debt may accrue during contract period.

(c) Tender Conditions will include a condition allowing the Municipality to deduct any moneys owing to the Municipality from contract payments.

(d) A tenderer will be required to declare all the municipal account numbers for which it is responsible and/or partially responsible.

7.8 Pre-payment metering system

7.8.3 The Municipality will use its pre-payment metering system to:-

(a) link the provision of electricity by the Municipality to a "pre-payment" system comprising, pre-payment of electricity units; and

(b) a payment in respect of arrears comprising all accrued municipal taxes and other levies, tariffs and charges in respect of services such as water, refuse removal, sanitation and sewage.

(c) To load an auxiliary on the "pre-payment" system in order to allocate a portion of the rendered amount to the customers arrear account for other services.

(d) To enforce satisfactory arrangements with customers in arrears by blocking access to pre-payment electricity purchases.

(e) Amounts tendered for the purchase of pre-payment electricity will not be refunded after the pre-payment meter voucher has been issued or in case of purchasing against an incorrect meter number.

8. DEBT COLLECTION

8.1 Objective

8.1.1 To provide procedures and mechanisms to collect all the monies due and payable to the Municipality arising out of the supply of services and annual levies, in order to ensure financial sustainability and delivery of municipal services in the interest of the community.

8.2 Personal contact

8.2.1 Personal and Telephonic contact / Agents calling on customers:-

(a) Council, or its agent, may make personal contact with arrear debtors to encourage their payment via electronic, SMS, telephonic or any other officially recognised communication method.

(b) Such contact is not a right for debtors to enjoy and disconnection of services and other collection proceedings will continue in the absence of such contact for whatever reason.

(c) Services as contemplated in 8.2.1(a) will be rendered at a charge as determined during the annual budget process.

8.3 Interruption of service

8.3.1 Customers who are in arrears with their municipal accounts and who have not made arrangements with the Municipality will have their supply of electricity, water and other municipal services, suspended, restricted or disconnected.

8.3.2 Customers who have submitted mobile phone numbers can be notified via SMS at the applicable tariff, if their accounts are not settled on or before the due date.

8.3.3 The disconnection or restriction of services, as mentioned in section 7.4.2, may be enforced should the account remain in arrears after the expiring of the 14 (fourteen) days' notice of restriction of services.

8.3.4 Council reserves the right to deny or restrict the sale of electricity or water to customers who are in arrears with their rates or other municipal charges, or who do not honour their arrangements.

8.3.5 Upon the liquidation of arrears, including the additional levies in terms of clauses 8.3.6 and 8.3.7, or the conclusion of acceptable arrangements for term payments, the services will be reconnected as soon as conveniently possible.

8.3.6 The cost of notice of restriction or disconnection and the reconnection, will be determined by tariffs approved by Council, and will be payable by the customer.

8.3.7 The deposit of any defaulter will be adjusted, and brought into line with relevant policies of Council (refer to Annexure "B").

8.4 **Legal process (Annexure "A") -** (Use of attorneys/Use of credit bureaus)

8.4.1 The Municipality may, when a debtor is in arrears, commence legal process against that debtor, which process could involve final demands, summonses, court trials, judgements, garnishee orders and, as last resort, sales in execution of property.

8.4.2 The Municipality will exercise strict control over this process to ensure accuracy and legality within it and will require regular reports on progress from staff responsible for the process or outside parties, be they attorneys or any other collection agents appointed by Council.

8.4.3 The Municipality will establish procedures and codes of conduct with such outside parties.

8.4.4 In the case of employed debtors, garnishee orders, are preferred to sales in execution, but both are part of the Municipality's system of debt collection procedures.

8.4.5 All steps in the credit control procedure will be recorded for the Municipality's records and for the information of the debtor.

8.4.6 All administration costs of this process will be for the account of the debtor.

8.4.7 Individual debtor accounts are protected and are not the subject of public information. However, the Municipality may release debtor information to credit bureaus and the property owner in respect of his/her lessee(s). This release will be in writing or by electronic means and will be covered in the agreement with customers.

8.4.8 The Municipality may consider the cost effectiveness of the legal process, and will receive reports on relevant matters and report to the Executive Mayor.

8.4.9 Upon recommendation from the Municipal Manager, Council may consider the use of agents and innovative debt collection methods and products. Cost effectiveness, the willingness of agents to work under appropriate codes of conduct and the success of such agents and products will be part of the agreement Council might conclude with such agents or service providers.

8.4.10 Customers will be informed of the powers and duties of such agents and their responsibilities, including their responsibility to observe agreed codes of conduct.

8.4.11 Any agreement concluded with an agent or product vendor shall include a clause whereby breaches of the code of conduct by the agent or vendor will constitute termination of the contract.

8.4.12 If, after the due date an amount due for rates is unpaid by the owner of the property, the Municipality may recover the amount, in whole or in part, from the tenant or occupier of the property, after it has served written notice on the tenant or occupier. The Municipality may recover the outstanding amount despite any contractual obligation to the contrary on the tenant or occupier.

8.4.13 If, after the due date an amount due for rates is unpaid by the owner of the property, the Municipality may recover the amount, in whole or in part, from the agent of the owner, if this is more convenient for the Municipality, after it has served written notice on the agent. The agent must on request from the Municipality, provide a statement reflecting all payments made to the agent for the owner during a period determined by the Municipality.

8.4.14 At any stage while the debt is outstanding, all reasonable steps shall be taken to ensure that the ultimate sanction of a sale-in execution is avoided or taken as a last resort. Overstrand Municipality, however, has total commitment to a sale-in execution should the debtor fail to make use of the alternatives provided for by the Municipality from time to time. This is also applicable to all debt and includes all debt which is a charge against a property as referred to in this policy.

As part of the recovery process the Chief Financial Officer may determine a reserve price to be recovered in terms of arrears, equal to the municipal property value or outstanding debt, whichever is the lowest. In the instance that sales statistics / prices of properties sold in the past 12 months, in the immediate area of the particular property prove that there is no market demand for similar properties, that the reserve price, to be recovered in terms of arrears as mentioned, may be lowered with up to 50%. The remaining outstanding debt in excess of the net proceeds of the auction will be written off, in terms of the prescriptions of this policy.

8.4.15 Adjustments on the accounts will only be calculated for three years. (Prescription Act, 1969 (Act 68 of 1969).

8.5 Cost of collection

All costs of legal processes including interest, penalties, service discontinuation costs and legal costs associated with customer care or credit control, where ever applicable, are for the account of the debtor and should reflect at least the cost of the particular action.

Collection costs on indigent clients, will be kept to a minimum by re-setting the pre-paid electricity debt collection percentage to [60]90%.

8.6 Clearance Certificate

8.6.1 On the sale of any property in the municipal jurisdiction, Council will cause the delay of the registration of transfer until all rates, service and sundry charges and any estimated amounts for the duration of a certificate in connection with the

property are paid, by withholding a clearance certificate. The municipality will issue such clearance certificate on receipt of an application on the prescribed form from the conveyancer.

8.6.2 All payments will be allocated to the registered seller's municipal accounts and all refunds will be made to such seller.

8.6.3 No interest shall be paid in respect of these payments.

8.6.4 The Municipality will only issue a clearance certificate once a completed prescribed application form from the conveyancer has been received.

8.6.5 Where any residential or non-residential debtor has entered into an arrangement with the Municipality in respect of the arrears on a property, the prescribed certificate as referred to in Section 118 of the Systems Act, will not be issued until such time as the full outstanding amount has been paid.

8.7 Irrecoverable debt

8.7.1 Debt will only be considered as irrecoverable if it complies with the following criteria:-

(a) all reasonable notifications and cost effective legal avenues have been exhausted to recover a specific outstanding amount; or

(b) any amount equal to or less than R1 500.00, or as determined by Council from time to time, will be considered too small, after having followed basic checks, to warrant further endeavours to collect it; or

(c) the cost to recover the debt does not warrant the further action; or

(d) the amount outstanding is the residue after payment of a dividend in the rand from an insolvent estate; or

(i) there is a danger of a contribution; or

(ii) no dividend will accrue to creditors; or

(e) a deceased estate has no liquid assets to cover the outstanding amount following the final distribution of the estate; or

(iv) where the estate has not been reported to the Master and there are no assets of value to attach; or

(f) it has been proven that the debt has prescribed; or

(g) the debtor is untraceable or cannot be identified so as to proceed with further action; or

(i) the debtor has emigrated leaving no assets of value to cost effectively recover Councils' claim; or

(h) it is not possible to prove the debt outstanding; or

(i) a court has ruled that the claim is not recoverable; or

(j) the outstanding amount is due to an irreconcilable administrative error by the Municipality.

(k) 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 of the Overstrand Municipality**.

CUSTOMER CARE AND DEBT COLLECTION – ANNEXURE "A"

10.1. INCENTIVE MEASURES

10.1.1. Incentive measures may be implemented as per Council resolution.

10.1.2. Where a customer is prepared to pay off the capital amount on an outstanding account, older than two (2) years, in one payment**,** the Municipal Manager will approve the write off of all interest charged with regard to afore-mentioned period;

10.1.3. An agreement to pay off the debt not older than (2) years, must be signed at the time of the implementation of the incentive referred to in 10.1.2;

10.1.4. In the instance where a customer is prepared to pay off the total amount of an outstanding account in one payment, then the Municipal Manager will approve the write off of all interest charged to date for the total period.

10.2. DEBT COLLECTION

10.2.1. Should annual accounts remain unsettled after 30 September of the applicable year, notice will be given to the owner/customer that the amount owed must be settled within fourteen (14) days, failure of which it will be handed over for collection, including legal proceedings.

10.2.2. Should monthly accounts remain unsettled after the due date, notice will be given to the owner/customer that the amount owed must be settled within fourteen (14) days, failure of which will lead to restriction/disconnection of services, including legal proceedings.

10.2.3 All debtors regarding houses in rental, selling and self-build schemes, without any capital debt, which are still registered in the name of the Municipality, should be notified in writing that if satisfactory arrangements for transfer of the property into his/her name are not made within one (1) month, the property concerned will be put up for sale by Council at a public auction.

10.2.4 Upon handing over of accounts for collection, details of employers and work addresses of the debtors should be made available to the attorneys as far as possible for the purposes of garnishee orders.

10.2.5 Attorneys should report to the Revenue Department on a monthly basis on the progress made and the cost aspect regarding each debtor.

10.2.6 Attorneys should pay monies collected over to the Municipality monthly.

11. ARRANGEMENTS FOR PAYMENT – ANNEXURE "B"

11.1. DEBT FOR WHICH ARRANGEMENTS CAN BE MADE

Arrangements for the payment of outstanding debt can be made according to the procedures described hereafter.

11.2. CONCLUSION OF AGREEMENT

11.2.1 Regardless of the stipulations of sections 11.3.1. and 11.3.2, if a customer cannot pay his/her account with the Municipality then the Municipality may enter into an extended term of payment, only the Chief Financial Officer may consider and approve any extension on these arrangements on receipt of a written recommendation by the Senior Manager: Revenue.

11.2.2 The customer must:-

(a) sign an acknowledgement of debt;
(b) sign a consent to judgement;
(c) in the case of a company, trust or closed corporation, supply the guarantee as prescribed in clause 6.8.3(c) of the Policy.
(d) submit proof of income on the prescribed form;
(e) pay the current portion of the account in cash;
(f) customer deposits may be adjusted to the higher of the sum of twice the average consumption during the preceding 12 months or the minimum deposit required in terms of the approved Tariff Schedule
(g) acknowledge liability of all costs incurred; and

11.3. ARRANGEMENTS THAT CAN BE ENTERED INTO:

11.3.1. Residential Customers:

(a) 1st default within a 12-month period:
  (i) 10% of the outstanding amount plus cost of the credit control actions together with the current account is payable immediately.
  (ii) The balance is payable over a maximum period of twelve months.
  (iii) First offence in 2 years – no deposit increase will be applicable and if already charged, will be reversed on application.
  (iv) Customer deposits may be adjusted to the higher of the sum of twice the average consumption during the preceding 12 months or the minimum deposit required in terms of the approved Tariff Schedule.

(b) 2nd default within a 12-month period:
  (i) An amount of at least the monetary value of the most recent 3 months accounts must be settled before a recommendation by the Manager: Revenue can be made for further arrangements to be considered by the Senior Manager: Revenue, based on current circumstances of the customer.

(c) 3rd default within a 12-month period:
  (i) Metered services will be discontinued or restricted and the account will be handed over for legal proceedings.

(d) An amount of at least 20% of the arrears, plus the current account [the monetary value of the most recent 3 months accounts must] be settled before a recommendation by the Snr Manager: Revenue can be made for further consideration of arrangements in excess of the [three] two occasions mentioned above, to be considered by the Chief Financial Offer, based on current circumstances of the customer.

11.3.2. Non-residential Customers:

(a) 1st default within a 12-month period:-

(i) 50% of the outstanding amount plus cost of the credit control actions.
(ii) The balance is payable over a maximum period of three months.
(iii) First offence in 2 years – no deposit increase will be applicable and if already charged, will be reversed on application.
(iv) Customer deposits will be adjusted to the higher of the sum of three times average consumption during the preceding 12 months or the minimum deposit required in terms of the approved Tariff Schedule.

(a) 2nd default within a 12-month period:-
(i) Full outstanding amount plus cost of credit control actions.
(ii) No arrangements will be allowed.
(iii) Customer deposits will be adjusted to the higher of the sum of four times average consumption during the preceding 12 months or the minimum deposit required in terms of the approved Tariff Schedule.

11.3.3. Government Departments – Customer Accounts:

(a) 1st default within a 12-month period:-
(i) 3 weeks' notice – no arrangements
(ii) First offence in 2 years – no deposit increase will be applicable and if already charged, will be reversed on application.
(iii) Customer deposits will be adjusted to the sum of three time's average consumption during the preceding 12 months.

(b) 2nd default within a 12-month period:-
(i) 2 weeks' notice – no arrangements.
(ii) Customer deposits will be adjusted to the sum of four time's average consumption during the preceding 12 months.

11.3.4. Government Departments – Rates & Taxes:

(a) 1st default within a 12-month period:-
(i) Final demand and legal action in terms of "The Institution of Legal Action against Certain Organs of State Act, 2002 (Act No 40 of 2002)".

11.3.5. Administration:

Where a person has been placed under administration the following procedures will be followed:-

(a) The debt as at the date of the administration court order will be placed on hold, and collected in terms of the court order by the administrator's dividend.
(b) The administrator is to open a new account on behalf of the debtor. No account is to be opened or operated in the debtor's name as the debtor is not entitled to accumulate debt.
(c) Until such time as this new account is opened, the debtor is to be placed on limited services levels. The customer will be compelled to install a pre-paid electricity meter and flow limiter water meter, should one not already be in place. The Municipality will be entitled to recover the cost of the basic services by means of purchases made on the pre-paid meter.
(d) Should there be any default on the current account, the supply of services is to be limited or terminated, and the administrator handed over for the collection of this debt.

11.3.6. Indigent:

All customers (including any other occupants), qualifying as indigent and who accumulated any arrear debt after any relief has been granted, will repay that debt as follows:-
By instalments over 24 months, in addition to monthly service charges, with immediate payment of the cost of the credit control action taken.

There are no limitations on debtors at any time to pay amounts in excess of arrangements towards outstanding debt, than prescribed above.

12. IMPLEMENTATION AND REVIEW PROCESS

This policy will come into effect on **1 July 2023** and will be reviewed at least annually or when required by way of a Council resolution.

POLICY SECTION:	**SENIOR MANAGER: REVENUE**
CURRENT UPDATE:	31 MAY 2023
PREVIOUS REVIEW:	29 JUNE 2022
PREVIOUS REVIEW:	31 MAY 2022
PREVIOUS REVIEW:	24 AUG 2021
PREVIOUS REVIEW:	26 MAY 2021
PREVIOUS REVIEW:	30 SEPT 2020
PREVIOUS REVIEW:	27 MAY 2020
PREVIOUS REVIEW:	29 MAY 2019
PREVIOUS REVIEW:	30 MAY 2018
PREVIOUS REVIEW:	31 MAY 2017
PREVIOUS REVIEW	25 MAY 2016
PREVIOUS REVIEW	28 MAY 2015
PREVIOUS REVIEW	28 MAY 2014
PREVIOUS REVIEW	25 SEPT 2013
PREVIOUS REVIEW	29 MAY 2013
PREVIOUS REVIEW	30 MAY 2012
PREVIOUS REVIEW	04 MAY 2011
PREVIOUS REVIEW	26 MAY 2010
PREVIOUS REVIEW	27 MAY 2009
PREVIOUS REVIEW:	30 MAY 2007
APPROVAL BY COUNCIL:	30 JUN 2006

OVERSTRAND MUNICIPALITY

INDIGENT POLICY

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:-

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1. DEFINITIONS

For the purpose of this policy, unless the context indicates otherwise, any word or expression to which a meaning has been attached in the Act shall bear the same meaning and means:-

"authorised representative"	The person or instance legally appointed by the Council to act or to fulfil a duty on its behalf.
"basic service"	the amount or level of any municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety of the environment and for the purposes of this Policy are restricted to the delivery of electricity, refuse, sewerage and water services.
"Chief Financial Officer"	An officer of the Municipality appointed as the Head of the Finance Department and includes any person:- a. acting in such position; and b. to whom the Chief Financial Officer has delegated a power, function or duty in respect of such a delegated power, function or duty.
"Council"* or *"municipal council"	A municipal council referred to in section 18 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) and for purposes of this policy, the municipal council of the Municipality of Overstrand.
"customer"	Any occupier of any property to which the Municipality has agreed to supply services or already supplies services to, or if there is no occupier, then the owner of the property (including registered indigent household).
"defaulter"	A person who owes money to in respect of a municipal account after the due date for payment has expired.
"Household"	Any customer who are jointly living on a stand or site on a permanent basis and who receive electricity and/or water from one meter, regardless whether the person rents or owns the property.
"Income"	Income is the gross sum of all monthly income from all sources, including wages, salaries, profits, dividends, pensions, rentals, board & lodging, interest received, grants or investment income and other forms of earnings received by every person residing on the property. Child Support Government grants will not be added as a financial contribution towards the household income.
"Indigent"	A household which qualifies in terms of clause 5 **[5A. and a household which qualified in terms of 5B as at 30 June 2021.]**
["Indigent-Poor"]	***[A household which qualified in terms of clause 5C as at 30 June 2021.]***
"interest"	A levy with the same legal priority as service fees and calculated on all amounts in arrears in respect of assessment rates and service levies at a standard rate as approved by Council.
"municipal account"* or *"billing"	the proper and formal notification by means of a statement of account, to persons liable for monies levied and indicating the net accumulated balance of the account, specifying charges levied by the Municipality, or any authorised and contracted service provider, in the format of, but not limited to:- (a) show the levies for assessment rates and/or building clause; and *"monthly account"* rendered monthly and shows the levies for assessment rates and/or building clause, availability charge, sewerage, refuse removal, electricity, water, sundries, housing rentals and instalments, allas well as the monthly instalment for annual services paid monthly
"Municipality"	The institution that is responsible for the collection of funds and the provision of services to the customers of Overstrand.

"the Act"	The Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) as amended from time to time.

2. OBJECTIVES OF POLICY

The objectives of this Policy are to:-

1. provide a framework within which the Municipality can exercise its executive and legislative authority with regard to the implementation of financial aid to indigent [**and indigent-poor**] households in respect of their municipal account;
2. determine the criteria for qualification of indigent **[and indigent-poor]** households;
3. ensure that the criteria is applied correctly and fairly to all applicants;
4. allow the Municipality to conduct in loco visits to the premises of applicants to verify the actual status of the household;
5. allow the Municipality to maintain and publish the register of names and addresses of account holders receiving subsidies.

3. SUBSIDY FOR INDIGENT [AND INDIGENT-POOR] HOUSEHOLDS

a. A basic level of services will be provided to qualifying households with:
   (i) a total gross income which is below a determined amount, and
   (ii) according to further specified criteria, as determined by the Municipality from time to time;
b. Indigence subsidies will be funded from the equitable share contribution made by National Treasury and as provided for in the municipal budget. The subsidy can only be credited to the qualifying customers' accounts until the amount received by the Municipality from National Treasury and provided for in the municipal budget for this purpose, has been exhausted, whereupon no further credits will be made until further national funds for this purpose are received or additional funds has been provided for in the municipal budget.
c. Subsidised services are refuse removal, sewerage and consumption service charges.
d. Customers who qualify for an indigent **[or indigent-poor]** subsidy must convert to pre-payment electricity meter, except for areas where electricity is not supplied by Overstrand Municipality, and a flow limiter water meter may be installed, free of charge for these customers.
e. If a customer's consumption or use of the municipal service is less than the subsidised amount of the service, the subsidy will be limited to the lesser amount. The unused portion, if any, may not be accrued by the customer and will not entitle the customer to cash or a rebate in respect of the unused portion.
f. If a customer's consumption or use of a municipal service is in excess of the subsidised service, the customer will be obliged to pay for such excess consumption at the applicable rates.
g. All customers who qualify for an indigent subsidy will be considered placed on restricted service levels in order to limit further escalation of debt.
h. Where applicable, indigent customers may be exonerated from a portion of their arrear debt.
i. An indigent customer must immediately request de-registration by the Municipality or its authorised agent if his/her circumstances have changed to the extent that he/she no longer meet the criteria.
j. An indigent customer may, at any time, request de-registration.
k. A list of indigent customers will be maintained and may be made available to the general public, subject to the Promotion of Access to Information Act ("PAIA") and/Protection of Personal Information Act ("POPI Act").
l. The applicant may not be the registered owner of more than one property.
m. Councillors and municipal officials do not qualify for any benefit in terms of this Policy.

4. PRINCIPLES OF POLICY

a. The administrative integrity of the Municipality must be maintained at all costs. The democratically elected councillors are responsible for the approval of this policy, while it is the responsibility of the Municipal Manager to ensure the execution of this policy;
b. Applicants must complete an official application form, which is to be submitted together with the supporting documents as specified in this policy**.**
c. Application forms, agreements and documents relating to this Policy must be available in Afrikaans, English and isiXhosa.
d. The customer is entitled to an efficient, effective and reasonable response to appeals, and should suffer no disadvantage during the processing of a reasonable appeal.
e. Compliant applications received before the 15th of a particular month will be considered for subsidy for that account levied for the month.

5. *[CATEGORIES AND]*CRITERIA OF SUBSIDY

[A category of] The subsidy for needy households is recognised for purposes of receiving an indigent subsidy.

[The criteria for Category A,]**This subsidy is appliable [from 1 July 2021] for all implementations of payment of an Indigent Subsidy, only on receipt, evaluation and approval of application for indigent subsidy, that was submitted on the prescribed application form and accompanied by the required documentation in accordance with clause 6** :-

[A Indigent household with income less than four times the Government Old Age Pension and electricity units purchase less than 500 kWh]

(i) The total household income may not be more than four times the Government State Old Age pension amount plus R1 per month;
The following grants should not be added to the qualifying income threshold:
(a) additional grant for older persons;
(b) disability grant;
(c) war veterans grant;
(d) care dependency grant;
(e) foster child grant;
(f) child support grant;
(g) grant-in-aid;
(h) social relief of distress

(ii) Average monthly units purchase of electricity over the previous 6 months may not exceed 500 kWh;
(iii) Average monthly consumption of water over the previous 6 months may not exceed 20 kℓ;
Or: A flow limiter meter will be installed immediately on application for a flow limiter meter and flow will be limited to a maximum of 20 kl per month;
(iv) Occupy the property as his/her primary residence;
(v) Must be a South African citizen; and
(vi) The recipient of an indigent benefit in terms of this policy must not be the registered owner of more than one property.
(vii) The property [may] must only be used for residential purposes.
(*viii*) ***[Categories B and C Indigents as at 1 July 2022 in this policy, must re-apply formally by submitting an application for Category A on the prescribed application form and accompanied by the required documentation in accordance with clause 6, in order to phase out Indigent Categories B and C, which will be discontinued as from 1 July 2022.]***

If any of the above criteria is not complied with, the household will immediately be given notice and will loose the status of "indigent" and the subsidy will be forfeited.

Subsidy

(i) 100% of the basic levy for electricity for one service point per month;
(ii) 100% of the basic levy for water for one service point per month;
(iii) 100% of the basic levy for sewage for one service point per month;
(iv) 100% of 1 X vacuum tanker service after hours, per annum;
(v) 100% of the basic levy for refuse removal for one service point per month;
(vi) The first 50 kWh in the tariff block 0-350 of electricity per month shall be free of charge;
(vii) 10 kℓ of water;
(viii) 7 kℓ of water consumption for sewerage; and
(ix) R11.84 in regard of Infrastructure Levy.

[B. Indigent household with a property value up to R220 000.00 and electricity units purchase less than 500kWh (no income restriction), with category B subsidy only applicable to existing category B recipients as at 30 June 2021, of a benefit in terms of this policy:-

(i) All properties with a municipal valuation of R220 000.00 or less, used for residential purposes, are classified as Indigent;
(ii) Average monthly units purchase of electricity over the previous 6 months may not exceed 500kWh;
(iii) Average monthly consumption of water over the previous 6 months may not exceed 20kl;
(iv) The recipient of an indigent benefit in terms of this policy must not be the registered owner of more than one property.
(v) A property may only be used for residential purposes.
(vi) Must be a South African citizen
(vii) Occupy the property as his/her primary residence

In order to facilitate phasing out of Category B and to encourage applicants to apply for Category A, subsidies will be allocated as follows from 01 July 2022:

Category B Subsidy benefit from 01 July 2022 to 31 October 2022:

(i) R291.60 of the basic levy for electricity for one service point per month;
(ii) R129.14 of the basic levy for water for one service point per month;
(iii) R115.09 of the basic levy for sewage for one service point per month;
(iv) 100% of 1 X vacuum tanker service after hours, per annum;
(v) R185.49 of the basic levy for refuse removal for one service point per month;
(vi) 10 kℓ of water;
(vii) 7 kℓ of water consumption for sewerage; and
(viii) R11.84 in regard of Infrastructure Levy.

Category B Subsidy benefit from 01 November 2022 to 28 February 2023:

(i) R194.40 of the basic levy for electricity for one service point per month;
(ii) R 86.09 of the basic levy for water for one service point per month;
(iii) R 76.73 of the basic levy for sewage for one service point per month;
(iv) 100% of 1 X vacuum tanker service after hours, per annum;
(v) R123.66 of the basic levy for refuse removal for one service point per month;
(vi) 6.67 kℓ of water;
(vii) 4.67 kℓ of water consumption for sewerage; and
(viii) R 7.89 in regard of Infrastructure Levy.

Category B Subsidy benefit 01 March 2023 to 30 June 2023:

(i) R 97.20 of the basic levy for electricity for one service point per month;

(ii) R 43.05 of the basic levy for water for one service point per month;
(iii) R 38.36 of the basic levy for sewage for one service point per month;
(iv) 100% of 1 X vacuum tanker service after hours, per annum;
(v) R 61.83 of the basic levy for refuse removal for one service point per month;
(vi) 3.33 kℓ of water;
(vii) 2.33 kℓ of water consumption for sewerage; and
(viii) R 3.95 in regard of Infrastructure Levy.

NOTE: Subsidy for Category B benefit will be discontinued from 01 July 2023.

C. Indigent households with a property value up to R220 000.00 and electricity units purchase less than 500 kWh (no income restriction).
Only applicable for existing category C recipients as at 30 June 2021, of a benefit in terms of this policy:

(i) The property value must be less than R220 000.00;
(iii) The average monthly units_purchase of electricity by the household over the previous 6 months may not exceed 500kWh;
(iv) The average monthly consumption of water by the household over the previous 6 months may not exceed 20kℓ;
(v) Occupy the property as his/her primary residence;
(vi) Must be a South African citizen; and
(vii) The recipient of an indigent benefit in terms of this policy must not be the registered owner of more than one property.
(viii) The property may only be used for residential purposes.

In order to facilitate phasing out of Category C, and to encourage applicants to apply for Category A, subsidies will be allocated as follows from 01 July 2022:

Category C Subsidy benefit from 01 July 2022 to 31 October 2022:

(i) R115.09 of the basic levy for sewage per month for one service point;
(ii) R185.49 of the basic levy for refuse removal per month for one service point.

Category C Subsidy benefit from 01 November 2022 – 28 February 2023:

(i) R 76.73 of the basic levy for sewage per month for one service point;
(ii) R123.66 of the basic levy for refuse removal per month for one service point

Category C Subsidy benefit from 01 March 2023 – 30 June 2023

(i) R 38.36 of the basic levy for sewage per month for one service point;
(ii) R 61.83 of the basic levy for refuse removal per month for one service point

NOTE: Subsidy for Category C benefit will be discontinued from 01 July 2023.]

6. APPLICATION FOR A SUBSIDY

A. Applications for indigent subsidy must be submitted on the prescribed application form and must be accompanied by the following documentation:-

(i) the latest municipal account of the account holder;
(ii) proof of the applicant's identity and an affidavit confirming responsibility for the account in the instance where the applicant is not the account holder, but reside on the property; and a letter from account holder;

(iii) In the instance of a deceased estate, indigent applications will be considered in accordance with requirements for Deceased Estates as stipulated in the Overstrand Customer Care, Credit Control and Debt Collection Policy, inclusive of submission of the executors letter, or letter of authority from the Master/Court and a letter from the relatives of the deceased confirming responsibility for the account and In the instance of a child headed household, also a report from a social worker,

(iv) proof of the total gross household income, e.g. a letter from his/her employer, salary slip/envelope, pension card, unemployment insurance fund (UIF) card.; and

(v) proof of medical condition when requiring additional water and electricity.

B. Incomplete forms or forms without the required documentation attached thereto will be rejected.

7. SWORN STATEMENT

The applicant must complete the sworn statement that forms part of the application form. Failure to do so will render the application invalid.

8. CONVERSION OF CONVENTIONAL ELECTRICITY METER[S]

The applicant must agree to the conversion to pre-payment electricity meter and flow limiter water meter. Refer clause 3(d) of Policy.

9. PUBLICATION OF NAMES

The applicant must grant permission for the Municipality to publish his/her name and address on a list of account holders receiving subsidies in terms of this Policy. Refer clause 3(k) of Policy.

10. FALSE OR MISLEADING INFORMATION

A person who provides false information will be disqualified and be refused further participation in the subsidy scheme. In addition he/she may be held liable for the immediate repayment of any subsidies already granted and legal action may be instituted against the guilty party/parties. A person who provides misleading information may only apply again for Indigent Subsidy after a period of [6]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

12.1 The Municipality reserves the right to send officials and/or representatives of the Municipality to the household or site of the recipient(s) of a subsidy at any reasonable time with the aim of carrying out an ongoing audit on the accuracy of the information provided.

[

12.2 The municipality implemented an amnesty period, for a six (6)-month period from 1 July 2021 to 31 December 2021, to customers who received, or who are receiving an indigent subsidy, on reporting of transgressions of the stipulations of this policy, to

avoid the retrospective repayment of any indigent subsidy received during the period of the transgression with regard to the following:

12.2.1 Requirement for a customer to occupy the property as his/her primary residence:

This amnesty offered customers, who have not, or who are not occupying the property as his/her primary residence, to make use of the window period (1 July 2021 to 31 December 2021) to report any transgressions in this regard in writing to the municipality, to avoid the retrospective repayment of any indigent subsidy received during the period of the transgression;

12.2.2 The recipient of an indigent benefit in terms of this policy must not be the registered owner of more than one property:

This amnesty offered customers, who were, or who are, the registered owner of more than one property, to make use of the window period (1 July 2021 to 31 December 2021), to report any transgressions in this regard in writing to the municipality, to avoid the retrospective repayment of any indigent subsidy received during the period of the transgression.

12.3 The municipality also implemented the retrospective exemption, which was available up to 31 December 2021, of the recovery of any indigent subsidy payment to a customer prior to 30 June 2021, who received an indigent subsidy in conflict of the following requirements in terms of this policy –

12.3.1 occupation of the property by the recipient of an indigent benefit, as primary residence;

12.3.2 the recipient of an indigent benefit in terms of this policy must not be the registered owner of more than one property.]

13. DURATION OF SUBSIDY

a. If an application is approved, the subsidy will be applicable up until the equitable share contribution made from the National Governments' fiscus and as provided for in the municipal budget is depleted.

b. All beneficiaries must apply annually within a financial year, to receive the subsidy.

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***[A, B, C]***, is not complied with any more, the onus is on the recipient of the subsidy to notify the Municipality within 7 days after such criteria is no longer complied with. If a recipient cannot write, a designated official must be informed in person.

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 a may institute appropriate legal action civil or otherwise, against guilty party(ies).

g. ***[If a category B, C subsidy is cancelled due to excessive water consumption and/or electricity units purchase, in terms of the conditions of this policy, the consumer must apply in terms of category A to be considered for indigent status.]***

14. ACCOUNTS IN ARREAR

Applicants, whose municipal accounts show arrear amounts at the time of the application for a subsidy, will have to make arrangements with the Municipality for paying off the amounts in arrears.

15. REGISTER

a. The Municipality will compile a register of households that qualify as "indigent".
b. The register will be updated continually and reconciled with the relevant subsidy account in the general ledger on a monthly basis.

16. ENCOURAGEMENT

Councillors should encourage tax payers/customers in their various wards to apply for participation in the indigent subsidy scheme.

17. REVIEW AND IMPLEMENTATION PROCESS

I3 / 010

This policy will come into effect on **1 July 2023;**

This policy will be reviewed at least annually or when required by way of a Council resolution.

POLICY SECTION:	**SENIOR MANAGER: REVENUE**
CURRENT UPDATE:	31 MAY 2023
PREVIOUS REVIEW:	31 MAY 2022
PREVIOUS REVIEW:	26 MAY 2021
PREVIOUS REVIEW	25 NOV 2020
PREVIOUS REVIEW	27 MAY 2020
PREVIOUS REVIEW	29 MAY 2019
PREVIOUS REVIEW	30 MAY 2018
PREVIOUS REVIEW	26 JUN 2017
PREVIOUS REVIEW	31 MAY 2017
PREVIOUS REVIEW	31 AUG 2016
PREVIOUS REVIEW	28 MAY 2015
PREVIOUS REVIEW	28 MAY 2014
PREVIOUS REVIEW	29 MAY 2013
PREVIOUS REVIEW:	30 MAY 2012
PREVIOUS REVIEW:	04 MAY 2011
PREVIOUS REVIEW:	26 MAY 2010
PREVIOUS REVIEW	27 MAY 2009
PREVIOUS REVIEW	31 MAY 2006
APPROVAL BY COUNCIL:	30 JUNE 2004

OVERSTRAND MUNICIPALITY

SPECIAL RATING AREA POLICY

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1. DEFINITIONS

In this Policy words or expressions shall bear the meaning assigned to them and, unless the context otherwise indicates –

"additional rate"	means a rate as contemplated in sections 19(1)(d) and 22(1)(b) of the MPRA read together with section 10 of the Municipality's Property Rates Policy and section 12(2) of the Municipality's Special Ratings Area By-law, which Additional Rate shall be determined on an annual basis by the Municipality and shall be a debt due to the Municipality by the registered owner of a property within the SRA, and collected in the same manner as other property rates imposed by the Municipality;
"applicant"	means any owner who makes an application for the determination of a special rating area in accordance with Chapter 1 of the By-law, or if a management body is established in terms of section 10 thereof, any reference to ***"the Applicant"*** means the management body;
"business plan"	means a motivation report, implementation plan and term budget as contemplated in section 10 of the By- law;
"By-law"	means the Overstrand Municipality: Special Rating Area By – law;
"CFO"	means the Chief Financial Officer;
"Companies Act"	means the Companies Act, 2008 (Act No. 71 of 2008), as amended or replaced;
"Council"	means the Council of the Overstrand Municipality
"IDP"	means Integrated Development Plan
"majority"	means the majority of property owners as contemplated in paragraphs 6.5 and 6.6 of the Policy;
"management body"	means the management body of a special rating area to be established in accordance with the provisions of section 11 of the By-law; ***"owner"*** has the meaning assigned to it in section 1 of the Property Rates Act;
"non-profit company"	defined as a non-profit company with members as defined in section 1 of the Companies Act No 71 of 2008
"Policy"	means the Policy for the determination of special rating areas, or any other policy adopted by the Council in relation to special rating areas, as in force from time to time;
"Property Rates Act"	means the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004);
"rateable property"	has the meaning assigned to it in section 1 of the Property Rates Act;
"special rating area" ***or "SRA"***	means a special rating area approved by the Council in accordance with the provisions of section 22 of the Property Rates Act;
"steering committee"	means the steering committee of a special rating area to be established in accordance with the provisions of paragraph 9.1.1 of the Policy;

"term budget"	means the budget of the management body contemplated in section 6 of the By-law.

2 **INTRODUCTION**

2.1 This Policy for the establishment of special rating areas must be read together with the Property Rates Act and the By-Law.

2.2 All words and phrases defined in the Property Rates Act and the By-law have the same meaning in this Policy.

2.3 In the event of any conflict between the provisions of the By-law and the provisions of this Policy, the By-law prevails.

2.4 The Policy should at all times be read together with the Rates Policy of Overstrand Municipality.

3 **AIM OF THE POLICY**

This Policy aims to –

3.1 set out Council's position on special rating areas and the factors that will influence Council's decision whether or not to determine a particular special rating area;

3.2 provide guidance to members of the local community and to decision- makers within the Overstrand Municipality in relation to the establishment of special rating areas;

3.3 strike an appropriate balance between facilitating self-funded community initiatives that aim to improve and/or upgrade neighborhoods by making use of a non-profit company ("**NPC**") structure as contemplated in the Companies Act, which is referred to in the By-law as "the management body"; and ensure commitment to good, fair and transparent governance by the management body as defined in the By-law, by implementing a transparent process when appointing service providers to improve and/or upgrade the special rating area in the public areas and ensuring that these improved and/or upgraded services are not provided for private properties.

4 **EXCLUSION**

This Policy does not apply to privately-owned property developments.

5 **POLICY STATEMENT**

5.1 The special rating area model is based on international best practice. It is aimed at preventing the degeneration of towns and the consequential urban decay, and facilitating their upliftment, economic growth and sustainable development.

5.2 The purposes of a special rating area is to –

5.2.1 enhance and supplement the **municipal services** provided by the Overstrand Municipality;

5.2.2 facilitate investment in the special rating area;

5.2.3 facilitate a co-operative approach between the Municipality and the private sector in the provision of municipal services;

5.2.4 halt the degeneration and facilitate the upliftment of distressed business and mixed-use areas; and

5.2.5 promote economic growth and sustainable development and in this way assist the Council in the fulfilment of its objects and developmental duties as set out in its Integrated Development Plan ("**IDP**").

5.3 The Overstrand Municipality recognises special rating areas as a potential tool for assisting it to fulfill its constitutional and statutory obligations to allow property owners within a geographical area to improve and upgrade their area by means of a property rate in addition to the standard property rate.

5.4 The Overstrand Municipality does not see its role as advocating or initiating the establishment of special rating areas, but rather facilitating the process with guidance and advice and assisting and helping to capacitate management bodies

6 FACTORS CONSIDERED WHEN DETERMINING A SPECIAL RATING AREA

The Council will consider determining a special rating area where the requirements of section 22 of the Property Rates Act are complied with, including that-

6.1 the purpose of the special rating area is to allow an additional rate to be levied on property in the defined area to raise funds for improving or upgrading the area;

6.2 the special rating area will not be used to reinforce existing inequities in the development of the Overstrand's area of jurisdiction;

6.3 the determination of the special rating area is consistent with the IDP;

6.4 residential special rating areas mean an area in which more than 40% (forty percent) of the rates base value consists of Residential Property as defined in the Municipalities Rates Policy;

6.5 any residential special rating area must comply fully with the provisions of the By-law, save that, with reference to the majority support, the applicant must provide written proof to the Council that owners of rateable property within the boundary of the special rating area who own not fewer than 50% (fifty percent) plus 1 in number of such properties, approve the formation of the special rating area;

6.6 any non-residential special rating area must comply fully with the provisions of the By-law, save that, with reference to the majority support, the applicant must provide written proof to the Council that owners of rateable property within the boundary of the special rating area who own not fewer than 50% (fifty percent) plus 1 in number of such properties, approve the formation of the special rating area;

6.7 the procedural requirements of section 22 of the Property Rates Act as well as the By-law and the Policy, are complied with, including the community consultation requirement, as determined by the CFO;

6.8 the proposed improvement or upgrade has been clearly and fully defined;

6.9 the proposed improvement or upgrade can be clearly and logically linked to a geographical area, the boundaries of which can be clearly determined;

6.10 there is evidence that it will be financially viable to use a special rating area to raise funds for the proposed improvement or upgrade;

6.11 Overstrand is satisfied with the institutional arrangements proposed in respect of the special rating area; and

6.12 ultimately, the decision whether or not to determine a special rating area rests with the Council in its sole discretion.

7 APPLICABILITY OF THE OVERSTRAND MUNICIPALITIES RATES POLICY AND OTHER POLICIES

7.1 The Overstrand Municipality's rates policy applies with the necessary changes to this Policy. In particular, and without limiting the generality of the afore-going, Section 17 of the Property Rates Act, the exemptions, rebates and reductions set out in the Rates Policy apply with the necessary changes in relation to the levying of an additional rate for special rating area purposes.

7.2 Notwithstanding the provisions of paragraph 7.1 above, when the Municipality grants a partial rebate as set out in the Rates Policy, the relevant property owner will be granted a full (100%) rebate in relation to the additional rate.

7.3 Other policies approved by the Council apply with the necessary changes to the collection of additional rates in terms of the Policy, the By-Law and section 22 of the Property Rates Act, including, but not limited to, the Overstrand Municipality Credit Control and Debt Collection Policy.

8 PROCESS

This Policy sets out –

8.1 the institutional arrangements for special rating areas (paragraph 9);

8.2 the establishment principles (paragraph 10);

8.3 the information to be included in the business plan which needs to be submitted to the Overstrand Municipality in order to motivate a request for determination of a special rating area (paragraph 11); and

8.4 the annual requirements for Special Rating Areas (paragraph 12);

8.5 the amendment and/or extension of term for special rating area (paragraph 13 and 14);

8.6 the dissolution requirements which must be followed (paragraph 15);

8.7 the financial arrangements (paragraph 16).

9 INSTITUTIONAL ARRANGEMENTS

Section 22 of the Property Rates Act is not prescriptive as to the structural arrangements which need to be put in place to administer a special rating area. The structural arrangements that will be supported by the Overstrand Municipality are the following:

9.1 Administration by a NPC

9.1.1 The ratepayers within the special rating area must establish and participate in an appropriate structure to carry out planning, contracting, financial control and administrative functions within the special rating area, in order to manage and implement the services and upgrades.

9.1.2 This structural arrangement does not entail ratepayers *setting* the additional rate, which under law can only be done by the Council.

9.1.3 Councilors who are actively involved in pursuing and promoting the establishment of a special rating area must recuse themselves when Council considers the application for establishment of a special rating area.

9.1.4 Amongst other reasons, because funds collected by government are placed in the hands of the private sector through this structural arrangement, the requirements set out in this Policy must be met.

9.1.5 The functions of the structure would include:

(a) determining the funding required each year (paragraph 16.2);

(b) appointing contractors to effect the improvement/s or upgrade/s and

(c) receiving the additional rate collected by the Overstrand Municipality and expending the funds in accordance with the approved business plan.

9.2 **Structural requirements:**

9.2.1 Before Overstrand Municipality will consider allowing ratepayers in a special rating area to carry out administrative and other functions in relation to the area, the Steering Committee must establish a non-profit company ("**NPC**") in terms of the Companies Act for that purpose.

9.2.2 The inaugural memorandum of incorporation ("**MOI**") of the NPC must be aligned with the prescribed format determined by the CFO; and any amendments thereto must be approved by the CFO;

9.2.3 The NPC must be managed in terms of the Companies Act, and must also comply with any other legislation as a result of the financial connection to Council;

9.2.4 The NPC must have at least 3 (three) directors, each with specific portfolio(s) aligned with the business plan;

9.2.5 The Executive Mayor will appoint councilor(s) as director(s) and alternate director(s) as representative(s) of the Municipality, who shall attend and participate in, but not vote at meetings of the management body, to the board of the management body in accordance with sections 11(4) and 11(5) of the By-law. The director(s) appointed by the Executive Mayor will not have the powers and duties of directors as set out in the Companies Act and the management body's MOI;

9.2.6 The NPC must give a written notice to all the affected property owners within the special rating area of the intention to hold a members meeting within six months of the establishment of the NPC and thereafter an annual general meeting ("**AGM**") (paragraph 12.2) on the date stated in the notice by advertising in one English and one Afrikaans daily newspaper and must also give notice in a community (local) newspaper to accommodate other official languages where applicable; and

9.2.7 The purpose of the meetings referred to in paragraph 9.2.6 will be to, amongst other items on the agenda:

(a) appoint directors, other than the director(s) appointed in terms of paragraph 9.2.5;

(b) amend the NPC's MOI if required and with prior written consent of the CFO; and

(c) approve the following year's budget and implementation plan (paragraph 16.2).

10 ESTABLISHMENT PRINCIPLES OF A SPECIAL RATING AREA

The process for establishing special rating areas as set out in Chapter 1 of the By-law, must be followed.

10.1 Initiation Phase

10.1.1 The applicant must form a steering committee that is representative of property owners within the proposed special rating area.

10.1.2 The Steering Committee must keep a comprehensive portfolio of evidence of the establishment process.

10.1.3 The Steering Committee must meet with the CFO before commencing with the establishment process to ensure that the special rating area is the appropriate vehicle.

10.1.4 All documents relating to the establishment process must be approved by the CFO before circulating them to the public.

10.1.5 After the Steering Committee confirms in writing that it will engage in the pursuit of establishing a special rating area it must supply the Overstrand Municipality with a map depicting the boundaries of the special rating area.

10.1.6 The Overstrand Municipality will extract a property database which the Steering Committee, with the assistance of the Municipality, must verify as correct. Any anomalies must be reported to the Municipality for remedial action.

10.1.7 All properties except municipal properties predominantly used for municipal purposes or properties exempted from paying property rates or receiving partial rates relief (paragraph 7.1) will form part of the property database of the proposed special rating area.

10.1.8 After the Overstrand Municipality has prepared a total arrears profile of the area and is satisfied with the outcome thereof the Steering Committee may proceed with the establishment process.

10.1.9 The Steering Committee will be required to conduct an urban management survey (only one survey per property owner) of not less than 20% of properties in the database (proportional split in terms of the usage code is required). In addition a random sample of people within the area, which is equal in number to not less than 5% of the properties in the database, is also required. Where a reduction in the number of survey forms is required it may be motivated for consideration by the CFO.

10.1.10 The Steering Committee must consult with the respective Overstrand Municipality Directorate(s) regarding the current service(s) provided and the levels thereof as well as the SRA anticipated service(s) and level thereof.

10.1.11 The Steering Committee must compile a business plan in accordance with the provisions of paragraph 11 of this Policy.

10.2 First Public Meeting

10.2.1 The public meeting must be conducted in accordance with section 5 of the By-law.

10.3 Obtaining Support

10.3.1 Support may only be obtained after the public meeting and on the consent form provided by the Overstrand Municipality.

10.3.2 All support forms must be filed and cross-referenced to the property database in terms of paragraph 10.1.6 of the Policy to verify the accuracy thereof.

10.3.3 Any property owner that wants to object to the establishment of a special rating area or to the provisions of the business plan can do so by indicating it on the consent form. The objector will be required to submit an objection letter once an application for the establishment of a special rating area is submitted to Council.

10.4 **Application**

10.4.1 An application must be submitted in terms of paragraph 11 of this Policy.

10.4.2 The application must be advertised in terms of paragraph 9.2.6 and also set a date for a second public meeting to occur not more than twenty days or less than seven days before the objection period closes.

10.4.3 Prior to submitting an application the Steering Committee will be required to set up a website that displays the following:

- application letter;
- business plan;
- urban management perception report;
- public meeting presentations and minutes;
- By-law;
- Policy;
- SRA frequently asked questions;
- notices; and
- blank consent / objection form.

10.4.4 The special rating area application must be submitted by 30 September of the financial year preceding the establishment of the special rating area. The CFO may extend this date if a properly motivated request is received. This will depend on Council's ability to accommodate the late application within the budget process.

10.5 **Objections**

10.5.1 Consents and objections will be considered only if they are submitted to Council by the last day specified in the application notice.

10.5.2 Property owners objecting to the establishment of a special rating area in terms of paragraph 10.3.3 must do so in writing and include a motivation for their objection.

10.5.3 The Steering Committee must engage with all the objectors and provide them and Council with minutes of these meetings. The objector/s will be allowed to respond to the minutes.

10.5.4 Any property owner who wants to make oral representations for submission to Council in terms of section 7(4) of the By-law will be assisted by an official to document this for inclusion in the report to be considered by Council.

10.6 **Inaugural Phase**

10.6.1 The process and appointment of all service providers must be communicated to the property owners on the NPC's website and in newsletters.

10.6.2 The application form to become a member of the NPC must also be available on the website.

10.6.3 Any special rating area that is approved more than nine months prior to the effective date may:

10.6.3.1 delay the implementation of the special rating area and commence with year two of the business plan. This will imply that the term is effectively reduced by one year; or

10.6.3.2 implement the original business plan.

11 **BUSINESS PLAN CONTENT**

The business plan comprises of the following:

- a motivation report;
- an implementation plan; and
- a term budget.

11.1 **Motivation report**

The motivation report must contain the following:

11.1.1 Introduction:

11.1.1.1 an executive summary of the improvement or upgrade proposed for the special rating area as set out in the business plan;

11.1.1.2 an explanation of how the proposed improvement or upgrade is linked to the geographical area of the proposed special rating area;

11.1.1.3 an explanation of why the proposed special rating area will not reinforce existing inequities in the development of the Overstrand Municipality;

11.1.1.4 an explanation of how the special rating area, if determined, will be consistent with the Overstrand Municipalities IDP as per the Service Departments' business plans;

11.1.1.5 an explanation of the institutional arrangements proposed in relation to the special rating area;

11.1.2 Vision;

11.1.3 Mission;

11.1.4 Goal;

11.1.5 A diagram clearly indicating the boundaries of the proposed special rating area;

11.1.6 Proposed management structure:

- composition of special rating area board including allocation of portfolios; and
- operational arrangements;

11.1.7 Services:

11.1.7.1 Service providers to be appointed as contemplated in paragraphs 2.1.4 and 9.6.1.

11.1.8 Financial Impact:

- provide details regarding the calculation of the additional rate;
- provide details of criteria to qualify for exemption from paying the additional rate as per paragraph 10.1.7;

11.1.9 A list of all rateable properties within the proposed special rating area, contact details of all property owners and the value of each property as set out in the Council's general valuation roll. Differentiation between categories of properties, as provided for in section 8 of the Property Rates Act, must be considered;

11.1.10 Proof of the consent of the majority of the members of the local community in the proposed special rating area who will be liable for paying the additional rate;

11.1.11 Proof of the notice of the public meeting or meetings contemplated in the By-law;

11.1.12 Minutes of the public meeting or meetings; and

11.1.13 Compilation date.

11.2 **Implementation plan**

The implementation plan is a schedule of goals to implement improvements or upgrades as per the motivation report and must at least address the following:

11.2.1 Milestones;

11.2.2 Tasks per milestone;

11.2.3 Start and finish date per task;

11.2.4 Assign responsibility per goal, milestone & task; and

11.2.5 Performance indicators per milestone.

11.3 **Term budget**

11.3.1 The budget for the proposed improvements or upgrades must at least address the following:

11.3.1.1 an annual budget per line item commencing on 1 July of the first year and ending on 30 June of the last year of the term; and

11.3.1.2 a budget split for the provision of improvements or upgrades between the different categories of properties.

11.3.2 subject to the provisions of the Property Rates Act, the additional rate in any category of property must not exceed 25% of the municipal property rate. Any deviation must be fully motivated to Council for consideration.

12. **ANNUAL REQUIREMENTS**

12.1 The NPC must confirm the property data base which the Steering Committee must verify as correct or report anomalies to the Overstrand Municipality for remedial action.

12.2 The NPC must hold its AGM before 31 December as per the MOI requirements.

12.3 Within two months of the end of each financial year the NPC must provide the CFO with its Audited Financial Statements for the immediately preceding year.

12.4 Within three months after the AGM the NPC must provide Council with its audited Financial Statements for the immediately preceding year and an Annual Report on its progress in carrying out the provisions of the Business Plan in the preceding year to improve and upgrade the Special Rating Area.

12.5 The NPC must submit an annual budget and implementation plan for comment by the CFO before approval at the AGM (paragraph 16.2), and ensure that -

12.5.1 the quantum of financial reserves is not less than two months of revenue received from the Overstrand Municipality in terms of the approved budget per SRA except if these funds have been duly allocated to a project;

12.5.2 the implementation plan is aligned with the proposed budget.

12.6 The submission of the annual budget and implementation plan as referred to in paragraph 12.5 will be subject to approval by Council during the municipalities annual budget process.

12.7 The NPC must by 31 January each year provide the CFO with a mid- year performance scorecard based on the activities set out in the implementation plan.

12.8 The NPC will within one month after the AGM provide the CFO with draft minutes of the AGM to ensure compliance with the legal requirements.

13 **AMENDMENT TO THE BUSINESS PLAN**

13.1 In the event that a NPC seeks to amend the boundaries of the SRA and/or the business plan content then the procedures set out in section 14 of the By-law must be followed and submitted by 30 September.

13.2 The following factors, although not limited to, must be addressed in the motivation:

- explanation of impact on costs, budget and implementation plan expectations;
- cross subsidisation by existing members;
- fairness and equity;
- affordability and sustainability of the existing SRA;
- intention of the legislation prescribing that all property owners; must be allowed to participate in the formation of a SRA;
- priorities of the new area may differ from the existing SRA priorities; and
- arrears profile

13.3 The boundary changes must not affect the vested rights of existing property owners as per the Business Plan.

13.4 Boundary changes are subject to the following criteria:

13.4.1 Obtaining by special resolution the support from existing NPC members at a members meeting before expansion is pursued;

13.4.2 Determining the profile of the new total SRA as it could change from non-residential to residential and vice versa;

13.4.3 Obtaining the required majority support from the property owners in the new area only, based on the determination referred to in paragraph 13.4.2.

13.4.4 Any geographical boundary changes must be continuous with the existing SRA geographical area.

13.5 Property owners in the new area must follow the establishment process as per Chapter 1 of the By-law.

14 EXTENSION OF THE SRA TERM

In the event that a NPC seeks to extend the term of the special rating area for a further period then the procedures set out in section 15 of the By-law must be followed.

15 DISSOLUTION

The special rating area may be dissolved by resolution of the Council in terms of section 16 of the By-law. Thereafter the management body may be wound up in terms of the provisions of section 16 of the By-law and the NPC's MOI.

16 FINANCIAL CONTROL

16.1 As stated in the By-law, the amount of any additional rate levied in a special rating area is determined by Council. The additional rate is imposed by the Council, is a debt owing to the Overstrand Municipality and is payable and collected in the same manner as other property rates imposed by the Council.

16.2 The NPC must submit an annual budget as approved at an AGM or Special General Meeting ("**SGM**") to the Overstrand Municipality by 31 January, with appropriate motivation including an implementation plan for the next financial year, and the Council will consider the recommendation during its budgeting process.

16.3 Before the Overstrand Municipality will pay over any additional rate collected to the NPC, the NPC and the Overstrand Municipality must have concluded a written finance agreement regulating, amongst other things:

16.3.1 the mechanisms and manner of payment;

16.3.2 how the additional rate is to be held by the NPC;

16.3.3 any parameters relating to expenditure; and

16.3.4 any obligations on the NPC to take out and maintain appropriate insurance.

16.4 The CFO may request a forensic audit should he deem it necessary.

16.5 The CFO may request a special board meeting.

16.6 The CFO may amend the percentage retained as a provision for bad debt for SRA's with high arrears, as contemplated in the Finance Agreement concluded between the Overstrand Municipality and each SRA, should he/she deems it necessary.

17 COMMENCEMENT AND IMPLEMENTATION

17.1 This Policy will come into effect on **1 July 2023.**

17.2 Where the Overstrand Municipality is legally empowered to do so, requirements set out in this Policy may be imposed as conditions attached to the determination of a special rating area.

17.3 This Policy and its implementation must be reviewed annually.

18 COSTS

Unless otherwise agreed by the Municipal Manager or his/her nominee, the Overstrand Municipality shall not be liable for any costs incurred by ratepayers within the relevant proposed special rating area in respect of the implementation of the steps set out in this Policy and in the By-law.

19 SHORT TITLE

This policy will be referred to as the **Special Rating Area Policy of the Overstrand Municipality**.

POLICY SECTION:	SENIOR MANAGER: REVENUE
CURRENT UPDATE:	31 MAY 2023
PREVIOUS REVIEW:	31 MAY 2022
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PREVIOUS REVIEW:	27 MAY 2020
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PREVIOUS REVIEW:	30 MAY 2018
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APPROVAL BY COUNCIL:	25 MAY 2016

OVERSTRAND MUNICIPALITY

ASSET MANAGEMENT POLICY

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1. OBJECTIVE

1.1. To ensure the effective and efficient control of the municipality's assets through:

1.1.1 proper recording of assets from authorisation to acquisition and to subsequent disposal;

1.1.2 providing for safeguarding procedures;

1.1.3 setting proper guidelines as to authorised utilisation; and

1.1.4 prescribing for proper maintenance.

1.2. To assist officials in understanding their legal and managerial responsibilities with regard to assets.

2. BACKGROUND

2.1. The proper utilization and management of its assets is one of the prime mechanisms by which a municipality can fulfill the constitutional objects for:

2.1.1 Delivery of sustainable services;

2.1.2 Promotion of Social and economic development;

2.1.3 Promoting a safe and healthy environment and,

2.1.4 Providing for the basic needs to the community.

2.2. The municipality has a legal and moral obligation to ensure it implements policies to provide for the effective and efficient usage of its assets over the useful life thereof.

2.3. The asset management policy deals with the municipal rules required to ensure the enforcement of appropriate stewardship of assets.

2.4. Stewardship has three components being the:

2.4.1. Management, utilization and control by municipal officials;

2.4.2. Financial administration by the Director: Finance, and

2.4.3. Physical administration by the Manager: Expenditure & Asset Management.

2.5. Statutory provisions exist to protect public property against arbitrary and inappropriate management or disposal by a municipality.

2.6. Accounting standards are set to ensure the appropriate financial treatment for property, plant or equipment. The requirements of these accounting standards include:

2.6.1. The compilation of asset registers recording all assets controlled by the municipality;

2.6.2. Accounting treatment for the acquisition, disposal, recording and depreciation of property, plant or equipment, and

2.6.3. The standards to which these financial records must be maintained.

3. DEFINITIONS

"Accounting Standards Board"	*was established by the Public Finance Management Act to set standards of Generally Recognized Accounting Practice (GRAP) as required by the Constitution of the Republic of South Africa.*
"Amortization"	*is the systematic allocation of the depreciable amount of an intangible asset over its useful life.*
"Assets"	*are resources controlled by the municipality as the result of past events and from which future economic benefits or future service potential are expected to flow to the municipality and for the purpose of this policy refers to property, plant and equipment but excludes Investment Properties.*
"Assets below capitalization threshold"	*are items of assets that are not significant enough for financial recognition but are valuable enough to warrant special 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* ***[buildings and]*** *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.

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

Money can only be spent on a capital project if:

6.1.1 the money has been appropriated in the capital budget, and the future annual operations and maintenance needs have been calculated and have been budgeted for in the operations budget;

6.1.2 the project, including the total cost and funding sources, has been approved by Council;

6.1.3 the Director: Finance confirms that funding is available for that specific project, and

6.1.4 the Supply Chain Management prescripts/procedures have been adhered to.

6.2 Funding period of capital projects

The acquisition of assets will not be funded over a period longer than the useful life of that asset.

6.3 Disposal of assets (excluding immovable property – 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.

6.4 Loss, Theft, Destruction or Impairment of assets

6.4.1 Directors shall ensure that any incident of loss, theft, destruction, or material impairment of any asset controlled or used by the department in question is promptly reported in writing to the Director: Finance, to the internal auditor, and – in cases of suspected theft or malicious damage – also to the South African Police Service.

6.4.2 Directors shall further ensure that all the required insurance claim documentation and information is promptly submitted to the Director: Finance in terms of the prescribed claims procedures.

7. INTERNAL CONTROLS

7.1 Financial Asset registers

7.1.1 Establishment and Management of the Financial Asset Register:

a) The Director: Finance will establish and maintain the Asset Register containing key financial data on each item of Assets that satisfies the criterion for recognition.

7.1.2 Contents of the Financial Asset Register:

a) The fixed asset register shall be maintained in the format determined by the Director: Finance, which format shall comply with the requirements of generally recognized accounting practice (GRAP) and any other accounting requirements which may be prescribed.

b) Directors under whose control any fixed asset falls shall promptly provide the Director: Finance in writing with any information required to compile the fixed asset register, and shall promptly advise the Director: Finance in writing of any material change which may occur in respect of such information.

7.1.3 Internal Controls over the Financial Asset Registers:

a) Controls around the asset registers should be sufficient to provide Directors with an accurate, reliable and up to date account of assets under their control to the standards specified by the Director: Finance and required by relevant legislation.

b) These controls will include the physical management and recording of all acquisitions, assignments, transfers, losses and disposals of assigned assets as well as regular asset counts and systems audits to confirm the adequacy of controls.

c) The Municipal Manager shall ensure that the municipality maintains a fixed asset identification system which shall be operated in conjunction with its computerized fixed asset register.

7.2 Responsibilities: Physical Receipting and Management

7.2.1 The Manager: Expenditure & Asset Management will undertake at least **[a bi-annual]** 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 **[twice]** 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 resultant 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 CFO 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

- All parts of an asset that is significant to the cost of the item as a whole shall be treated as a separate major component and each major component shall be treated as described below.
- A Director may, with agreement of the Director: Finance, treat other non-significant parts as major components of an item of property plant or equipment as a separate asset for the purposes of this policy.
- These major components may be defined by its physical parameters (e.g. a reservoir roof) or its financial parameters (e.g. a road surface).
- In agreeing to these treatments the Director: Finance must be satisfied that these components:
  - *have a significantly different useful life or usage pattern to the main asset,*
  - *align with the asset management plans,*
  - *justify the costs of separate identification,*
  - *have probable future economic benefits or potential service delivery associated with the asset which will flow to the municipality,*
  - *is such that the cost of the asset to the municipality can be measured reliably,*
  - *is such that the municipality has control over the asset,*
  - *the item is not listed as an expense or asset below threshold in the appendixes hereto, and*
  - *is such that the asset is expected to be used during more than one financial year.*
- Once a major component is recognized as a separate asset, it may be acquired, depreciated and disposed of as if it was a separate asset.

11. ACCOUNTING FOR ASSETS

11.1 Recognition of assets

- An item of property, plant or equipment will be recognized as an asset when:
  - *it is probable that future economic benefits or potential service delivery associated with the asset will flow to the municipality,*
  - *the cost of the asset to the municipality can be measured reliably,*
  - *the municipality has control over the asset,*

  - *the item is not listed as an expense or asset below threshold 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 those listed under impairment indicators.

11.9 Review of depreciation method

- The depreciation method applicable to property, plant or equipment should be reviewed annually, and if there has been a significant change in the expected pattern of economic benefits or potential service delivery from those assets, the method should be changed to reflect the changed pattern.
- When such a change in depreciation method is necessary the change should be accounted for as a change in accounting and the depreciation charge for the current and future periods should be adjusted.

11.10 Subsequent expenditure on property plant or equipment

- Subsequent expenditure relating to an item of property, plant or equipment that meets the definition of an asset should be added to the carrying amount of the asset when such expenditure will increase the useful life of the asset or increase the efficiency of the asset or reduce the cost of operating the asset, resulting in financial or service delivery benefits.
- All other expenditure should be recognized as an expense in the period in which it occurred.
- Before allowing the capitalization of subsequent expenditure, the Director: Finance must be satisfied that this expenditure will significantly:
  - increase the life of that asset beyond that stated in the asset register, or
  - increase the quality of service provided by that asset beyond the existing level of service, or
  - increase the quantity of services that asset can provide, or
  - reduce the future assessed costs of maintaining that asset.

  Expenditure that is proposed to be capitalized must also conform to recognition criteria for assets and should also be appropriately included in the approved capital budget.

11.11 Impairment of assets

The accounting treatment relating to impairment losses is outlined as follows in **GRAP 21 & 26:**

The carrying amount (Book value) of an item or a group of identical items of property, plant and equipment should be reviewed periodically in order to assess whether or not the recoverable amount has declined below the carrying amount**.**

Recoverable amount is the amount that the municipality expects to recover from the future use of an asset, including its residual value on disposal. When such a decline has occurred, the carrying amount should be reduced to the recoverable amount. The amount of the reduction should be recognized as an expense immediately.

The recoverable amount of individual assets, or groups of identical assets, is determined separately and the carrying amount reduced to recoverable amount on an individual asset, or group of identical assets, basis. However, there may be circumstances when it may not be possible to assess the recoverable amount of an asset on this basis, for example when all of the plant and equipment in a sewerage purification work is used for the same purpose. In such circumstances, the carrying amount of each of the related assets is reduced in proportion to the overall decline in recoverable amount of the smallest grouping of assets for which it is possible to make an assessment of recoverable amount.

The following may be indicators that an item of PPE has become impaired:

- The asset has been damaged.
- The asset has become technologically obsolete.
- The asset remains idle for a considerable period either prior to it being put into use or during its useful life.
- Land is purchased at market value and is to be utilized for subsidized housing developments, where the subsidy is less than the purchase price.

Example:

An example of where the municipality has suffered an impairment loss is the purchase of land for an amount of R 5 000 000. The land will be utilized for new subsidized housing developments. If at year end the expectation is that the Municipality will receive only R 1 000 000 by way of subsidies an impairment loss of R4 000 000 needs to be recognized. The recoverable amount (R 1 m) is calculated as being the larger of:

- **Net Selling price** of the land which is the amount obtainable from the sale of the market in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.
- **Value in use** of the land which is the present value of the estimated future net cash inflows expected from the continuing use of the asset and from its disposal at the end of its useful life.

The following steps will have to be performed regularly during the year to account for impairment losses:

- Directorates will identify and inform Finance Department - Asset Control of assets that:
  - Are in a state of damage at year end.
  - Are technologically obsolete at year end. This can be facilitated if Directorates require Finance Department - Asset Control, to supply them with a Fixed Asset Register pertaining to major assets showing the remaining useful lives of assets. The Directorates can then assess and

indicate cases where the assessed remaining useful life is shorter than the remaining useful life on the printout.
  - Have remained idle for a considerable period either prior to them being put into use at year end or during their useful life.
  - Are subject to impairment losses because the subsidies to be received in exchange for assets are less than the carrying amounts. An example of this is Land that is purchased at market value and is to be utilized for subsidized housing developments.
- The recoverable amounts of these assets need to be calculated by calculating the Net selling Price per asset as defined above.
- The impairment loss per asset needs to be calculated as the difference between the Net selling price and the book value of the asset.
- The impairment loss needs to be accounted for by identifying the relevant funding source.
- The carrying amount of an asset should be reviewed annually to assess whether or not the recoverable amount has declined below the carrying amount.
- When such a decline has occurred, the carrying amount should be reduced to the recoverable amount.
- The amount of the reduction should be recognized as an impairment expense immediately, unless it reverses a previous revaluation in which case it should be charged to the Revaluation Reserve.
- For assets providing economic benefits, the recoverable amount is the net present value of future ownership.
- For assets providing future service delivery, the recoverable amount is the remaining proportional to its useful life, service capacity or quality of service that is not intended to be restored by normal maintenance programs.

11.12 Subsequent increase in recoverable amount

- A subsequent increase in the recoverable amount of an asset, previously written down due to a decline in the carrying amount, should be written back when the circumstances and events that led to the write–down or write-off cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future.
- The amount written back should be reduced by the amount that would have been recognized as depreciation had the write-down or write-off not occurred.

11.13 Accounting treatment on Disposal

- An item of property, plant or equipment should be eliminated from the Statement of Financial Position, on disposal or when the asset is permanently withdrawn from use and no future economic benefits or potential service delivery is expected from its disposal, in accordance with GRAP 100.
- Gains or losses arising from the retirement or disposal of an item of property, plant or equipment should be determined as the difference between the actual or estimated net disposal proceeds and the carrying amount of the asset, and should be recognized as revenue or expense in the Statement of Financial Performance.

- All gains realized on the alienation of fixed assets shall be appropriated annually to the municipality's Capital Replacement Reserve (except in the cases outlined below), and all losses on the alienation of fixed assets shall remain as expenses on the Statement of Financial Performance of the department or vote concerned. If, however, both gains and losses arise in any one financial year in respect of the alienation of the fixed assets of any department or vote, only the net gain (if any) on the alienation of such fixed assets shall be appropriated.

11.14 Reinstatement, maintenance and other expenses

Only expenses incurred in the enhancement of a fixed asset (in the form of improved or increased services or benefits flowing from the use of such asset) or in the material extension of the useful operating life of a fixed asset shall be capitalized.

Expenses incurred in the maintenance or reinstatement of a fixed asset shall be considered as operating expenses incurred in ensuring that the useful operating life of the asset concerned is attained, and shall not be capitalized, irrespective of the quantum of the expenses concerned.

Expenses which are reasonably ancillary to the bringing into operation of a fixed asset may be capitalized as part of such fixed asset. Such expenses may include but need not be limited to import duties, forward cover costs, transportation costs, installation, assembly and communication costs.

The following matrix will assist in distinguishing capital expenditure from maintenance expenditure: -

Capital Expenditure	Maintenance
▪ Acquiring a new asset ▪ Replacing an existing asset ▪ Enhancing an existing asset so that its use is expanded ▪ Further developing an existing asset so that its original useful life is extended	▪ Restoring an asset so that it can continue to be used for its intended purpose ▪ Maintaining an asset so that it can be used for the period for which it was initially intended.

11.15 Assets held under leases

Finance leases are leases, which in effect transfer all risks and rewards associated with the ownership of an asset from the lessor to the lessee. Assets held under finance leases are capitalized by the municipality and reflected as such in the FAR. It will be capitalized at its leased value at commencement of the lease, which will be the price stated in the lease agreement. The asset is then depreciated over its expected useful life.

Operating leases are those leases which do not fall within the scope of the above definition. Operating lease rentals are expensed as they become due. Assets held under operating leases are not accounted for in the asset registers of the municipality.

11.16 Investment property

Investment assets shall be accounted for in terms of GRAP 16 and shall not be classified as property, plant and equipment for purposes of preparing the municipality's statement of position.

Investment assets shall comprise land or buildings (or parts of buildings) or both held by the municipality, as owner or as lessee under a finance lease, to earn rental revenues or for capital appreciation or both.

Investment assets shall be recorded in the fixed assets register in the same manner as other fixed assets, but a separate section of the fixed assets register shall be maintained for this purpose.

Decide on which accounting model, cost or fair value, the municipality will apply to investment property.

Fair value

Investment assets shall not be depreciated, but shall be annually valued to determine their fair (market) value. Investment assets shall be recorded in the Statement of Financial Performance at such fair value. Adjustments to the previous year's recorded fair value shall be accounted for as either gains (revenues) or losses (expenses) in the accounting records of the department or service controlling the assets concerned.

If the council of the municipality resolves to construct or develop a property for future use as an investment property, such property shall in every respect be accounted for as an ordinary fixed asset until it is ready for its intended use – where-after it shall be re-classified as an investment asset.

11.17 Fixed assets treated as inventory

Any land or buildings owned or acquired by the municipality with the intention of selling such property in the ordinary course of business, or any land or buildings owned or acquired by the municipality with the intention of developing such property for the purpose of selling it in the ordinary course of business, shall be accounted for as inventory, and not included in either property, plant and equipment or investment property in the municipality's statement of position.

Such inventories shall, however, be recorded in the fixed assets register in the same manner as other fixed assets, but a separate section of the fixed assets register shall be maintained for this purpose.

11.18 Recognition of heritage assets in the fixed asset register

Heritage assets shall be carried at their cost values. If no original costs or fair values are available in the case of one or more or all heritage assets, the Director: Finance may, if it is believed that the determination of a fair value for the assets in question will be a laborious or expensive undertaking, record such asset or assets in the fixed asset register without an indication of the costs or fair value concerned.

For Statement of Financial Performance purposes, the existence of such heritage assets shall be disclosed by means of an appropriate note.

11.19 Other write-offs of fixed assets

The only reasons for writing off fixed assets, other than the alienation of such fixed assets, shall be the loss, theft, and destruction or material impairment of the fixed asset in question.

In every instance where a not fully depreciated fixed asset is written off, the Director: Finance shall immediately debit to such department or vote, as additional depreciation expenses, the full carrying value of the asset concerned.

11.20 General maintenance of fixed assets

Every Director shall be directly responsible for ensuring that all assets are properly maintained and in a manner which will ensure that such assets attain their useful operating lives.

11.21 Service Concession arrangements

A service concession arrangement is governed through a contractual arrangement between the municipality and an independent third party (operator). It involves the creation and/or use of an existing municipal asset in order to provide services to the general public. The asset can be provided by the municipality or the arrangement can specify that the operator must create a new asset for purposes of the providing the services on behalf of the municipality (grantor).

If the municipality provides the asset (i.e. it is an existing asset that the operator uses), no liability needs to be created in relation to the assets used by the operator. However, in the case that the operator has to create a new asset in order to fulfill the obligations of the agreement, an asset and liability needs to be created in order to account for the asset.

Assets held under a concession agreement must be separately disclosed similarly to assets acquired through a lease agreement.

The assets held under the service concession agreement is under the control of the Director: Infrastructure and Planning and such director must report annually to the Director of finance of the status of the asset, such as any impairments, replacement parts, improvements etc. to the service concession assets. These assets would be disclosed in terms of the requirements of GRAP 32: *Service Concession Arrangements: Grantor*.

12. FINANCIAL DISCLOSURE

Assets must be disclosed, in respect of each class of property, plant and equipment, in accordance with Generally Recognized Accounting Practice.

13. IMPLEMENTATION AND REVIEW PROCESS

13.1 This policy will come into effect as from **1 July 2023;**

13.2 This policy will be reviewed at least annually or when required by way of a Council resolution.

14. SHORT TITLE

This policy will be known as the Asset Management Policy of the Overstrand Municipality.

POLICY SECTION:	**SENIOR MANAGER: EXPENDITURE AND ASSET MANAGEMENT**
CURRENT UPDATE:	31 MAY 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
PREVIOUS REVIEW:	26 MAY 2010
APPROVAL BY COUNCIL:	24 JUNE 2009

APPENDIX 1: REVISION OF ASSET CAPITALISATION THRESHOLD

Introduction

The municipality reviewed the Asset Management Policy and has determined that that the capitalization threshold needed to be revised in order to ensure compliance with the GRAP requirements and to align the budgeting process with the requirements of GRAP. Based on the revision of the capitalization threshold it has decided that the most suitable approach would be to identify assets for which their value or use does not justify the cost to maintain the assets in the register.

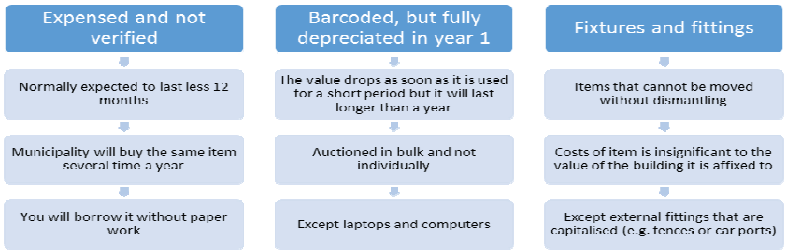
The GRAP discussion paper on materiality states the following: "Information in the financial statements is therefore relevant when it meets these information needs. The relevance of information is affected by its nature and materiality." This implies that certain information would not be relevant to the users of financial statement due to its value or nature. Furthermore, the discussion paper also states: "Materiality establishes a threshold, which may include a cut-off point, or criteria which are used in making certain decisions. Materiality in itself is not a characteristic that information must have to be useful to users. "The municipality followed a qualitative materiality approach rather than a purely quantitative approach in order to identify items that are considered not material.

Management of assets within an asset register is a costly exercise and certain assets economic benefits have been noted to be exceeded by the annual cost to maintain these assets within the register. For this reason the municipality has taken an approach to identify assets that fall within this category where the management cost of the assets exceed their economic benefits.

Materiality

The full cost price of all assets that would not be included in the AFS as at 1 April 2016 was extracted and compared to materiality. The accumulative cost of all these assets listed in annexures 1-3 amounted to less 30% of materiality and thus accepted as reasonable. Materiality was based on the 2015 balance for Property, plant and equipment as utilized by the auditors during the audit of 2014/15. Annually the assets with that fall within this category will be extracted and compared to the prior year's materiality to ensure that the threshold application does not result in any material deviation from the standards of GRAP.

Decision Tree



All items not falling in the above categories would be considered assets and would be included in the asset register.

Three different types of assets were identified that require amendment in the approach due to the revised capitalization approach. These are:

1) Items with expected useful lives of less than 12 months expensed immediately
2) Items that are considered assets, but will not be included in the asset register due to the fact that the costs to maintain these assets in the final asset register would exceed the value/economic benefits of the assets (Assets below threshold)
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 are entered into, the fixtures must be retained to the building, unless otherwise stated. Fixtures are however, often a hindrance to many potential buyers and considered a burden rather than an additional value added to the building. More often than not, items such as air-conditioners need to be completely replaced, and built-in cupboards, shelving are not in the correct location as per the intention of any potential owners. The municipality has opted to classify 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 are not considered of additional value.

External fixtures, such as fences, car ports, etc. are items that are not part of the building itself and thus improve the value of the land, these items are for practical reasons **capitalized against the buildings (premises)** as land is not depreciated and any external structures will incur wear and tear.

These items are purchased from the Operational Budget allocation (B-key) for **[Assets less than threshold]** 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	**[Link stick]**
Calculators	Measuring wheels, tapes
CD Racks	Microphones (All)
Chairs (Plastic stackable)	Modems
Chargers (including industrial)	Nozzle
Clipboards	Paper trays
Cylinders (Fire / Gas / Oxygen / Etc)	Pool brooms, brushers
Docking Stations	Pots and pans
Drip torch	Protective Clothing
Extension leads	Routers
Fans	Soldering bolt
[Fire extinguishers]	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
[Hand drill]	Wind meter
Hard Drive (External)	Woodchipper
Headphones	Wrench
Heaters	

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)	Hose Washer
Air gun	Hot plate/tray
Alcohol Tester	Jack trolley
Angle grinder	Jigsaw
Audio and video recorders	Ladders (All)
Benches (All)	Lighting System
Bicycles	Link Stick
Binoculars	**[Litter tester]**
Blood Pressure Monitor	Lockers
Cameras	Megaphone
Case: Mayors chains	Meter Wheel
Cash Drawer, register	Microscope
Cell Phone	Microwave
Chairs and Couches (All, except plastic stackable)	Mitre Saw
Circular Saw	Mobile Dash Light
Coffin Hoist	Monitors for PC's (excluding Televisions)
Colorimeter	Nail Gun
Cut-off Saw	Optical Camera
Decoder	Ottoman
Decontamination Pack	**[Packaging Roller]**
Drawing board	PH Meter
Drill set	Piano Chair
DVD, Tape Players	Polisher
Electric Spray Gun	Punch Heavy Duty
Electrical saw	Radio - for communication
Electrical Screw Driver	Refracto Meter
Examination table	Rotary saw
External hard drives	Safe – Loose Standing
Fire Body Siren	Sander Machine
Flip charts	Scale (Weight)
FM/AM Radio	Scanner
Gas Burners (1 or 2 plate)	**[Siren]**
[Gavel]	Sound Bar
[Glue Gun]	Speakers (Auditorium, etc. Not office use)
[Grease Gun]	Spectro Photometer
Grease Pump	Spine board
Griller	Spotlight Scope
Guillotine	Spray trolley
Hand drill	Stands (All)
Heat gun	Stapler Heavy Duty

Description	Description
Stretcher	Turbidi meter
Table (Foldable - steel)	Typewriter
Table (Learner/Training)	Urn – Loose Standing
Table (Wooden / plastic in community halls)	Vacuum cleaner
Tester battery car	Vice grip – steel (heavy duty)
Timing Light	Water cooler/dispenser
Tripods (All)	Winch and winch bracket
Trolleys (All)	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)	Key cabinet
Boards (All)	Pigeonhole With Credenza
Bookcase bolted to floor or wall	Projector Screen
Clocking devices	Safe – Wall Mounted
Cupboard – built in	Screen (Other)
Divider Stand	Shelving, wood and steel
Extractor fan	Strobe Lights
Flagpole	Swing Cabinet (IT) – Wall Mounted
Jet master	Urn – Wall Mounted
Key cabinet	Workstation divider

Annexure 4: Distinguishing capital expenditure from maintenance expenditure: -

Capital Expenditure	Operational Expenditure (Maintenance)
▪ Acquiring a new asset ▪ Replacing an existing asset ▪ Enhancing an existing asset so that its use is expanded ▪ Further developing an existing asset so that its original useful life is extended	▪ Restoring an asset so that it can continue to be used for its intended purpose ▪ Maintaining an asset so that it can be used for the period for which it was initially intended.

OVERSTRAND MUNICIPALITY

TRAVEL & SUBSISTENCE POLICY

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1 PURPOSE

The purpose of this policy is to set out general rules for the payment of subsistence and travelling allowances or costs for the attendance of approved events **outside the municipal area of Overstrand**.

2 OBJECTIVES OF THE POLICY

The objectives of this policy are to:

2.1 Ensure that municipal employees and Councillors adhere to procedures when arranging for travel, lodging, meals and other expenses;

2.2 Ensure that municipal employees and Councillors are reimbursed for reasonable expenses incurred for travel, conferences, meetings and meals as a result of conducting authorized municipal business;

2.3 Ensure that payments made by the municipality are for the actual and necessary expenses incurred for municipal business in **adherence with National Treasury's prescribed Cost Containment Measures**; and

2.4 Ensure that municipal employees and Councillors will receive reimbursements in a timely manner.

3 LEGISLATIVE FRAMEWORK

This policy is developed and guided by the following:

3.1 South African Revenue Services (SARS) Interpretation Notices & other Notices;

3.2 Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA);

3.3 South African Local Government Association (SALGA);

3.4 Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998);

3.5 Income Tax Act, 1962 (Act No. 58 of 1962);

3.6 Overstrand Municipality Cost Containment Policy;

3.7 RSA Department of National Treasury: National Travel Policy; and

3.8 RSA Department of National Treasury: Cost Containment Measures related to Travel and Subsistence.

This Policy must be read in conjunction with any of the Municipality's approved related policies, practices and standard operating procedures addressing specific issues essential for a full understanding of this Policy and which are not dealt with adequately herein.

4 SCOPE OF APPLICATION

This Policy is applicable to –

4.1 all Councillors of the Overstrand Municipality, and

4.2 all officials of the Overstrand Municipality,

travelling on official business and as such are formal travellers of the Overstrand Municipality.

IMPORTANT - No payments will be made to applicants for employment interviews in terms of the scope of this policy.

5 DEFINITIONS

For the purpose of this policy, except where clearly indicated otherwise, the words and expressions set out below have the following meaning:-

"Accommodation"	The rental of lodging facilities while away from the traveller's place of residence while on authorized official duty.
"Accounting Officer" / "Municipal Manager"	The person appointed by the Council as Municipal Manager in terms of section 82 of the Municipal Structures Act, 1998 (Act 117 of 1998) and as defined in the Municipal Finance Management Act, 2003 (Act 56 of 2003), including any person acting in that position or to whom authority is delegated.
"Air Travel"	Travel by airline on official duty.
"Car Rental"	The rental of a vehicle for a short period of time by a traveller for official purposes.
"Chief Financial Officer"	The person appointed in terms of section 80(2)(a) of the MFMA and includes any person acting in that position or to whom authority is delegated.
"Council"	The Overstrand municipal council, as referred to in section 157 of the Constitution of the Republic of South Africa, 1996; and section 18 (3) of the Municipal Structures Act, 1998 (Act 117 of 1998).
"Councillor"	A member of the Overstrand Municipal Council.
"Day"	A completed period of twenty-four hours away from normal place of domicile and employment of official business of the Municipality.
"Director"	An official appointed by the Council in terms of section 56 of the Municipal Systems Act, 2000 (Act 32 of 2000) to head a Directorate of the municipality and shall include any person acting in that position.
"Domestic Travel"	Travel within the boundaries of the Republic of South Africa.
"Essential User Transportation Allowance"	Transportation allowance paid in accordance with the Essential User Transport Allowance Scheme to employees participating in the scheme.
"Executive Management Team"	Officials appointed in terms of Section 82 of the Local Government Structures Act, 1998 (Act 117 of 1998) (Structures Act) and section 56 of the Local Government Municipal Systems Act, 2000 (Act 32 of 2000).
"Executive Mayor"	The Executive Mayor of the Overstrand Municipality elected in terms of section 55 of Municipal Structures Act, 1998 (Act 117 of 1998) and shall include any person acting in that position.
"Fixed Transportation Allowance"	Transportation allowance linked directly to the managerial post level of the incumbent, also referred to as the "Old Perk Scheme".
"Host"	The person or institution who has extended an invitation to the Municipality to delegate a Councillor and / or an Official to attend an event which is regarded as official business.
"Incidentals"	Any minor expenses normally associated with business travel.
"International Travel"	Travel to a location beyond the territorial boundaries of the Republic of South Africa.

"Municipality"	Overstrand Municipality, established in terms of sections 12 and 14 of the Structures Act.
"Official"	A person employed by the Municipality.
"Official Business"	For the purposes of this policy refers to the attendance by Councillors and / or Officials of congresses, conferences, seminars, training, meetings, workshops, roadshows, etc. related to the duties and functions of the Municipality, subject thereto that such attendance has been duly authorised in terms of the delegated authority.
"Place of Work"	The place where the principal duties of the Councillor or Official are performed.
"Sponsored Trip"	A trip where the total cost, or a portion thereof is sponsored by another organisation or third party other than the Municipality. (For the purposes of this policy such proportion of the total cost of the trip must be included in the application forms).
"Subsistence allowance"	An amount of money paid by the Municipality to a traveller for expenditure incurred in respect of personal subsistence and incidental costs (for example refreshments, snacks, drinks and newspapers but excludes any personal recreation such as visits to a cinema, theatre, nightclubs or sight-seeing).
"Travel Allowance"	An amount paid to a traveller for the use of his or her own private motor vehicle in respect of travelling expenses for business purpose.
"Traveller"	Any Councillor or Official travelling away from his or her normal place of domicile and employment on official business of the Overstrand Municipality.

6 AUTHORISATION

6.1 For purposes of implementing this policy:

6.1.1 **Only the Municipal Manager** may authorize any travel to be undertaken by 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) **[employees]** 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 **[officials]** 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 **[Official]** 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 needs to be incurred, was obtained from the Municipal Manager for any such expenditure. prior to submission of the claim.

9 AIR TRAVEL – Domestic and International

9.1 The Municipality must, as far as possible, make use of the improved upfront discounted flights which the National Treasury has negotiated on behalf of all three spheres of government, unless lower air travel rates can be negotiated.

9.2 For domestic trips both major and low-cost airlines may be utilized. All travellers should use discounted economy class (best fare on the day) where possible. In the event where discounted economy class tickets are not available, special authorization as provided for in paragraph 6.1 must be obtained to book full economy tickets.

9.3 Business class tickets may be considered for domestic and international trips under the following scenarios, including amongst others:

9.3.1 Travellers with special needs based on medical grounds (e.g. deep vein thrombosis, varicose veins, recent surgery and pregnancy). In these instances, a medical certificate noting the medical need and the applicable period of time must be provided. If it is a long-term condition, an updated doctor's certificate should be presented on an annual basis to confirm that the condition still exists;

9.3.2 Where economy class tickets are not available, travellers are not allowed to book business class tickets unless otherwise approved in terms of paragraph 6.1, where it has been confirmed that the permitted airline class was full and no other applicable flights are available;

9.3.3 Disabled persons can be accommodated in business class upon receipt of approval provided for in paragraph 6.1.

9.4 For domestic trips preference will be given to airlines which operate direct flights between Cape Town and the end destination.

9.5 For international trips all major airlines may be utilized where the most economical airline is chosen on quotation basis.

9.6 For international trips the comparison of more expensive direct flights from Cape Town versus cheaper indirect flights should always be performed. When choosing a flight, consideration should also be given to the traveller's ability to function optimally when arriving at their destination, especially when travelling across time zones.

9.7 For special trips requiring the use of helicopters or chartered aircrafts, special authorization by the Executive Mayor or Municipal Manager or their delegated nominees is required

9.8 Amendments to Air tickets:

9.8.1 Travellers should limit the number of amendments to air tickets as far as possible;

9.8.2 The costs associated with amendments is subject to the rules of the particular ticket and can include penalty fees;

9.8.3 The costs incurred as a result of amendments requested by the traveller for his / her convenience or lack of planning will be for the traveller's personal account;

9.8.4 The costs of amendments as a result of revised business requirements or any other circumstances outside the traveller's control will be incurred by the relevant line department.

9.9 Baggage Allowance:

9.9.1 The traveller must acquaint him- or herself with the baggage policy of the airline that he / she will be travelling on. The baggage policy 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 **[employee]** 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 rate for a single room will be payable.

10.1.4 If no such accommodation is available, higher rating accommodation can be used

subject to the prior written approval of the **Municipal Manager or the Executive Mayor, as applicable**.

10.1.5 If a traveller stays with a relative or friend, no accommodation expense may be claimed, but the traveller may claim a subsistence allowance per day as per par. 12.1.2(a) of this policy.

10.1.6 The location of the accommodation should not be more than 20 km from the venue of the event, unless prior written approval is obtained from the Municipal Manager or Executive Mayor.

10.1.7 Where advance payments have to be made to the establishment based on "pro-forma" invoices in order to secure the reservation, it is the responsibility of the **[traveling official(s)** / **councillor(s)]** 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 = R80-00;

b) Lunch = R120-00 (if not provided / included at the event);

c) Dinner = R150-00.

10.3 Meal Expenses – International Trips

10.3.1 These meals will be covered in terms of the SARS rates applicable to the country being visited.

10.4 No-Shows and Cancellations

10.4.1 It is the responsibility of the traveller to notify the accommodation establishment of any cancellations of reserved accommodation as soon as he / she becomes aware of the fact.

10.4.2 Each accommodation establishment has different conditions / rules in terms of cancellations. Last-minute cancellations may result in the payment of a cancellation fee. The traveller must familiarize him- / herself with the cancellation policy of the specific establishment.

10.4.3 The traveller should inform the accommodation establishment if he / she expects to be arriving later than the expected arrival time to ensure that the reservation is not cancelled or a cancellation fee is charged.

10.4.4 If the traveller does not check in at the accommodation establishment without any prior notification. any no-show cost charged is regarded as fruitless and wasteful expenditure.

10.4.5 The traveller could be responsible for any fruitless expenditure incurred due to a now-show or late cancellation where it was in his / her ability to cancel the booking on time.

11 USE OF VEHICLES

11.1 Hired Vehicles:

11.1.1 Shall be applied for, quantified and paid for by the Municipality.

11.1.2 May only be obtained when the **[employee and / or Councillor]** 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 **[from the Responsible Official for employees and the Executive Mayor / Speaker for Councillors]** 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. **[Employees and / or Councillors]** 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 **[Employees]** 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 **[employees]** travellers who are not in receipt of a travel allowance shall be reimbursed according to the latest prescribed SARS km tariff (currently R4.18/km **[R3.82/km]**), calculated from their place of work or residence, which-ever is the nearest to the place of the approved destination.

11.2.6 A traveller who uses private transport rather than air travel shall be paid the lower of the following two options:

a) Cash equivalent of the avoided air ticket cost, which would have been paid in the event of air travel being the most economical and practical means of transport plus the cost of a hired vehicle to get to the traveller's destination; or

b) Actual cost per kilometer as determined according to the rate applicable to the traveller, on condition that such person may not claim subsistence costs for a longer period than would have been applicable in the case of air travel.

11.2.7 A claim submitted by a **[councillor or a municipal official]** 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 (currently **[R493]** R522 per day) will apply in respect of domestic travel; or

b) where the traveller will be on official business for a **period exceeding 8 hours, without being away from home for one or more nights**, an allowance as amended by SARS from time to time (currently **[R152]** R161 per day) will apply in respect of domestic travel;

c) No daily subsistence allowance will be payable to representatives that will be attending courses, training or meetings where lunch will be provided, but without being away from home for one or more nights.

12.1.3 A traveller of the municipality must obtain approval for his or her subsistence allowance, as provided for in this policy, before embarking on any official trip.

12.1.4 No subsistence allowance will be paid, and no traveller will be entitled to a subsistence allowance, if the trip or travel is not related to the official business of the municipality. All travel on business of the municipality must be approved as such before a traveller is entitled to a subsistence allowance.

12.2 International Travel

12.2.1 When traveling in countries other than in South Africa on specially authorised Municipal business, the expenses actually incurred for accommodation and official transport will be payable.

12.2.2 The daily subsistence allowance is to cover all meals, transport for private use and other incidental costs, this subsistence allowance for international travel will be in accordance with SARS Foreign Travel 1.1 List of Daily Maximum amount per Country, as amended by SARS from time to time, available on the SARS website under Legal Counsel / Secondary Legislation / Income Tax Notices as per the relevant year.

12.2.3 No additional claim in respect of such costs will therefore be paid, except for entertainment by full-time Councillors or the Executive Management Team, of official guests, clients, potential clients, investors or potential investors which is to be dealt with as “entertainment allowance” claims.

13 MISCELLANEOUS EXPENSES – Domestic and International

13.1 Items that may be considered for approval, subject to proof of payment being provided, where expenditure is incurred within the boundaries of the Republic of South Africa during a period of absence is as follows:-

13.1.1 Parking fees while travelling;

13.1.2 Toll fees;

13.1.3 Bus / Taxi fares.

13.2 Items that may be considered for approval, where expenditure is incurred outside the boundaries of the Republic of South Africa during a period of absence are as follows:-

13.2.1 Reasonable Laundry costs;

13.2.2 Parking / Bus fares;

13.2.3 Transport costs to and from official meetings;

13.2.4 Visas (for the shortest available period);

13.2.5 Inoculations;

13.2.6 Specialized tours / entries to events related to the travelling;

13.2.7 Copying and printing of relevant documentation.

14 SPONSORED TRIPS – Domestic and International

14.1 A trip shall be regarded as sponsored when the full / partial cost of the trip is borne by an institution other than the Overstrand Municipality. Such sponsored proportion of the total cost of the trip must be declared in the application for the trip.

14.2 Travelling and Subsistence payable by the Overstrand Municipality will be calculated as the difference between the amounts claimable per this policy less the monetary value of the sponsored amounts.

15 TRAVEL INSURANCE

15.1 Travellers, where the necessary travel and special leave forms have been duly authorised **[by the delegated official]** 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 2023**

This policy will be reviewed at least annually or when required by way of a Council resolution.

20 SHORT TITLE

This policy shall be called the Travel and Subsistence Policy of the Overstrand Municipality.

POLICY SECTION:	SENIOR MANAGER: EXPENDITURE AND ASSET MANAGEMENT
CURRENT UPDATE	31 MAY 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

PETTY CASH POLICY

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1. INTRODUCTION

The accounting officer of a municipality is responsible for the management of the expenditure of the municipality in an effective and controlled manner. This includes Petty Cash, which is a small amount of funds that is minor in the form of cash, used for expenditure where it is impractical to obtain prior quotations due to the nature of the goods, monitory value and / or services required.

Therefore the Overstrand Municipality adopts the following Petty Cash Policy.

2. OBJECTIVES OF THE POLICY

Compliance with the regulatory framework in terms of the relevant legislation is required. The objectives of the policy are to ensure that:

a) Goods and / or services are procured by the municipality in accordance with an authorised process only;
b) The municipality has and maintains an effective Petty Cash system of expenditure control;
c) Sufficient Petty Cash is available when required; and
d) The items to be procured are approved Petty Cash items.

3. LEGISLATIVE FRAMEWORK

a) Local Government: Municipal Finance Management Act, No 56 of 2003 (MFMA)
b) Overstrand Municipality Supply Chain Management Policy

4. DEFINITIONS

Accounting Officer: The person appointed by council in terms of section 54A2 of the Local Government: Municipal Systems Act, No 32 of 2000, also known as the Municipal Manager, and defined in terms of section 60 of the MFMA.

Chief Financial Officer: The person designated in terms of section 80(2)(a) of the MFMA and includes any person acting in that position or to whom authority is delegated.

Petty Cash: A relatively small amount of cash kept at hand for making immediate payments for miscellaneous small expenses.

Petty Cash Float: The total sum of Petty Cash which has been granted to a Petty Cash Officer.

Petty Cash Officer: An employee, made responsible for the day-to-day operating of the Petty Cash Float.

Reconciliation: Is the process of comparing information, for example cash spent, compared with the relevant documentation and receipts.

Sub-advances: A relatively small amount of cash made available by the Petty Cash Officer on request to buy miscellaneous small items.

5. RESPONSIBILITY AND ACCOUNTABILITY

The key responsibilities in terms of Section 65 of the MFMA are:

Accounting Officer (Municipal Manager)-

5.1 The Accounting Officer of a municipality is responsible for the management of the expenditure of the municipality.

5.2 The Accounting Officer must for the purpose of paragraph 5.1 take all reasonable steps to ensure:

(a) that the municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds;

(b) that the municipality has and maintains a management, accounting and information system which:
(i) recognises expenditure when it is incurred;
(ii) accounts for creditors of the municipality; and
(iii) accounts for payments made by the municipality;

(c) that the municipality has and maintains a system of internal control in respect of creditors and payments;

(d) that payments by the municipality are made:
(i) directly to the person to whom it is due unless agreed otherwise for reasons as may be prescribed; and
(ii) either electronically or by way of non-transferable cheques, provided that cash payments and payments by way of cash cheques may be made for exceptional reasons only, and only up to a prescribed limit;

The Municipal Manager may delegate authority to the Chief Financial Officer.

6. PETTY CASH POLICY

6.1 General Policy

(a) The use of a petty cash float **(a float may not exceed R5 000-00)** is strictly confined to **individual cash purchases of up to a maximum of R200-00.** The Chief Financial Officer may approve petty cash purchases up to R2000;

(b) The petty cash float is only to be used for non-recurring expenditure of an ad-hoc nature with a maximum of 10 sub-advances per Department per month; except in instances with the explicit pre-approval of the Chief Financial Officer.

(c) The expenditure with regard to petty cash purchases **shall not be deliberately split into more than one transaction to avoid the said limit**;

(d) The petty cash float is **not to be used** for any of the following:
   (i) the cashing of cheques;
   (ii) loans to any person whatsoever;
   (iii) payment of personal remuneration to any person whatsoever, whether for fees, salaries, wages, travel allowance as part of remuneration, honorarium or other reason, unless authorized by the Chief Financial Officer;
   (iv) for instalment invoices such as rental of equipment or open orders, even if the amount falls within the specified limit;
   (v) fuel**.**

(e) Other cash floats may also be established for the purpose of providing change for a cash register, or any other purpose approved by the Chief Financial Officer. Use of such floats is restricted to the purpose for which they were established and does not form part of the scope of this policy;

(f) The Accounting Officer, or delegated official, may conduct internal audits to evaluate compliance with this policy, and

(g) Any purchase violating the true meaning of petty cash transactions will be regarded as a deviation from the accepted accounting practices in the use of Petty Cash and shall constitute a serious offence under the Disciplinary Code, unless authorized by the Chief Financial Officer;

6.2 Establishing and Operating a Petty Cash Float

(a) To establish a new petty cash float or increase an existing advance, a written application must be made to the Chief Financial Officer by the relevant Manager of a department.

(b) A request for the establishment of an advance will indicate the position of a senior administrative employee to be held responsible for the control over the petty cash float within the relevant department.

(c) The senior administrative employee mentioned under paragraph 6.2(b) will be responsible for the security and set arrangements in place to ensure safe custody of funds in the office.

(d) The minimal security arrangement that will be acceptable is that the float must be kept in a locked box which will be kept in a locked filing cabinet or safe.

(e) When an advance is approved, the Accountant: Creditors will advise the relevant Department accordingly and request that the senior administrative employee mentioned under paragraph 6.2(b) collect the advance. This establishing/initial advance will be charged to a "Petty Cash Advances – Position/Dept" in the General Ledger and not against any expenditure votes. A register of advances is thus maintained per Ledger Account for the purpose of accounting for all petty cash floats.

6.3 Security of Petty Cash Floats and Documentation

(a) The cash on hand and used petty cash vouchers are to be kept in a locked box for which there must be two keys. One key is to be retained by the petty cash officer (on his / her person) normally responsible for the petty cash and the other to be kept by a senior administrative employee mentioned under paragraph 6.2(b) in a sealed envelope in the office safe or other secure place, to be used only in an emergency.

(b) The locked petty cash box must be kept in a secure place when not in use and must be removed and returned by the responsible staff member only. At no stage must staff other than the responsible administrative / clerical staff member have access to the storage place of the petty cash box.

(c) Under no circumstance are keys to be left in the lock to the petty cash box, cabinet or safe.

(d) If the responsible Petty Cash Officer is either going on leave or is leaving the Municipality's employment, the Petty Cash Officer must perform a reconciliation and compile a Summary Claim Cover Page before possession of Petty Cash can be handed over.

The Summary Claim Cover Page must be signed by both the Petty Cash Officer and the recipient in order to verify that the amount in cash correspond with the balance on the Summary Claim Cover Page.

When the Petty Cash is returned to the Petty Cash official, the same processes must be undertaken.

6.4 Completing a Cash Purchase Claim Form

(a) Petty cash stationery is available from the Expenditure Section (Financial Services). The form consists of two parts:
   (i) Cash Purchase Claim page
   (ii) Cash Purchase Record page
   (iii) Receipt for cash advance (Only when appropriate, refer paragraph on Sub-Advances).

(b) All details entered on the Cash Purchase Claim must appear on the Cash Purchase record page.

(c) The Cash Purchase Claim must be completed as follows:
  (i) description and cost of the goods/services purchased
  (ii) purchaser's name in print and signature
  (iii) correct vote- or unique / short number with an adequate budget to be charged
  (iv) signature of the Officer in Charge of Petty Cash.

(d) Original receipts and other valid documentation as required must be attached as proof of payment with the signature of an appropriate financial delegate on this documentation. The receipt and invoice must be in a formal business format. When a vendor's printed invoice is used as a receipt, the invoice must clearly indicate that it has been paid.

(e) A financial delegate cannot authorise a cash purchase claim where he or she is the purchaser.

6.5 Sub-Advances to Staff Members

(a) If it is necessary to make an initial sub-advance to a staff member, a receipt for cash advance must be completed. The receipt for cash advance form must be completed as follows:
  (i) description and *estimated* cost of the goods/services purchased;
  (ii) purchaser's name in print and signature;
  (iii) correct vote- or unique / short number with an adequate budget to be charged;
  (iv) signature of the Petty Cash Officer.

(b) In order to receive an initial sub-advance, the relevant staff member must submit an approval notice (authorized by a delegated official) to the Petty Cash Officer.

(c) On completion of the purchase the recording-, documentation- and authorization requirements will be as stated in paragraph 6.4.

(d) **All such sub-advances must be accounted for within 24 hours**, by submitting original receipts and other applicable documentation required attached as proof of payment (with the approval signature on the documentation). Where this cannot be achieved, the buyer will be liable to pay back the advance without any delay or if not possible, such advance to be deducted from the individual's salary and of which the individual agrees in writing to the deduction when completing the receipt for cash advance form.

(e) No more than one advance will be made to any one individual at a time.

6.6 Out-of-Pocket Payments

(a) Where a staff member has made a purchase from own funds and seeks reimbursement from the petty cash, supporting documentation must be provided to substantiate the claim which must be submitted within 10 working days from date of incurring the expense.

(b) The responsibility to ensure that the purchase will be in accordance with all the prescriptions of this policy will be the sole responsibility of the purchaser of such item(s).

(c) The recording-, documentation- and authorization requirements will be as stated in paragraph 6.4 above.

6.7 Reimbursement of Petty Cash Floats

(a) A petty cash float is operated on the basis that expenditure from the float is periodically reimbursed. Such reimbursement requires-
  (i) returning the cash level of the petty cash float to its original level, and;
  (ii) charging the expenditure which has been made to the correct expenditure vote.

(b) Accordingly, **at any point of time**, the sum of the cash on hand, i.e. remaining unspent, plus the cash advances for un-finalised purchases, plus the completed cash purchase claim forms, updated on the Summary Cash Purchase Claim form, shall equal the level of the petty cash advanced to a Department.

(c) Completed Cash Purchase Claim forms, with attached cash register slips, etc., must be submitted to the Expenditure Section for reimbursement after the Summary Claim Cover Page and attached documentation have been authorised by a financial delegate.

(d) Reimbursement of claims where supporting documentation as prescribed in this policy is absent / missing, must be declined.

(e) The prescribed Summary Cash Purchase Claim Form as well as other relevant forms attached to it must be completed in full.

(f) The most recently completed Cash Purchase Claim Form must record the reconciliation of the petty cash float. The Accountant: Creditors will decline reimbursement of claims where this is not supplied.

(g) A petty cash float must never be reimbursed with funds derived from any other source whatsoever.

6.8 Shortages and losses

(a) The holder of the Petty Cash float will be held accountable for any shortages and / or losses unless there is physical evidence of breaking in and no act or omission on the part of the relevant official contributed to the loss.

(b) Any shortages in respect of a petty cash float must be reimbursed immediately by the responsible petty cash officer.

(c) Where a petty cash float is stolen the incident must be promptly reported to the Chief Financial Officer in the required format and a case be logged at the South African Police Services.

6.9 Internal Controls

(a) Random surprise Petty Cash counts / audits must be conducted by the relevant Manager / Senior Manager throughout the financial year.

(b) Petty Cash reconciliations to the General Ledger must be reconciled and replenished before 30 June of every year (financial year-end).

6.10 Procedure where a Petty Cash Float is Repaid / Cancelled

When an advance is no longer required, a departmental memorandum must be submitted, signed by the Manager of the relevant Department, to the Accountant: Creditors, with the balance of cash on hand and completed and authorized Cash Purchase Claim forms. The most recently completed Cash Purchase Claim form will record the reconciliation of the petty cash float.

The Cashier must issue a receipt to the person delivering the cash.

7. IMPLEMENTATION AND REVIEW PROCESS

This policy will come into effect on **1 July 2023.**

This policy will be reviewed at least annually or when required by way of a Council resolution.

8. SHORT TITLE

This policy shall be called the Petty Cash Policy of the Overstrand Municipality.

POLICY SECTION:	SENIOR MANAGER: EXPENDITURE AND ASSET MANAGEMENT
CURRENT UPDATE:	31 May 2023
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PREVIOUS REVIEW	26 May 2021
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PREVIOUS REVIEW	04 May 2011
APPROVAL BY COUNCIL:	26 May 2010

OVERSTRAND MUNICIPALITY

PAYDAY POLICY

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1. PURPOSE

The purpose of the policy is to regulate the date on which Councillors and Employees of the Overstrand Municipality will receive their remuneration and / or allowances.

2. OBJECTIVES OF THE POLICY

The objectives of this Policy are to:-

a) Establish a consistent payment routine for the payment of remuneration and / or allowances; and
b) Provide information as to when remuneration and / or allowances will be paid.

3. DEFINITIONS

For the purpose of this policy, except where clearly indicated otherwise, the words and expressions set out below have the following meaning:

"Councillor"	A member of the Overstrand Municipal Council.
"Permanent Employee"	An official or worker appointed with paid leave and other entitlements / benefits in a position with unlimited duration.
"Contractual Employee"	A worker appointed on a fixed duration full-time or part-time basis for a period exceeding twelve (12) months to undertake and complete a specific task.
"Temporary Employee"	A worker appointed on a full-time or part-time basis for a maximum period not exceeding twelve (12) months to undertake and complete a specific task.
"Seasonal Employee"	A worker who is employed to work on a cyclical basis for a full season not exceeding a continuous period of six (6) months.

4. 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.

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).

6.4.2 **Long Service allowances** will be paid with the salary run of the month in which the employee qualifies for this allowance, provided it was submitted to the salary office before the relevant deadline. Requests may be submitted to pay these claims together with the weekly wage payment, given that this payment date is after the qualifying date.

6.4.3 **Acting [/ relief] allowances** will be paid with the salary run of the month after the acting **[/ relief]** was performed.

7. IMPLEMENTATION AND REVIEW PROCESS

This policy will come into effect on **1 July 2023.**

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:	SENIOR MANAGER: EXPENDITURE AND ASSET MANAGEMENT
CURRENT UPDATE:	31 MAY 2023
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PREVIOUS REVIEW	28 MAY 2015
PREVIOUS REVIEW	28 MAY 2014
APPROVAL BY COUNCIL:	28 November 2000 (Resolution)

OVERSTRAND
MUNICIPALITY

SUPPLY CHAIN
MANAGEMENT POLICY

OVERSTRAND
MUNICIPALITY

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

MUNICIPAL SUPPLY CHAIN MANAGEMENT POLICY

LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003

The Council of the Overstrand Municipality resolved on 25 June 2008 in terms of Section 111 of the Local Government: Municipal Finance Management Act (no. 56 of 2003) to adopt the following as the Supply Chain Management Policy of the municipality.

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POLICY STATEMENT AND OBJECTIVES

1 Section 111 of the Local Government: Municipal Finance Management Act, 56 (MFMA) requires each municipality and municipal entity to adopt and implement a Supply chain Management Policy, which give effect to the requirements of the Act.

2 In addition, the Preferential Procurement Policy Framework Act requires an Organ of State to determine its Preferential Procurement Policy and to implement it within the framework prescribed.

3 The objectives of this Policy are:

1) to give effects to section 217 of the Constitution of the Republic of South Africa by implementing a system that is fair, equitable, transparent, competitive and cost effective;

2) to comply with applicable provisions of the Municipal Finance Management Act including Municipal Supply Chain Management Regulations published under GN868 in Government Gazette 27636, 30 May 2005 and any National Treasury Guidelines issued in terms of the MFMA and regulations pertaining thereto; and

3) to acknowledge the provisions of:

a) the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);

b) The Competitions Act 1998 (Act No. 89 of 1998)

c) the Construction Industry Development Board Act, 2000 (Act No.38 of 2000);

d) the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

e) the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);

f) the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000);

g) the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);

h) the Prevention and Combating of Corrupt Activities Act, 2000 (Act No. 12 of 2004);

i) the Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000)

1 Definitions

In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) has the same meaning as in the Act, and –

"Accounting Officer"	means a person appointed by the Municipality in terms of Section 82 of the Local Government: Municipal Structures Act. 1998 (Act No. 117 of 1998) and who is the head of administration and also the Municipal Manager for the Municipality.
"Act" or "MFMA"	means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);
"Budget Holder"	Means the person/s accountable for expenditure from, and income to a particular budget. Each budget holder is responsible for the control of his/her budget and for the general financial administration of his/her area of responsibility. The Budget Holder is responsible to authorise expenditure from their budget up to a total of their budget allocation
["business day"	**means any day of the week except Saturday, Sunday and public holidays as determined in the Public Holidays Act, 1994 (Act No. 36 of 1994)]**
"Capital Asset"	means a) any immovable asset such as land, property or buildings; or b) any movable asset that can be used continuously or repeatedly for more than one year in the production or supply of goods or services, for rental to others or for administrative purposes, and from which future economic benefit can be derived, such as plant, machinery and equipment.
"CFO"	means Chief Financial Officer of the Municipality or Director of Finance in this instance;
"CIDB"	means Construction Industry Development Board
"close family member"	a person's spouse, whether in a marriage or in a customary union according to indigenous law, domestic partner in a civil union, or child, parent, brother, sister, whether such a relationship results from birth, marriage or adoption
"closing date"	means the time and day specified in the bid documents and/or advertisement of the receipt of bids.
"competitive bidding process"	means a competitive bidding process referred to in paragraph 12(1)(e) of this Policy;
"competitive bid"	means a bid in terms of a competitive bidding process;
"Construction Works"	means any work in connection with: c) the erection, maintenance, alteration, renovation, repair, demolition or dismantling of or addition to a building or any similar structure; d) the installation, erection, dismantling or maintenance of a fixed plant; e) the construction, maintenance, demolition or dismantling of any bridge, dam, canal, road, railway, sewer or water reticulation system or any similar civil engineering structure; or *f)* the moving of earth, clearing of land, the making of an excavation, piling or any similar type of work.
"Consultant"	means a person or entity providing services requiring knowledge based expertise
"contract"	means the agreement that results from the acceptance of a bid by the Municipality;
"Contract Owner"	means the deputy director, senior manager or manager, as the case may be, that is ultimately accountable for all activities during the life cycle of the contract. The Contract Owner can also be seen as the Budget holder.
"day(s)"	Means calendar days unless the context indicates otherwise;
"delegation"	in relation to a duty, includes an instruction a request to perform, or to assist in performing the duty.
"director"	means a manager referred to in section 56 of the Municipal Systems Act.
"emergency"	an emergency is an unforeseeable and sudden event with harmful or potentially harmful consequences for the municipality which requires urgent action to address.
"emerging enterprise"	means an enterprise which is owned, managed and controlled by previously disadvantaged persons and which is overcoming business impediments arising from the legacy of apartheid.
"essential community services"	means (in Local Government context) as published in Government Gazette numbers 18043 of 6 June 1997; Government Gazette number 18276 of 12 September 1997; Government Gazette number 18439 of 21 November 1997; Government Gazette number 18761 of 27 March 1998; Government Gazette number 22670 of 21 September 2001; Government Gazette number 27104 of 24 December 2004; Government Gazette number 28076 of 28 July 2006; Government Gazette number 29987 of 22 June 2007; Government Gazette number 30805 of 29 February 2008: I. Municipal traffic services and policing.

	II. Municipal health III. Municipal security. IV. Supply and distribution of water. VI. Generation, transmission and distribution of power. VII. Fire- fighting. XXVI. The following parts of sanitation services: a) Maintenance and operation of water borne sewerage systems, including pumping stations and the control of discharge of industrial effluent into the system; b) Maintenance and operation of sewerage purification works; c) Collection of refuse of an organic nature; d) Collection of infectious refuse from medical and veterinary hospitals or practices; e) Collection and disposal of refuse at a disposal site; f) Collection of refuse left uncollected for fourteen (14) days or longer, including domestic refuse and refuse on public roads and open spaces.
"final award"	in relation to bids or quotations submitted for a contract, means the final decision on which a bid or quote is accepted;
"financial interest"	means where a municipal staff member is a close family member of a person who is the owner, partner, principal shareholder or member, manager or who serves on the board of directors, etc of a tendering enterprise;
"financial year"	means a twelve-month period ending 30 June of every year.
"formal written price quotation"	means quotations referred to in paragraph 12(1)(d) of this Policy;
"Granting of Rights"	means the granting by the Overstrand Municipality of the right to use, control or manage capital assets in circumstances where sections 14 and 90 of the MFMA and Chapters 2 and 3 of the Municipal Asset Transfer Regulations do not apply. In other words, where the granting of such rights does not amount to "transfer" or "disposal" of the asset and which includes leasing, letting, hiring out, etc., of the capital asset.
"Head: Supply Chain Management"	Any post in the approved organisational structure to whom the entire SCM Unit reports to functionally
"IDP"	means Integrated Development Plan;
"in the service of the state"	means to be – a member of – a) any municipal council; b) any provincial legislature; or c) the National Assembly or the National Council of Provinces; d) a member of the board of directors of any municipal entity; e) an executive member of the accounting authority of any national or provincial public entity; or f) an official of any national or provincial department, national or provincial public entity or institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999); g) a member of the accounting authority of any national or provincial public entity; or *h)* an employee of Parliament or a provincial legislature;
"long term contract"	means a contract with a duration period exceeding one year;
"list of accredited prospective providers"	means the list of accredited prospective providers which the Overstrand Municipality must keep in terms of paragraph 14 of this policy;
"municipality"	means the Overstrand Municipality;
"notice boards"	means the official notice boards at the municipal offices and libraries;
"other applicable legislation"	means any other legislation applicable to municipal supply chain management, including – a) the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000); b) the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003); c) the Construction Industry Development Board Act, 2000 (Act No.38 of 2000); d) the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003); e) the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000); f) the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998); g) the Prevention and Combating of Corrupt Activities Act, 2000 (Act No. 12 of 2004); h) the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003): Municipal Supply Chain Management Regulations; i) the Preferential Procurement Regulations The Competitions Act 1998 (Act No. 89 of 1998), 2017

"Policy"	means the Supply Chain Management Policy of the Overstrand Municipality;
"quotation"	means a stated price that a supplier expects to receive for the provision of specified services, works or goods;
"Regulations"	means the Local Government: Municipal Finance Management Act, 2003, Municipal Supply Chain Management Regulations published by Government Notice 868 of 30 May 2005;
"SDBIP"	means Service Delivery and Budget Implementation Plan;
"single provider"	Sole supplier - One and Only (Alone of its kind) Supplier (Oxford Dictionary). If such goods or services are produced or available from a single provider only. There is no competition and only one provider exists in South Africa (for example, sole distribution rights);
"small business"	means a separate and distinct business entity, including cooperative enterprises and non-governmental organisations, managed by one owner or more which, including its branches or subsidiaries, if any, is predominantly carried on in any sector or sub-sector of the economy mentioned in column I of the Small Business Classification Schedule, and which can be classified as a micro-, a very small, a small or a medium enterprise by satisfying the criteria mentioned in columns 3,4 and 5 of the Schedule opposite the smallest relevant size or class as mentioned in column 2 of the Schedule.
"supply chain management practitioners"	includes the Chief Financial Officer and the Head: Supply Chain Management;
"survivalist enterprise"	means a business set up by people unable to find a paid job or get into an economic sector of their choice. Income generated from these activities usually falls far short of even a minimum income standard, with little capital invested, virtually no skills training in the particular field and only limited opportunities for growth into a viable business. This category is characterised by poverty and the attempt to survive.
"tender"	means a 'bid' or a 'quotation' in relation to a "Tender Box";
"tender box"	means the specified tender box at the offices of Overstrand Municipality, Magnolia Avenue, Hermanus.
"Treasury guidelines"	means any guidelines on supply chain management issued by the Minister in terms of section 168 of the Act
"validity period"	means the period for which a bid is to remain valid and binding as stipulated in the relevant tender document.
"written or verbal quotations"	means quotations referred to in paragraph 12(1)(b) & (c) of this Policy.
Reckoning of number of days: When any particular number of days is prescribed for the doing of any act, or for any other purpose, the same shall be reckoned exclusively of the first and inclusively of the last day, unless the last day happens to fall on a Sunday or on any public holiday, in which case the time shall be reckoned exclusively of the first day and exclusively of every such Sunday and public holiday.	
Words importing the singular shall include the plural and vice versa and words importing the masculine gender shall include females and words importing persons shall include companies, closed corporations and firms, unless the context clearly indicates otherwise.	
All amounts / limits stated in this document shall be deemed to be inclusive of Value Added Tax (VAT).	

CHAPTER 1: IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

2 Supply Chain Management Policy

1) All officials and other role players in the Supply Chain Management system of the Municipality must implement this Policy in a way that –
   a) gives effect to –
      (i) section 217 of the Constitution; and
      (ii) Part 1 of Chapter 11 and other applicable provisions of the Act;
      (iii) Regulations pertaining to Supply Chain Management.
   b) is fair, equitable, transparent, competitive, cost effective. and complies with –
      (i) the Regulations; and
      (ii) any minimum norms and standards that may be prescribed in terms of section 168 of the Act;
   c) is consistent with other applicable legislation;
   d) does not undermine the objective for uniformity in Supply Chain Management Systems between organs of state in all spheres; and
   e) is consistent with national economic policy concerning the promotion of investments and doing business with the public sector.

2) This Policy applies when the Municipality –
   a) procures goods or services;
   b) disposes of goods no longer needed;
   c) selects contractors to provide assistance in the provision of municipal services including circumstances where Chapter 8 of the Municipal Systems Act applies.
   d) Selects external mechanisms referred to in section 80(1)(b) of the Municipal Systems Act for the provision of municipal services in circumstances contemplated in section 83 of the Act.
3) This Policy, except where provided otherwise, does not apply in respect of:
   a) the procurement of goods and services contemplated in section 110(2) of the Act, including –
      (i) water from the Department of Water Affairs or a public entity, another municipality or a municipal entity;
      (ii) electricity from Eskom or another public entity, another municipality or a municipal entity; and
      (iii) or any other such entities.

3 Adoption, Amendment and Implementation of the Supply Chain Management Policy

1) The Accounting Officer must –
   a) at least annually review the implementation of this Policy; and
   b) when the Accounting Officer considers it necessary, submit proposals for the amendment of this Policy to Council.
2) If the Accounting Officer submits proposed amendments to Council that differs from the model policy issued by the National Treasury, the Accounting Officer must –
   a) ensure that such proposed amendments comply with the Regulations; and
   b) report any deviation from the model policy to the National Treasury and the Provincial Treasury.
3) When amending this supply chain management policy the need for uniformity in supply chain practices, procedures and forms between organs of state in all spheres, particularly to promote accessibility of supply chain management systems for small businesses must be taken into account.
4) The Accounting Officer must in terms of section 62(1)(f)(iv) of the Act, take all reasonable steps to ensure that the municipality implements the supply chain management policy.

4 Delegation of supply chain management powers and duties

1) Council hereby delegates all powers and duties to the Accounting Officer which are necessary to enable the Accounting Officer –
   a) to discharge the supply chain management responsibilities conferred on Accounting Officers in terms of –
      (i) Chapter 8 or 10 of the Act; and
      (ii) this Policy;
   b) to maximize administrative and operational efficiency in the implementation of this Policy;
   c) to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this Policy; and
   d) to comply with his or her responsibilities in terms of Section 115 and other applicable provisions of the Act.
2) Section 79 of the Act applies to the sub delegation of powers and duties delegated to the Accounting Officer in terms of sub-paragraph (1).
3) The Accounting Officer may not sub-delegate any supply chain management powers or duties to a person who is not an official of the Municipality or to a committee which is not exclusively composed of officials of the Municipality.

4) This paragraph may not be read as permitting an official to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.

5 Sub-delegations

1) The Accounting Officer may in terms of section 79 of the Act sub-delegate any supply chain management powers and duties, including those delegated to the Accounting Officer in terms of this Policy, but any such sub-delegation must be consistent with sub-paragraph (2) of this paragraph and paragraph 4 of this Policy.

2) The power to make a final award –

a) above R10 million (Incl. VAT), may not be sub-delegated by the Accounting Officer;

b) above R200,000 (Incl. VAT), but not exceeding R10 million (Incl. VAT) may be sub-delegated, but only to a bid adjudication committee of which the Chief Financial Officer is the chairperson and directors are members;

c) below R200,000 (Incl. VAT) may be sub-delegated as per Council's delegations, attached as Annexure A, pertaining to the procurement of goods and services.

3) An official or bid adjudication committee to which the power to make final awards has been sub-delegated in accordance with sub-paragraph (2) must within **[three (3) business]** 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) The awards scheduled must be published on Council's website in terms of Section 75(g) of the Act).

5) Sub-paragraphs (3) and (4) of this policy do not apply to procurement out of petty cash or written quotations below R2,000 (Incl. VAT).

6) This paragraph may not be interpreted as permitting an official to whom the power to make final awards has been sub-delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy. Also refer to paragraph 4(4) and 5(2)(a) of this Policy.

7) No supply chain management decision-making powers may be delegated to an advisor or consultant.

6 Oversight role of council

1) Council must maintain oversight over the implementation of this Policy.

2) For the purposes of such oversight the Accounting Officer must –

a) within **[22 business]** 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 **[six (6) business]** 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 **[before]** 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.

Part 2: ACQUISITION MANAGEMENT

11 System of Acquisition Management

1) The Accounting Officer must implement the system of acquisition management set out in this Part in order to ensure –

a) that goods and services are procured by the Municipality in accordance with authorised processes only ;

b) that expenditure on goods and services is incurred in terms of an approved budget in terms of section 15 of the Act;

c) that the threshold values for the different procurement processes are complied with;

d) that bid documentation, evaluation and adjudication criteria, and general conditions of a contract, are in accordance with any applicable legislation; and

e) that any Treasury guidelines on acquisition management are properly taken into account.

2) When procuring goods or services contemplated in section 110(2) of the Act, the Accounting Officer must, subject to paragraph 2(3), make public the fact that such goods or services are procured otherwise than through the Municipality's supply chain management system, including -

a) the kind of goods or services; and

b) the name of the supplier.

12 Range of procurement processes

1) Goods and services may only be procured by way of –

a) petty cash purchases in terms of Council's Petty Cash Policy for procurement transactions with a value up to R2 000 (Incl. VAT);

b) one written or verbal quotation for procurement transactions with a value up to R2 000 (Incl. VAT);

c) three written quotations for procurement transactions with a value over R2 000 (Incl. VAT) up to R10 000 (Incl. VAT) ;

d) formal written price quotations for procurement transactions valued over R10 000 (Incl. VAT) up to R200 000 (Incl. VAT) ; and

e) a competitive bidding process for –

(i) procurement transactions with a value above R200 000 (Incl. VAT); and

(ii) the procurement of long-term contracts.

2) The Accounting Officer may, in writing -

a) lower, but not increase, the different threshold values specified in sub-paragraph (1); or

b) direct that –

(i) written or verbal quotations be obtained for any specific procurement of a transaction value lower than R2 000 (Incl. VAT);

(ii) formal written price quotations be obtained for any specific procurement of a transaction value lower than R30 000 (Incl. VAT); or

(iii) a competitive bidding process be followed for any specific procurement of a transaction value lower than R200 000 (Incl. VAT).

3) Goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirements of the policy. When determining transaction values, a requirement for goods or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction.

13 General preconditions for consideration of written quotations or bids

1) A written quotation or bid may not be considered unless the provider who submitted the quotation or bid –

a) has furnished that provider's –

(i) full name;

(ii) identification number or company or other registration number; and

(iii) tax reference number and VAT registration number, if any;

b) has authorised the Municipality to verify any of the documentation referred to in sub-paragraph (a) above; and

c) has indicated –

(i) whether he or she is in the service of the state, or has been in the service of the state in the previous twelve months;

(ii) if the provider is not a natural person, whether any of its directors, managers, principal shareholder or stakeholders are in the service of the state, or has been in the service of the state in the previous twelve months; or

(iii) whether a spouse, child or parent of the provider or of a director, manager, shareholder or stakeholder referred to in sub-paragraph (ii) is in the service of the state or has been in the service of the state in the previous twelve months.

14 Lists of accredited prospective providers

1) The Accounting Officer must –

a) keep a list of accredited prospective providers of goods and services that must be used for the procurement requirements through written or verbal quotations and formal written price quotations; and

b) at least once a year through newspapers commonly circulating locally, the website and any other appropriate ways, invite prospective providers of goods or services to apply for evaluation and listing as accredited prospective providers; and

c) The listing criteria for prospective suppliers are:

(i) Name of supplier / service provider;

(ii) Street and postal address;

(iii) Contact person for quotations/enquiries;

(iv) Contact numbers for quotations / enquiries;

(v) Contact details for quotations/enquiries

(vi) VAT registration yes/no;

(vii) VAT registration number;

(viii) Banking details in the name of the entity;

(ix) Type of industry;

(x) Valid certification for specialised services;

(xi) Valid tax clearance certificate or pin;

(xii) CIDB registration if applicable;

(xiii) Valid certification in respect of Exempted Micro Enterprises or

(xiv) B-BBEE Status Level of Contributor.

(xv) Relevant identification numbers and certified copies of identity documents of all members, directors, principal shareholders and partners.

d) Disallow the listing of any prospective provider whose name appears on the National Treasury's database as a person prohibited from doing business with the public sector.

2) The list must be updated at least quarterly to include any additional prospective providers and any new commodities or types of services. Prospective providers must be allowed to submit applications for listing at any time.

3) The list must be compiled per commodity and per type of service.

15 Written or verbal quotations up to R2,000 (Incl. VAT)

1) The conditions for the procurement of goods by means of written quotations referred to in paragraph 12(1)(b) of this Policy for minor items that are purchased for up to R2,000 (Incl. VAT), are as follows: -.

a) written quotations for transactions must be obtained from at least one prospective supplier or service provider preferably from, but not limited to, suppliers or service providers whose names

appear on the list of accredited prospective providers of the Municipality provided that if quotations are obtained from providers who are not listed, such providers must meet the listing criteria set out in paragraph 14(1)(b), (c) and (d) of this Policy;

b) if a quotation was submitted verbally, the order may be placed only against written confirmation by the selected provider.

16 Written quotations above R2,000 (Incl. VAT)

1) The conditions for the procurement of goods or services through written quotations for amounts above R2,000 (Incl. VAT) up to R10,000 (Incl. VAT) are as follows:

a) quotations must be obtained from at least three different providers preferably from, but not limited to, providers whose names appear on the list of accredited prospective providers of the Municipality provided that if quotations are obtained from providers who are not listed, such providers must meet the listing criteria set out in paragraph 14(1)(b), (c) and (d) of this Policy;

b) if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the Chief Financial Officer or an official designated by the Chief Financial Officer and reported quarterly to the Accounting Officer or another official designated by the Accounting Officer; and

c) the Accounting Officer must record the names of the potential providers requested to provide such quotations with their quoted prices.

17 Formal written price quotations

1) The conditions for the procurement of goods or services through formal written price quotations for amounts above R10,000 (Incl. VAT) up to R200,000 (Incl. VAT) are as follows:

a) quotations must be obtained in writing from at least three different providers whose names appear on the list of accredited prospective providers of the Municipality;

b) quotations may be obtained from providers who are not listed, provided that such providers meet the listing criteria set out in paragraph 14(1)(c) and (d) of this Policy;

c) if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the Chief Financial Officer or an official designated by the Chief Financial Officer; and

d) the Accounting Officer must record the names of the potential providers and their written quotations.

2) A designated official referred to in paragraph 16(1)(b) and sub-paragraph (1)(c) must by the 3rd of each month report to the Chief Financial Officer on any approvals given during the preceding month by that official in terms of that sub-delegation.

18 Procedures for procuring goods or services through written quotations and formal written price quotations

1) The procedure for the procurement of goods or services through written quotations or formal written price quotations is as follows:

a) when using the list of accredited prospective providers, the Accounting Officer must promote on-going competition amongst providers by inviting providers to submit quotations on a rotation basis;

b) all requirements in excess of R30,000 (Incl. VAT) that are to be procured by means of formal written price quotations must, in addition to the requirements of paragraph 17, be advertised for at least **[five business]** seven days on the website and an official notice board of the Municipality;

c) quotations received must be evaluated on a comparative basis taking into account unconditional discounts;

d) the Accounting Officer or Chief Financial Officer must on a monthly basis be notified in writing of all written or verbal quotations and formal written price quotations accepted by an official acting in terms of a sub-delegation;

e) quotations must be awarded based on compliance to specifications, conditions of contract, ability and capability to deliver the goods and services and **[lowest price]** the preference points system will apply in terms of the Preferential Procurement Policy for quotations up to **[R30 000]**

R200 000 (Incl. VAT) **[and the preference points system will apply for all quotations in excess of R30 000 (Incl. VAT)]**;

f) the Chief Financial Officer must set requirements for proper record keeping of all formal written price quotations accepted on behalf of the municipality;

19 Competitive bids

1) Goods or services above a transaction value of R200 000 (Incl. VAT) and long term contracts may only be procured through a competitive bidding process, subject to paragraph 11(2) of this Policy.

2) No requirement for goods or services above an estimated transaction value of R200,000 (Incl. VAT), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.

20 Process for competitive bidding

1) The procedures for the following stages of a competitive bidding process are as follows:

a) Compilation of bidding documentation is detailed in paragraph 21;

b) Public invitation of bids is detailed in paragraph 22;

c) Site meetings or briefing sessions are detailed in paragraph 22;

d) Handling of bids submitted in response to public invitation is detailed in paragraph 23;

e) Evaluation of bids is detailed in paragraph 28;

f) Award of contracts is detailed in paragraph 29;

g) Administration of contracts is detailed in paragraph 6 of Council's Contract management Policy

h) Proper record keeping: Original and legal copies of all tender documentation must be kept in a secure place for reference purposes.

21 Bid documentation for competitive bids

1) The criteria to which bid documentation for a competitive bidding process must comply, must –

a) take into account –

(i) the general conditions of contract and any special conditions of contract, if specified;

(ii) any Treasury guidelines on bid documentation; and

(iii) the requirements of the Construction Industry Development Board (CIDB), in the case of a bid relating to construction, upgrading, refurbishment of buildings or infrastructure.

b) include the preference points system to be used as contemplated in the Preferential Procurement Regulations, 2017, evaluation and adjudication criteria, including any criteria required by other applicable legislation;

c) compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted;

d) if the value of the transaction is expected to exceed R10 million (Incl. VAT) –

(i) if the bidder is required by law to prepare annual financial statements for auditing, its audited annual financial statements –

(a) for the past three years; or

(b) since its establishment if established during the past three years;

(ii) certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services towards a Municipality or other service provider in respect of which payment is overdue for more than 30 calendar days;

(iii) particulars of any contracts awarded to the bidder by the municipality during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract;

(iv) a statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality or municipal entity is expected to be transferred out of the Republic; and

e) stipulate that disputes must be settled by means of mutual consultation, mediation (with or without legal representation), or, when unsuccessful, in a South African court of law;

2) A fee shall be raised for bid forms, plans, specifications, samples and any other bid documentation, depending on the nature, magnitude and value of technical information or samples provided by the municipality for tenders in excess of R200 000 (Incl. VAT).

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.

22 Public invitation for competitive bids

1) The procedure for the invitation of competitive bids is as follows:

a) Any invitation to prospective providers to submit bids must be by means of a public advertisement:

(i) in newspapers commonly circulating locally,

(ii) on the notice boards at selected offices of the Municipality,

(iii) on the website of the Municipality,

(iv) on the e-Tender Publication Portal of the National Treasury

(v) on the i-Tender website of the CIDB for construction procurement related transactions or

(vi) any other appropriate ways (which may include an advertisement in the Government Tender Bulletin).

b) The information contained in a public advertisement, must include –

(i) the closure date for the submission of bids, which may not be less than **[22 business]** 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 **[10 business]** 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) date, time and venue of any proposed site meetings or briefing sessions, provided that site meetings / information sessions may not be scheduled within **[5 business]** 7 days of the date on which a bid advertisement is placed; and

(v) the required CIDB contractor category and grading designation for construction procurement.

(vi) [that only locally produced goods, works or services or locally manufactured goods with a stipulated minimum threshold for local production and content will be considered for sectors designated by the Department of Trade and Industry.]

2) The Accounting Officer may determine a closure date for the submission of bids which is less than the required **[22 or 10 business]** 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 validity period of a bid may be extended by the accounting officer, or his/her duly appointed delegate, prior to the expiry of the validity period indicated in the bid document.

6) Communication with bidders before the closing date:

a) The budget holder must approach the Bid Specification Committee, if necessary, to consider authorisation in writing, of communication with bidders prior to bids closing.

b) The Municipality is entitled to amend any bid condition, validity period, specification or plan, or extend the closing date of such a bid or quotation before the closing date, provided that such amendments or extensions are advertised and/or where possible, that all bidders to whom bid documents have been issued, are advised in writing per e-mail or by fax of such amendments or of the extension clearly reflecting the new closing date and time. For this reason, officials and authorised service providers issuing bids shall keep a record of the names, addresses and contact numbers of the persons or enterprises to whom bid documents have been issued.

c) All amendments must be approved by the Accounting Officer or the relevant delegated director prior to the closing date of the bid invitation. The communication of the minutes of site meetings is not subject to this requirement.

23 Procedure for handling, opening, 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.

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 with bidders identified through a competitive bidding process as preferred bidders, provided that such negotiation –

a) does not allow any preferred bidder a second or unfair opportunity;

b) is not to the detriment of any other bidder; and

c) does not lead to a higher price than the bid as submitted;

d) does not lead to a lower price in respect of sale of land / goods.

2) Minutes of such negotiations must be kept for record purposes and as far as practical be made part of the final contract.

3) No unauthorised communication with bidders and prospective providers:

a) where bids and quotations have been submitted to the municipality, a bidder may not communicate with any councillor, official, or authorised service provider on any matter regarding his bid, quotation or offer other than a notice of withdrawal.

b) No municipal personnel may communicate with a bidder or any other party who has an interest in a bid, during the period between the closing date for the receipt of the bid or quotation (or date of receipt of an offer), and the date of notification of the successful bidder of acceptance of his bid, quotation or offer, except as provided for in paragraph (c) below. Every such case of unauthorised communication shall forthwith be reported to the Supply Chain Management Unit as well as the chairperson of the Bid Adjudication Committee. A bid or quotation in respect of which unauthorised communication has occurred may be disqualified.

c) The budget holder must approach the Bid Evaluation Committee, as determined in paragraph 28(2), to consider authorising an employee or authorised consulting service provider, in writing,

to communicate with a bidder during the period mentioned in subsection (b) above for the purpose of:-

(i) Obtaining an explanation and verification of declarations made in the bid response;

(ii) confirming technical particulars and the compliance thereof with specifications;

(iii) clarifying delivery times/quantities;

(iv) extending the validity period of a bid;

(v) clarifying any other commercial aspect;

(vi) for the submission of substantiating documents;

(vii) any other clarifications

d) In all cases where authority has been granted to communicate with bidders in terms of paragraph (c) above, it should be clearly stated in the submission to the Bid Adjudication Committee the nature of the communication as well as by whom such authority to communicate has been granted.

25 Two-stage bidding process

1) A two-stage bidding process is allowed for –

a) large complex projects; or

b) projects where it may be undesirable to prepare complete detailed technical specifications; or

c) long term projects with a duration period exceeding three years.

2) In the first stage technical proposals on conceptual design or performance specifications should be invited, subject to technical as well as commercial clarifications and adjustments.

3) In the second stage final technical proposals and priced bids should be invited.

26 Committee system for competitive bids

1) A committee system for competitive bids is hereby established, consisting of the following committees for each transaction or cluster of transactions as the Accounting Officer may determine:

a) a bid specification committee;

b) a bid evaluation committee; and

c) a bid adjudication committee;

2) The Accounting Officer appoints the members of each committee, taking into account section 117 of the Act, and

3) The Accounting Officer may appoint a neutral or independent observer, to attend or oversee a committee when this is appropriate for ensuring fairness and promoting transparency.

4) The committee system must be consistent with –

a) paragraphs 27, 28 and 29 of this Policy; and

b) any other applicable legislation.

5) The Accounting Officer may apply the committee system to formal written price quotations.

27 Bid Specification Committees

1) The appropriate bid specification committee must compile the specifications for each procurement transaction for goods or services by the Municipality, depending on the department involved.

2) Specifications –

a) must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services;

b) must take account of any accepted standards such as those issued by Standards South Africa, the International Standards Organization, or an authority accredited or recognised by the South

African National Accreditation System with which the equipment or material or workmanship should comply;

c) must, where possible, be described in terms of performance required and / or in terms of descriptive characteristics for design;

d) may not create trade barriers in contract requirements in the forms of specifications, plans, drawings, designs, testing and test methods, packaging, marking or labelling of conformity certification;

e) may not make reference to any particular trade mark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible way of describing the characteristics of the work, in which case such reference must be accompanied by the word "equivalent";

f) must indicate the preference points system for which points may be awarded as set out in the prevailing Preferential Procurement Regulations; and

g) must be approved by the Accounting Officer or the relevant delegated director prior to publication of the invitation for bids in terms of paragraph 22 of this Policy.

3) A Bid Specification Committee must be composed of one or more officials of the municipality, including, but not limited to:-

a) a delegated supply chain management practitioner;

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) <u>any other officials appointed by the Accounting Officer.</u>

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) <u>any other official appointed by the Accounting Officer</u>

29 Bid Adjudication Committees

1) A bid adjudication committee must –

a) consider the report and recommendations of the bid evaluation committee; and

b) either –

(i) depending on its delegations, make a final award or a recommendation to the Accounting Officer to make the final award; or

(ii) make another recommendation to the Accounting Officer how to proceed with the relevant procurement.

2) The bid adjudication committee must be composed of at least four directors of the municipality which must include –

a) the Chief Financial Officer or, if the Chief Financial Officer is not available, another manager reporting directly to the Chief Financial Officer and designated by the Chief Financial Officer; **[and]**

b) a senior supply chain management practitioner; <u>and</u>

c) <u>a technical expert in the relevant field who is an official of the municipality, if the municipality has such an expert.</u>

3) The Accounting Officer must appoint the chairperson of the committee. If the Chairperson is unable to chair the meeting, the members of the committee who are present must elect one of them to preside at the meeting.

4) A quorum for the Adjudication Committee shall be four members.

a) In the event of an equality of votes the chairperson shall have a casting vote over and above a deliberate vote.

b) The Director of the department that called for the tender must be present at the meeting where the particular tender is considered.

5) The members of the Bid Evaluation Committee, or their delegates, must be present at the Bid Adjudication Committee meetings to clarify issues that were dealt with in the Bid Evaluation Committee meetings without voting rights.

6) A technical expert in the relevant field, who is an official, if such an expert exists, may attend the meeting as an advisor for clarification purposes. This official will not have voting rights at the Bid Adjudication Committee meeting. **[Neither a member of a bid evaluation committee, nor an advisor or person assisting the bid evaluation committee, may be a member of a bid adjudication committee.]**

7) <u>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.</u>

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 **[46 business]** 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 R200 000 (Incl. VAT); or
   b) the duration period of the contract exceeds one year.
3) In addition to any requirements prescribed by this policy for competitive bids, bidders must furnish particulars of –
   a) all consultancy services provided to an organ of state in the last five years; and
   b) any similar consultancy services provided to an organ of state in the last five years.
4) The Accounting Officer must ensure that copyright in any document produced, and the patent rights or ownership in any plant, machinery, thing, system or process designed or devised, by a consultant in the course of the consultancy service is vested in the Municipality.
5) A municipality or municipal entity may only appoint consultants if an assessment of the needs and requirements confirms that the affected municipality or municipal entity does not have the requisite skills or resources in its full -time employ to perform the function.
6) An accounting officer must adopt a fair and reasonable remuneration framework for consultants taking into account the rates -
   a) determined in the "Guideline on fees for audits undertaken on behalf of the Auditor - General of South Africa ", issued by the South African Institute of Chartered Accountants;
   b) set out in the "Guide on Hourly Fee Rates for Consultants ", issued by the Department of Public Service and Administration; or
   c) as prescribed by the body regulating the profession of the consultant.
7) The tender documentation for the appointment of consultants must include a paragraph that the remuneration rates will be subject to negotiation, not exceeding the applicable rates mentioned in sub -regulation (2).
8) When negotiating cost -effective consultancy rates for international consultants, the accounting officer may take into account the relevant international and market –determined rates.
9) When consultants are appointed, an accounting officer must -
   a) appoint consultants on a time and cost basis with specific start and end dates;

b) where practical, appoint consultants on an output- specified basis, subject to specific measurable objectives and associated remuneration;

c) ensure that contracts with consultants include overall cost ceilings by specifying whether the contract price is inclusive or exclusive of travel and subsistence disbursements;

d) ensure the transfer of skills by consultants to the relevant officials of a municipality or municipal entity;

e) undertake all engagements of consultants in accordance with the Municipal Supply Chain Management Regulations, 2005 and the municipality or municipal entity's supply chain management policy; and

f) develop consultancy reduction plans to reduce the reliance on consultants.

10) All contracts with consultants must include a fee retention or penalty paragraph for poor performance.

11) A municipality or municipal entity must ensure that the specifications and performance are used as a monitoring tool for the work to be undertaken and are appropriately recorded and monitored.

12) The travel and subsistence costs of consultants must be in accordance with the national travel policy issued by the National Department of Transport, as updated from time to time.

13) The contract price must specify all travel and subsistence costs and if the travel and subsistence costs for appointed consultants are excluded from the contract price, such costs must be reimbursed in accordance with the national travel policy of the National Department of Transport.

36 Deviation from, and ratification of minor breaches of procurement processes

1) The Accounting Officer may –

a) dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –

(i) in an emergency;

(a) Circumstances that warrant emergency dispensation, includes but are not limited to -

(i) the possibility of human injury or death;

(ii) the possibility of damage to property;

(iii) failure to take necessary action may result in the municipality not being able to render an essential community service;

(iv) the interruption of services related to communication facilities or support services critical to the effective functioning of the municipality as a whole; or

(v) the eminent possibility of serious damage occurring to the natural environment.

(b) The prevailing situation, or imminent danger, should be of such a scale and nature that it could not readily be alleviated by interim measures, in order to allow time for the formal tender process.

(c) Procurement in the case of emergencies must be tacitly approved by the relevant director or his delegate prior to incurring the expenditure (before issuing an instruction to the supplier) and must be reported in writing to the Accounting Officer or duly appointed delegated official within **[three business]** five working days.

(ii) if such goods or services are produced or available from a single provider only;

(iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;

(iv) acquisition of animals for zoos and/or nature and game reserves; or

(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes including, but not limited to-:

(a) ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids;

b) ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature; and

c) may condone any irregular expenditure incurred in contravention of, or that is not in accordance with a requirement of this Policy and which is not also a contravention of the Municipal Supply Chain Management Regulations (GG 27636 of 30 May 2005), provided that such condonation and the reasons therefore shall be reported to Council at the next ensuing meeting.

2) The Accounting Officer must record the reasons for any deviations in terms of sub-paragraphs (1)(a) and (b) of this policy and report them to the next Council Meeting and include as a note to the annual financial statements.

3) Sub-paragraph (2) does not apply to the procurement of goods and services contemplated in paragraph 11(2) of this policy.

37 Unsolicited bids

1) In accordance with Section 113 of the Act there is no obligation to consider unsolicited bids received outside a normal bidding process.

2) The Accounting Officer may decide in terms of Section 113(2) of the Act to consider an unsolicited bid, only if –

a) the product or service offered in terms of the bid is a demonstrably or proven unique innovative concept;

b) the product or service will be exceptionally beneficial to, or have exceptional cost advantages;

c) the person who made the bid is the sole provider of the product or service; and

d) the reasons for not going through the normal bidding processes are found to be sound by the Accounting Officer.

3) If the Accounting Officer decides to consider an unsolicited bid that complies with sub-paragraph (2) of this policy, the decision must be made public in accordance with Section 21A of the Municipal Systems Act, together with –

a) reasons as to why the bid should not be open to other competitors;

b) an explanation of the potential benefits if the unsolicited bid was to be accepted; and

c) an invitation to the public or other potential suppliers to submit their comments within **[22 business]** 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 **[five business]** 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 **[22 business]** 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) before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract. Orders may be amended/issued where estimates are used to issue orders for rates/tariff based contracts when it is impractical to determine the final amount upfront;

e) appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;

f) regular checking to ensure that all assets are properly managed and maintained in terms of Council's Asset Management Policy; and

g) monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

h) Contracts will be implemented in terms of the requirements of Section 116 of the Act and Council's Contract Management Policy.

40 Disposal management

a) Assets must be disposed of or leased in terms of the Municipal Asset Transfer Regulations, Overstrand Municipality's Asset Management Policy and Administration of Immovable Property Policy respectively.

b) Disposal Management does not *per se* represent a procurement process, 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 to a person, the Municipality must first check with SARS whether that person's tax matters are in order.]**

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) **[If SARS does not respond within seven days, such person's tax matters may for purposes of sub-paragraph (1) be presumed to be in order.]**

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 in respect of a contract that would cause a conflict of interest.

45 Awards to close family members of persons in the service of the state

1) The Accounting Officer must ensure that the notes to the annual financial statements disclose particulars of any award of more than R2 000 (Incl. VAT) to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, including –

   a) the name of that person;

   b) the capacity in which that person is in the service of the state; and

   c) the amount of the award.

46 Ethical standards

1) A code of ethical standards for supply chain management practitioners and other role players involved in supply chain management is hereby established in accordance with sub-paragraph (2) in order to promote –

   a) mutual trust and respect; and

   b) an environment where business can be conducted with integrity and in a fair and reasonable manner.

2) An official or other role player involved in the implementation of the supply chain management policy –

   a) must treat all providers and potential providers equitably;

   b) may not use his or her position for private gain or to improperly benefit another person;

   c) may not accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person, of a value more than R350;

   d) notwithstanding sub-paragraph (2)(c), must declare to the Accounting Officer details of any reward, gift, favour, hospitality or other benefit promised, offered or granted to that person or to any close family member, partner or associate of that person;

   e) must declare to the Accounting Officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process of, or in any award of a contract by, the Municipality;

   f) must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;

   g) must be scrupulous in his or her use of property belonging to the municipality;

   h) must assist the Accounting Officer in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system; and

   i) must report to the Accounting Officer any alleged irregular conduct in the supply chain management system which that person may become aware of, including –

      (i) any alleged fraud, corruption, favouritism or unfair conduct;

      (ii) any alleged contravention of paragraph 47(1) of this policy; or

      (iii) any alleged breach of this code of ethical standards.

3) Declarations in terms of sub-paragraphs (2)(d) and (e) -

   a) must be recorded in a register which the Accounting Officer must keep for this purpose;

      (i) by the Accounting Officer must be made to the mayor of the municipality who must ensure that such declarations are recorded in the register.

4) A breach of the code of ethics must be dealt with as follows -

   a) in the case of an employee, in terms of the disciplinary procedures of the Municipality envisaged in section 67(1)(h) of the Municipal Systems Act;

   b) in the case a councillor, in terms of Schedule 1 of the Systems Act;

   c) in the case a role player who is not an employee, or a councillor through other appropriate means in recognition of the severity of the breach; and

   d) in all cases, financial misconduct must be dealt with in terms of Chapter 15 of the Act.

47 Inducements, rewards, gifts and favours to municipal officials and other role players

1) No person who is a provider or prospective provider of goods or services, or a recipient or prospective recipient of goods disposed or to be disposed of may either directly or through a representative or intermediary promise, offer or grant –

   a) any inducement or reward to the Municipality for or in connection with the award of a contract; or

   b) any reward, gift, favour or hospitality to –

      (i) any official; or

      (ii) any other role player involved in the implementation of this Policy.

2) The Accounting Officer must promptly report any alleged contravention of sub-paragraph (1) to the National Treasury for considering whether the offending person, and any representative or intermediary through which such person is alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.

3) Sub-paragraph (1) does not apply to gifts less than R350 (Incl. VAT) in value.

48 Sponsorships

1) The Accounting Officer must promptly disclose to the National Treasury and the relevant provincial treasury any sponsorship promised, offered or granted, whether directly or through a representative or intermediary, by any person who is –

   a) a provider or prospective provider of goods or services; or

   b) a recipient or prospective recipient of goods disposed or to be disposed.

49 Objections and complaints

Persons aggrieved by decisions or actions taken in the implementation of this supply chain management system, may lodge within **[10 business]** 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 **[46 business]** 60 days; or

b) no response is forthcoming within **[46 business]** 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 2023** and will be reviewed at least annually by way of a Council resolution.

POLICY SECTION:	HEAD: SUPPLY CHAIN MANAGEMENT				
CURRENT UPDATE	2023/05/31	PREVIOUS REVIEW	2017/11/29	PREVIOUS REVIEW:	2012/06/26
PREVIOUS REVIEW	2022/12/14	PREVIOUS REVIEW:	2017/05/31	PREVIOUS REVIEW:	2012/05/30
PREVIOUS REVIEW:	2022/05/31	PREVIOUS REVIEW:	2017/03/29	PREVIOUS REVIEW:	2011/11/30
PREVIOUS REVIEW:	2021/05/26	PREVIOUS REVIEW:	2016/05/25	PREVIOUS REVIEW:	2011/05/04
PREVIOUS REVIEW:	2020/05/27	PREVIOUS REVIEW:	2016/02/24	PREVIOUS REVIEW:	2010/05/26
PREVIOUS REVIEW:	2020/03/25	PREVIOUS REVIEW:	2015/05/28	PREVIOUS REVIEW:	2009/05/27
PREVIOUS REVIEW:	2019/06/26	PREVIOUS REVIEW:	2014/05/28	APPROVAL	2008/06/25
PREVIOUS REVIEW:	2019/05/29	PREVIOUS REVIEW:	2013/05/29		
PREVIOUS REVIEW:	2018/05/30	PREVIOUS REVIEW:	2012/11/28		

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 Directors, subject to the under-mentioned criteria, and further subject to the municipality's Supply Chain Management Policy, financial regulations and council resolutions where applicable.			
4.2.81.1.	***APPROVAL / AWARD / CANCELLATION* OF QUOTATIONS, FORMAL QUOTATIONS AND TENDERS**		
RAND VALUE (VAT inclusive)		**LEVEL OF APPROVAL** (With due regard to proper segregation of duties)	**QUOTATIONS / TENDERS PROCESS FOLLOWED**
Up to R2 000		Level of approval as delegated by relevant director	Petty cash Purchases in terms of the Petty Cash Policy AND / OR One (1) written quotation
R2 000.01 – R30 000.00		Post level T12 and higher	Three (3) written price quotations in terms of Paragraph 17(1)(a) of the SCM Policy
R30 000.01 – R200 000.00		Head: Supply Chain Management	Formal written price quotations in terms of Paragraph 18(b) of the SCM Policy
R200 000.01 – R10 million		Bid Adjudication Committee	Competitive Bidding – committee system
> R10 million		Municipal Manager after recommendation from the Bid Adjudication Committee	Competitive Bidding – committee system
4.2.81.2	***APPROVAL OF DEVIATIONS***		
RAND VALUE (VAT inclusive)		**LEVEL OF APPROVAL [IN TERMS OF PARAGRAPH 36 ((1)(a)(v)(b) TO (i))**	
R0 – R200 000.00		**Directors**	
>R200 000.00		**Accounting Officer**	
36(1)(a)(v)(c) & (d)		**Level of approval as delegated by relevant director]**	
IN TERMS OF PARAGRAPH 36 ((1)(a)(i) TO (v)(a)			
R0 – R70 000.00		Head: Supply Chain Management	
R70 000.01 – R200 000.00		Chief Financial Officer (Director: Finance) after consultation with, and recommendation by, the Head: Supply Chain Management	
>R200 000.00		Accounting Officer	
4.2.81.3	***APPROVAL OF REQUESTS* FOR PURCHASE ORDERS & MUNICIPAL STORE ISSUES**		
Up to R2 000		Level of approval as delegated by relevant director	
R2 000.01 – R30 000.00		Post level T12 and higher	
R30 000.01 – R70 000.00		Post level T13 and higher	
> R70 000.00		Post level T16 and higher	
4.2.81.4	***CERTIFICATION AND AUTHORISATION OF ALL PAYMENTS* inclusive of where an official order has been issued in terms of sub-paragraph 4.2.81.3 above**		
RAND VALUE (VAT inclusive)		**LEVEL OF APPROVAL (With due regard to proper segregation of duties)**	
R0 – R70 000.00		Post Level 13 and Higher	
R70 000.01 – R500 000.00		Post Level 16 and Higher	
> R 500 000.00		Municipal Manager & Directors	
Eskom Bulk Electricity Purchases		Senior Manager: Electro-technical Services	
4.2.81.5	***APPROVAL OF SPECIFICATIONS* FOR COMPETITIVE BIDS, in terms of Paragraph 27(2)(g) of the SCM Policy**		
Cryptic description of Power or Duty		**Sub-delegated to**	**Remarks, Limitations or Conditions**
Specifications for Competitive Bids must be approved prior to the publication of the invitation for bids in terms of **[clause]** paragraph 22 of the SCM Policy.		All Directors	This delegation applies in so far as each director's responsibility for managing the respective votes of the municipality and to whom powers and duties for this purpose have been delegated in terms of Section 79 of the MFMA (Act 56 of 2003).
4.2.81.6	***APPROVAL OF COMMUNICATION* WITH PROSPECTIVE BIDDERS**		
Cryptic description of Power or Duty		**Sub-delegated to**	**Remarks, Limitations or Conditions**
The budget holder must approach the bid specification committee to consider authorising communication with bidders prior to the closing date of tenders in terms of paragraph 22(6)(a) of the SCM Policy		Bid Specification Committee	This delegation applies in so far as the tender to which the communication relates and the members of the committee as appointed by the accounting officer
The budget holder must approach the bid evaluation committee to consider authorising communication with bidders after the closing of tenders in terms of paragraph 24(3)(c) of the SCM Policy		Bid Evaluation Committee	This delegation applies in so far as the tender to which the communication relates and the members of the committee as appointed by the accounting officer
4.2.81.7	**APPROVAL OF EXPANSIONS / VARIATIONS / AMENDMENTS IN THE CONTRACT SUM OR PERIOD**		
RAND VALUE (VAT inclusive)		**LEVEL OF APPROVAL**	**PROCESS FOLLOWED**
R0 – R200 000.00 (total inclusive of amendment)		Head: Supply Chain Management	Circular 62 Expansion / Variation
R200 000.01 – R10 million (total inclusive of amendment)		Bid Adjudication Committee	Circular 62 Expansion / Variation
R0 - unlimited		Municipal Manager with consent from Council	S116(3) Amendments

CODE OF CONDUCT FOR SUPPLY CHAIN MANAGEMENT PRACTITIONERS AND OTHER ROLE PLAYERS

The **purpose** of this Code of Conduct is to promote mutual trust and respect and an environment where business can be conducted with integrity and in a fair and reasonable manner.

1. General Principles

1) The Municipality commits itself to a policy of fair dealing and integrity in the conducting of its business. Officials and other role players involved in supply chain management (SCM) are in a position of trust, implying a duty to act in the public interest. Officials and other role players should not perform their duties to unlawfully gain any form of compensation, payment or gratuities from any person, or provider/contractor for themselves, their family or their friends.

2) Officials and other role players involved in SCM should ensure that they perform their duties efficiently, effectively and with integrity, in accordance with the relevant legislation, policies and guidelines. They should ensure that public resources are administered responsibly.

3) Officials and other role players involved in SCM should be fair and impartial in the performance of their functions. They should at no time afford any undue preferential treatment to any group or individual or unfairly discriminate against any group or individual. They should not abuse the power and authority vested in them.

Conflict of interest

4) An official or other role player involved with supply chain management –

   a) must treat all providers and potential providers equitably;

   b) may not use his or her position for private gain or to improperly benefit another person;

   c) may not accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person, of a value more than R350;

   d) must declare to the accounting officer details of any reward, gift, favour, hospitality or other benefit promised, offered or granted to that person or to any close family member, partner or associate of that person;

   e) must declare to the accounting officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process, or in any award of a contract by the Municipality;

   f) must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;

   g) must declare any business, commercial and financial interests or activities undertaken for financial gain that may raise a possible conflict of interest;

   h) should not place him/herself under any financial or other obligation to outside individuals or organizations that might seek to influence them in the performance of their official duties; and

   i) should not take improper advantage of their previous office after leaving their official position.

Accountability

5) Practitioners are accountable for their decisions and actions to the public.

6) Practitioners should use public property scrupulously.

7) Only accounting officers or their delegates have the authority to commit the Municipality to any transaction for the procurement of goods and / or services.

8) All transactions conducted by a practitioner should be recorded and accounted for in an appropriate accounting system. Practitioners should not make any false or misleading entries into such a system for any reason whatsoever.

9) Practitioners must assist the accounting officer in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system.

10) Practitioners must report to the accounting officer any alleged irregular conduct in the supply chain management system which that person may become aware of, including

a) any alleged fraud, corruption, favouritism or unfair conduct;

b) any alleged contravention of the policy on inducements, rewards, gifts and favours to municipalities or municipal entities, officials or other role players; and

c) any alleged breach of this code of conduct.

11) Any declarations made must be recorded in a register which the accounting officer must keep for this purpose. Any declarations made by the accounting officer must be made to the **mayor** who must ensure that such declaration is recorded in the register.

Openness

12) Practitioners should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only if it is in the public interest to do so.

Confidentiality

13) Any information that is the property of the Municipality or its providers should be protected at all times. No information regarding any bid / contract / bidder / contractor may be revealed if such an action will infringe on the relevant bidder's / contractor's personal rights.

14) Matters of confidential nature in the possession of officials and other role players involved in SCM should be kept confidential unless legislation, the performance of duty or the provisions of law requires otherwise. Such restrictions also apply to officials and other role players involved in SCM after separation from service**.**

2. Bid Specification / Evaluation / Adjudication Committees

1) Bid specification, evaluation and adjudication committees should implement supply chain management on behalf of the Municipality in an honest, fair, impartial, transparent, cost-effective and accountable manner.

2) Bid evaluation / adjudication committees should be familiar with and adhere to the prescribed legislation, directives and procedures in respect of supply chain management in order to perform effectively and efficiently.

3) All members of bid adjudication committees should be cleared by the accounting officer at the level of "CONFIDENTIAL" and should be required to declare their financial interest annually.

4) No person should-

a) interfere with the supply chain management system of the Municipality; or

b) amend or tamper with any price quotation / bid after its submission.

3. Combative Practices

1) Combative practices are unethical and illegal and should be avoided at all cost. They include but are not limited to:

a) Suggestions to fictitious lower quotations;

b) Reference to non-existent competition;

c) Exploiting errors in price quotations / bids;

d) Soliciting price quotations / bids from bidders / contractors whose names appear on the Register for Tender Defaulters.

OVERSTRAND MUNICIPALITY

CONTRACT MANAGEMENT POLICY

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1. PRE-AMBLE

All transactions undertaken by the Overstrand Municipality involves a contract whether explicitly agreed in writing, or implicitly implied through actions.

Properly managed contracts by all stakeholders involved, can ensure that services are delivered within specifications as set and agreed by all during the specifications phase and at the agreed cost , (Inclusive of escalation clauses in contracts) time period and qualities of the goods and services procured.

All contracts must be managed throughout the contract Life Cycle, based on the level of management control appropriate for the classification of that contract.

Improperly managed contracts may impact negatively on service delivery. Adverse effects of ineffective contract management include but are not limited to:

1.1 goods and services outside of specification;

1.2 cost overruns;

1.3 poor suppliers-, buyer- or other stakeholder relations;

1.4 negative public perception, and

1.5 potentially complete service delivery failures.

1.6 irregular expenditure or un-authorized expenditure

Hence, good contract management by all stakeholders involved is essential for good financial management and will contribute greatly to the effectiveness and efficiency of service delivery. In effect it would give strategic direction to all directorates following a centralised strategy of contract management. This policy must be read in coincidence with the SCM Policy of the Overstrand Municipality.

2. DEFINITIONS:

In this Policy, unless the context indicates otherwise-

Accounting Officer ***(in relation to a municipality)***	means the municipal official referred to in section 60 of the MFMA (2003); and include a person acting as the accounting officer.
Act or MFMA	Means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);
Circular 62	means communication from National Treasury by means of a Circular to enhance compliance and accountability to SCM Regulations and the MFMA of 2003.
Construction Industry Development Board (CIDB):	means the Construction Industry Development Board (CIDB), a national body established by an Act of Parliament (Act 38 of 2000) to oversee the sustainability and growth of construction enterprises across the country.
Contract	means the agreement that results from the acceptance of a bid by the Municipality (mutual agreement)
Contract Alteration	means changing technical writing or input errors to the agreement of the contract without changing the scope of contract.
Contract Amendment	means changing the scope, nature, duration, purpose or objective of the agreement or contract (In context of Circular 62 and section 116 (3) of the MFMA).
Contract Champion	means the official/s within a specific department, responsible for all day to day administrative and management activities (including performance management and dispute resolution) during the life cycle of the contract (with delegated powers to perform this function).
Contract Management	means the holistic term of all role players involved in an agreement (SLA/SDA) or contract and include the; SCM contract manager, contract director, contract owner, contract champion and supplier.
SCM Contract Manager	means the SCM official responsible for monitoring, regulating and reporting on all contract related activities as set out in Section 116 of the MFMA.
Contract Owner	means the deputy director, senior manager or manager, as the case may be, that is ultimately accountable for all activities during the life cycle of the contract. The Contract Owner can also be seen as the Budget holder.
Contract Director	Appointment according to sect 56 of the Systems Act
Delegation ***(in relation to a duty)***	Includes an instruction or request to perform or to assist in performing the duty.
Force Majeure	Is the expression used to denote irresistible superior force which might cause damage or prevent the execution of an obligation, therefore suppliers is not liable for damages caused by force majeure or for failure to carry out a contract if prevented (Term and conditions in this regard will be determined by every individual contract/s).
Official **(*In relation to a municipality)***	means: • an employee of a municipality; • a person seconded to a municipality to work as a member of the staff of the municipality; or • a person contracted by a municipality to work as a member of the staff of the municipality otherwise than as an employee.
Users	Means all officials as set out in the organogram of the Overstrand Municipality involved with contracts.
User Department	Refers to the official/s within the relevant department of a directorate, as set out in the organogram of the Overstrand Municipality responsible for contract management.

3. ABREVIATIONS:

BEE	Black economic empowerment
B-BBEE	Broad-Based Black Economic Empowerment
GCC	means General Conditions of contract.
MSA	means Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000).
NT	means National Treasury established by section 5 of the Public Finance Management Act.
SCC	means Special Conditions of Contract.
SCM	means Supply Chain Management
SDA	means Service Delivery Agreement.
SLA	means Service Level Agreement.

4. OBJECTIVES:

4.1 To give effect to Section 217 of the Constitution of South Africa (1996) that stipulate:

4.1.1 When an organ of state in the national, provincial or local sphere of government, or any other institution identified in national legislation, contracts for goods or services, it must do so in accordance with a system which is:

4.1.1.1 equitable
4.1.1.2 transparent
4.1.1.3 competitive
4.1.1.4 cost-effective and
4.1.1.5 fair

4.2 The effective and efficient control of contracts procured through the SCM system ensuring:

4.2.1 proper recording and enforcement of contracts throughout the contract life cycle (specifications to contract reviews);
4.2.2 support to the demand management framework as set out in Circular 62 of National treasury (August 2012), optimizing proper planning, resulting in effective service delivery;
4.2.3 management of Contract Performance;
4.2.4 compliance with the regulatory framework;
4.2.5 to assist officials in understanding their legal and managerial responsibilities with regards to contract management;
4.2.6 the optimization of efficient and sustainable financial wellbeing of the municipality, resulting in lower cost drivers, and
4.2.7 the continuous development of effective Management Information systems, resulting in strategic support and risk preventions.

4.3 To ensure that no contract procurement of goods and services (excluding land sales or rentals of Overstrand Municipal Assets, which are managed by Property Management Services), takes place outside of the SCM System.

5. STATUTORY AND REGULATORY FRAMEWORK FOR MANAGING CONTRACTS

5.1 Application and Framework of the Contract Management Policy

5.1.1 All officials and other role players in the Supply Chain Management system of the Overstrand Municipality must implement this Policy in a way that gives effect to:

5.1.1.1 Section 217 of the Constitution;
5.1.1.2 Section 116 of the MFMA;
5.1.1.3 Section 33 of the MFMA;
5.1.1.4 SCM Policy;
5.1.1.5 SCM Regulations
5.1.1.6 any other legislation pertaining to SCM.

5.1.2 This Policy applies when the Municipality:

5.1.2.1 procures goods or services;
5.1.2.2 disposes of goods no longer needed; and
5.1.2.3 selects service providers and suppliers to provide assistance in the provision of municipal services including circumstances where Chapter 8 of the Municipal Systems Act applies.

5.2 Adoption, Amendment and Implementation of the Contract Management Policy

5.2.1 The accounting officer must:

5.2.1.1 at least annually review the implementation of this Policy; and
5.2.1.2 when the accounting officer considers it necessary, submit proposals for the amendment of this Policy to Council;
5.2.1.3 in terms of section 62(1) (f) (IV) of the Act, take all reasonable steps to ensure that the Contract Management Policy is implemented.

5.3 Conditions of Contract

5.3.1 A contract or agreement procured through the Supply Chain Management System of the Municipality must:

5.3.1.1 be in writing;
5.3.1.2 stipulate the terms and conditions of the contract or agreement, which must provide for:

5.3.1.2.1 the termination of the contract or agreement in the case of non- or underperformance;
5.3.1.2.2 dispute resolution mechanisms to settle disputes between the parties;
5.3.1.2.3 a periodic review of the contract or agreement once every three years in the case of a contract or agreement for longer than three years; and
5.3.1.2.4 any other matters that may be prescribed.

5.4 Administrative Capacity

5.4.1 The relevant Director, with delegated powers from the Municipal Manager, must establish capacity in his/her directorate to assist the accounting officer in carrying out the duties set out in section 116(2) of the MFMA.

5.5 Management of Contracts

5.5.1 The accounting officer and delegated officials must take all reasonable steps to:

5.5.1.1 ensure that a contract or agreement procured through the supply chain management policy of the municipality is properly enforced;

5.5.1.2 monitor on a monthly basis the performance of the contractor under the contract or agreement.

5.5.1.3 administrate the contract with the necessary competencies and delegations, ensuring effective management of contracts.

5.5.2 The Contract Owner must ensure that contract champions submit suppliers' performance reports to the SCM contract manager within 5 business days after the end of each month.

5.5.3 The SCM Contract Manager submits a consolidated report to the relevant Director and Contract Owner within 15 business days after the end of each month for purposes of Section 116 (2)(b) of the Act.

5.5.4 The SCM Contract Manager submits a consolidated report on the performance of contracts or agreements for purposes of Section 116 (2)(d), to the Accounting Officer within 15 business days of the end of each quarter.

5.6 Amendment of Contracts

5.6.1 A contract or agreement procured through the supply chain management policy of the municipality may be amended by the parties, in exceptional circumstances in order to mitigate abuse, in perception after the fact to prevent financial inefficiencies and influencing financial sustainability.

5.6.2 In terms of Section 116(3) of the MFMA, (56 of 2003), amendments (in compliance with SCM procedures), may only be made after:

5.6.2.1 the reasons for the proposed amendment have been tabled in the council; and

5.6.2.2 the local community has been given reasonable notice of the intention to amend the contract or agreement; and

5.6.2.3 has been invited to submit representations to the municipality.

5.6.3 Amendments of contracts where the expansion or variation is not more than (NT Circular 62):

5.6.3.1 20% (construction related goods, services and/or infrastructure projects), and

5.6.3.2 15% (all other goods and/or services) of the original value of the contract, must be submitted directly to the Contract Management Office for approval and further reference to the SCM committee system for approval.

5.6.4 Amendments of contracts where the expansion or variation is more than the threshold prescribed by National Treasury (Circular 62), must be dealt with in terms of the provisions of section 116(3) of the MFMA, and are exempt from this process.

5.6.5 Amendments to the contract, without influencing the value or term of the contract, within the scope of the original terms and conditions, may be altered, provided that both parties have consensus on the amendment and the contract amendment is in writing and signed by both parties.

5.6.6 No agreement to amend or vary a contract shall be valid and of any force unless such agreement to amend or vary is entered into in writing and signed by the contracting parties.

5.6.7 Section 33 of the MFMA will apply when an amendment has budgetary implications for a term longer than the 3 (three) financial years of the current year's budget, (Section 116 (3) of the MFMA will be followed with section 33, when amending an existing contract for longer than 3 years). It remains the responsibility of the user department to give effect to section 33, following due process, as stipulated in Section 33 of the MFMA. The SCM Contract Management office will support the relevant user department in order to ensure that compliance to all SCM legislation is adhered to.

5.6.8 All expansions, variations or amendments to the contract sum or contract period must be approved by the delegated authority prior to implementation thereof.

6. MAINTENANCE AND CONTRACT ADMINISTRATION

6.1 Contract administration includes all administrative duties associated with a contract once it is adjudicated and implemented.

6.2 No rights in terms of an awarded contract will accrue before the SCM appeal period and/or appeal has been finalised.

6.3 The contract should be signed by all parties concerned (The relevant official should also ensure that the suppliers have the delegated powers to sign and amend the contractual agreement).

6.4 The contract will only be enforceable after all the signatures of the relevant parties are documented.

6.5 A signed service level agreement (if applicable) must be compiled and signed which will incorporate all the relevant sections of the tender documentation.

6.6 All once-off purchases shall have a specified end delivery date.

7. ROLES AND RESPONSIBILITIES OF OFFICIALS:

7.1 SCM Contract Manager:

7.1.1 The SCM Contract Manager is the SCM official responsible for system administration, status and SCM performance reporting on all contracts related activities.

7.1.2 For the purposes of ***contract management*** activities performed by the relevant role players, the SCM contract manager will monitor and report on the following activities:

7.1.2.1 identification and classification of contracts for management purposes in terms of the SCM processes;

7.1.2.2 recognition, measurement and disclosure;

7.1.2.3 oversight of contract management as is provided for in this policy;

7.1.2.4 document and information management;

7.1.2.5 relationship management;
7.1.2.6 performance management;
7.1.2.7 contract risk management.

7.2 Contract Champion
7.2.1 The contract champion is responsible for the following activities:
7.2.2.1 ensuring that all the necessary legal formalities in entering into the contract are adhered to;
7.2.2.2 ensuring that all applicable contract information is maintained in the applicable electronic contract system
7.2.2.3 ensuring that purchase orders are processed on the financial system in accordance with the pricing schedule;
7.2.2.4 maintaining adequate records (paper and/or electronic) in sufficient detail on an appropriate contract file to provide an audit trail;
7.2.2.5 inform the Asset Management section of the Expenditure Department of the location of newly procured assets for asset register and insurance purposes; and
7.2.2.6 where appropriate, in terms of Council's Delegations, authorise invoices due for payment.
7.2.2.7 to take appropriate action in consultation with the contract owner and the SCM contract manager, where a contractor is underperforming or is in default or breach of the contract.
7.2.2.8 ensure performance of suppliers is managed appropriately to the terms and conditions of the contract.

7.3 Contract Owner
7.3.1 The contract owner is responsible for ensuring that contract champions are assigned to all contracts.

7.3.2 The contract owner is ultimately responsible for management of the activities.

7.4 Contract Director
7.4.1 The contract director is responsible for signing of contracts with the relevant service provider, in line with the Delegation of Powers and Duties Policy.

7.4.2 The contract director is ultimately accountable for the contract.

8. RECORD KEEPING

8.1 Proper records regarding all aspects of the contract must be maintained and kept in accordance with relevant legislation.
8.2 All communication related to contracts must be linked to the master document on the electronic system, by the relevant official.
8.3 Safe custody of all contract documents must be enforced by all relevant users.

8.4 Contract Champions and Contract Owners are responsible for the electronic capturing of the contract information and maintenance thereof on the Contract Management system.
8.5 The original signed contract must be sent to the records department (by the contract management office) for safekeeping and storage.
8.6 The records department is responsible for the administration of archived contract documentation.

9. CONTRACTS HAVING BUDGETARY IMPLICATIONS BEYOND THREE FINANCIAL YEARS

Overstrand Municipality may not enter into any contract that will impose financial obligations beyond the three years covered in the annual budget for that financial year, unless the requirements of Section 33 of the Municipal Finance Management Act have been fully complied with.

10. RESOLUTION OF DISPUTES, OBJECTIONS, COMPLAINTS AND QUERIES:

The accounting officer is responsible to establish a dispute resolution mechanism as per paragraph 5.3.1.2.2 and also as required by section 116(1) of the MFMA and paragraph 50 of the SCM Policy.

11. CONTRACT PRICE ESCALATIONS:

11.1 An appropriate contract price adjustment formula or specified terms of escalation must be specified in the bid documents
11.2 Escalation notification must be in writing and presented before the implementation date thereof.
11.3 User departments are responsible to manage, verify and implement price escalations as per originally agreed terms and conditions set out in the specifications of the contract and keep proof of evidence to the newly agreed escalations on the system for all other relevant stakeholders to access.

12. PERFORMANCE ON CONTRACTS:

12.1 In terms of the SCM Policy and the Municipal Systems Act, the accounting officer must implement an internal monitoring system in order to determine, on the basis of a retrospective analysis, whether the authorised supply chain management processes were followed and whether the objectives of this Policy were achieved in terms of the Performance Management System Implementation Policy (Paragraph 9).
12.1.1 Municipality's Performance:
12.1.1.1 The municipality is required to pay creditors within 30 days of receiving all relevant invoice statements.
12.1.1.2 The municipality is also required to create a favourable environment to receive services and goods without preventing the supplier to perform their duties.
12.1.1.3 All parties involved must perform according to the terms and conditions of the relevant contract, while the contract is alive.
12.2.1 Supplier Performance:
12.2.1.1 The supplier of goods and services is required to perform as per terms and conditioned agreed upon and should inform the

municipality if circumstances prevents them to perform, with reasons provided, within 5 working days (to be included in all contracts).

12.2.1.2 For all relevant deviations from the agreed terms and conditions of any contract, the key performance indicators (KPI's) should be reviewed as well as the alignment with the strategic objectives established in the IDP.

12.2.1.3 Suppliers performance will be reviewed by Overstrand Officials on a monthly basis (every 25th of the month) giving effect to section 116 of the MFMA, 2003 and the Performance Management System Implementation Policy

12.2.1.4. Prescribed procedures to evaluate service providers must be complied with.
(Refer to the Performance Management Framework Policy)

THE FOLLOWING PROCEDURES NEED TO BE FOLLOWED:

1. The requirements of this policy must be included in the contract of the service provider.
2. The performance of the service provider under the contract or service level agreement must be assessed monthly by the Reporting Officer.
3. The assessment must be completed in the contract management system.
4. The Reporting Officer must complete the Service Provider Assessment on the contract management at the end of each month.
5. The quarterly assessment and reporting must be completed within 15 working days after the end of each quarter. (Refer to the Performance Management Framework Policy, paragraph 9.2.1).
6. The Reporting Officer must provide a copy of the assessment to the Service Provider at the end of each quarterly assessment period and on completion or termination of the contract.
7. Supply Chain Management Unit (Contract Management Office) will review the quarterly Service Provider assessments within 20 days after the end of each quarter and submit a summary report to the Accounting Officer.
8. The Accounting Officer need to develop the necessary forms and report structures to be utilised to manage the above processes. The forms and reporting requirements need to be reviewed on a regular basis.
9. In the instance of under-performance:
   a. The Municipality will facilitate support interventions to service providers in the identified areas of underperformance
   b. Service providers who have been identified as under-performing in identified areas must be informed of these support interventions.
   c. The impact of support interventions must be monitored by the Reporting Officer.
   d. Corrective action should be documented in writing within the contract management system
   e. The records of the support interventions must be documented, signed by both parties and appropriately filed in the contract management system.

13. REVIEW OF CONTRACTS

13.1 In terms of section 116 (1) of the MFMA, a contract or agreement procured through the Supply Chain Management system must have a periodic review once every three years in the case of a contract or agreement that are longer than three years.

13.2 The contract owner or champion must conduct, as appropriate, within 3 months after the expiry of contracts, post contract reviews.

14 IMPLEMENTATION AND REVIEW PROCESS

This policy will come into effect on **1 July 2023**;

This policy will be reviewed at least annually or when required by way of a Council resolution.

POLICY SECTION:	MANAGER: CONTRACTS & LOGISTICTS
CURRENT UPDATE	31 MAY 2023
PREVIOUS UPDATE	31 MAY 2022
PREVIOUS UPDATE	27 MAY 2021
PREVIOUS REVIEW	27 MAY 2020
PREVIOUS REVIEW	29 MAY 2019
PREVIOUS REVIEW	30 MAY 2018
PREVIOUS REVIEW	31 MAY 2017
PREVIOUS REVIEW	25 MAY 2016
PREVIOUS REVIEW	28 MAY 2015
PREVIOUS REVIEW	28 MAY 2014
APPROVAL BY COUNCIL	08 MAY 2013

OVERSTRAND MUNICIPALITY

INVESTMENT, LIQUIDITY & CASH MANAGEMENT POLICY

PREAMBLE

Whereas section 13 of the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) determines that a municipality must introduce appropriate and effective investment arrangements;

And whereas a municipality must disclose its investment details;

And whereas councillors and officials as trustees of public funds, have an obligation to ensure that cash resources are managed as effectively, efficiently and economically as possible;

Now therefore the Overstrand Municipality adopts the following Investment, Liquidity & Cash Management Policy:

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1. DEFINITIONS

For the purpose of this policy, unless the context indicates otherwise, any word or expression to which a meaning has been attached in the Act shall bear the same meaning and means:-

"Accounting Officer"	a person appointed by the Municipality in terms of Section 82 of the Local Government: Municipal Structure Act. 1998 (Act No. 117 of 1998) and who is the head of administration and also the Municipal Manager for the Municipality.
"Chief Financial Officer"	an officer of the municipality appointed as the Head of the Finance Department and includes any person:- a) acting in such position; and b) to whom the Chief Financial Officer has delegated a power, function or duty in respective of such a delegated power, function or duty.
"Council"* or *"municipal council"	a municipal council referred to in section 18 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) and for purposes of this policy, the municipal council of the Municipality of Overstrand.
"Councillor"	a member of the Municipal Council
"Investments"	funds not immediately required for the defraying of expenses and invested at approved financial institutions.
"Municipal Manager"	the accounting officer appointed in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) and being the head of administration and accounting officer in terms of section 55 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) and includes any person:- a) acting in such position; and b) to whom the Municipal Manager has delegated a power, function or duty in respective of such a delegated power, function or duty.
"municipality"	the institution that is responsible for the collection of funds and the provision of services to the customers of Overstrand.
"public funds"	all monies received by the municipality to perform the functions allocated to them.

2. OBJECTIVE OF POLICY

The objectives of the Policy are:-

2.1 to manage the liquidity and investments of the municipality in such a manner that it will not tie up the municipality's scarce resources required to improve the quality of life of the citizens;

2.2 to manage the liquidity and investments of the municipality in such a manner that sufficient cash resources are available to finance the capital and operating budgets

of the municipality; and

2.3 to gain the highest possible return on investments during periods when excess funds are not being used, without unnecessary risk.

3. SCOPE OF POLICY

3.1 The Policy deals with:-

3.2 Responsibility / accountability;

3.3 Investment instruments;

3.4 Liquidity and Cash flow estimates;

3.5 Investment ethics and principles;

3.6 Investment procedures;

3.7 Other external deposits; and

3.8 Control over investments.

4. RESPONSIBILITY / ACCOUNTABILITY

4.1 The Municipal Manager as the Accounting Officer of the municipality is accountable for investment management.

4.2 The municipal council must approve a policy directing procedures, processes and systems required to ensure efficient and effective management of investments.

4.3 Efficient and effective investment management include:-

a. Accurately forecasting the institution's cash flow requirements.

b. Timing of the in- and outflow of cash.

c. Recognising the time value of money.

d. Taking any other action that avoids locking up money unnecessarily and inefficiently.

e. Avoiding bank overdrafts.

5. INVESTMENT INSTRUMENTS

5.1 The Minister of Provincial and Local Government may with the concurrence of the Minister of Finance by notice in the Gazette determine instruments or investments other than those referred to below in which Municipality may invest:-

a. Deposits with banks registered in terms of the Banks Act, 1990 (Act No 94 of 1990);

b. Securities issued by the National Government;

c. Investments with the Public Investment Commissioners as contemplated by the Public Deposits Act, 1984 (Act No 46 of 1984);

d. A municipality's own stock or similar type of debt; internal funds of a municipality which have been established in terms of a law to pool money available to the municipality and to employ such money for the granting of loans or advances to departments within a municipality, to finance capital expenditure;

e. Bankers' acceptance certificates, negotiable certificates or deposits of banks;

f. Long-term securities offered by insurance companies in order to meet the redemption fund requirements of municipalities; and

g. Any other instruments or investments in which a municipality was under a law permitted to invest before the commencement of the Local Government Transition Act, 1996: provided that such instruments shall not extend beyond the date of maturity or redemption thereof.

6. LIQUIDITY AND CASH FLOW ESTIMATES

6.1 Before money can be invested, the Municipal Manager must determine whether there will be surplus funds available for the term of the investment.

6.2 In order to be able to make investments for any fixed term, it is essential that cash flow estimates be drawn up.

6.3 Provision must be made in the cash flow estimates for the operating and capital requirements of the municipality:-

a. The operating requirements must include provisions for:-

i. Payment of monthly salaries.

ii. Payment for bulk purchases of electricity and water.

iii. Interest on long-term loans.

iv. Maintenance of assets.

v. General expenditure.

vi. Expected daily and monthly income.

b. Capital requirement must provide for:-

i. The anticipated cash flow requirements for each capital project.

6.4 The minimum risk management measures that has to be implemented and adhere to in order to ensure that its current and future liquidity position is managed in a prudent manner, must include the following key elements to take into consideration when determining the liquidity requirement of Overstrand Municipality, :

6.4.1 To comply with statutory requirements, the following funds, reserves and provisions must be fully covered by unencumbered cash and investments;
6.4.2 *All earmarked or conditional grant transfers from spheres of Government or from Public Contributions made to Overstrand Municipality that have not yet been utilized;*
6.4.3 *All commitments resulting from the legally entrenched rights and benefits employees have, with specific reference to the Council's short term commitment to staff retirement benefits and medical fund claims payable;*
6.4.4 *All funds not yet been utilized in relation to agency services provided on behalf of Provincial or National Government should also be treated as earmarked funds;*
6.4.5 *All reserves stated by Overstrand Municipality on its Statement of Financial Position that have been established for the purposes of making provisions for a defined purpose.*

Cognisance also needs to be taken of the external loan commitments and the servicing of capital and interest on these loans. Therefor provision should be made that Overstrand Municipality can meet its external loan/financial commitments together with the normal operational expenditure, as well as its liabilities to staff.

All investments ceded as security against long term loans need to be excluded from total cash and investment balances for calculation of the minimum liquidity level required.

In addition, a level of cash available for normal operational expenditure needs to be held in cash to ensure that, notwithstanding fluctuations in the monthly income levels of Overstrand Municipality, Overstrand Municipality will be in a position to meet its financial requirements. In this respect, the average monthly operational expenditure needs to be used as a guide of the minimum buffer required. At least two month's operational expenditure should be available for liquidity cover.

The MFMA circular 71 stipulates the following two prescribed ratios to manage liquidity:

Cash/Cost Coverage Ratio (The norm range between 1 month to 3 months)

Interpretation of Results
This ratio should ideally not be less than 2 months. If a municipality has a ratio below the norm it would be vulnerable and at a higher risk in the event of financial "shocks/set-backs" and its ability to meet its obligations to provide basic services or its financial commitment is compromised. The results from this ratio should be viewed along with results from analysis on Debtor Management to fully assess Cash Flow Risk. The more cash reserves a municipality or municipal entity has available the lower the risk of it being unable to fund monthly fixed operational expenditure and to continue rendering services.

Current Ratio: Current Assets / Current Liabilities (The norm range between 1.5 to 2 :1)
Interpretation of Results

The higher the current Ratio, the more capable the Municipality or Municipal Entity will be to pay its current or short-term obligations and provide for a risk cover to enable it to continue operations at desired levels. A financial ratio under 1 suggests that the Municipality or Municipal Entity would be unable to pay all its current or short-term obligations if they fall due at any specific point.

7 INVESTMENT ETHICS AND PRINCIPLES

7.1 The Municipal Manager will be responsible for the investment of funds, and he/she has to steer clear of outside interference, regardless of whether such interference comes from individual councillors, agents or any other institution.

7.2 Under no circumstances may he/she be forced or bribed into making an investment.

7.3 No member of staff may accept any gift unless that gift can be deemed so small that it would not have an influence on his/her work or was not intended to do so, and can merely be seen as goodwill.

7.4 A certificate in respect of any gifts received should be furnished to the Municipality.

7.5 Interest rates offered should never be divulged to another institution.

7.6 Long-term investments should be made with an institution with at least a minimum BB- rating (where the BB**-** refers to a negative outlook in terms of the current Fitch Grading).

7.4 Short-term investments should be made with an institution with at least a minimum F1+ rating. The first and foremost objective for investments is the preservation and safety of the principal amount invested. It is a requirement that investments may only be made with institutions with a credit–worthy rating of F1+ (Fitch Grading) and better. Any investments made must be liquidated if an institution's credit–worthy rating falls below the level of F1+.

7.8 Not more than 50% of the funds that have become available for investing, on any given day, should be placed with a single institution if the available funds exceed R100m.

7.9 The maximum amount invested with a financial institution should not exceed 10% of the relevant institution's shareholder's funds (capital and reserves).

7.10 The municipality may not borrow money specifically for reinvestment, as this would mean interest rates would have to be estimated in advance, which can be seen as speculation with public funds.

7.11 If the Municipal Manager invests with financial institutions, he/she must ensure that such institutions are registered in terms of the Banks Act, 1990 (Act No 94 of 1990) and that they are approved financial institutions, as approved by the Reserve Bank of South Africa from time to time.

7.12 When making growth related investments, the Municipal Manager must obtain

a guarantee that at least the capital amount invested is safe, and must exercise due diligence in this regard.

8 INVESTMENT PROCEDURES

After determining whether there is cash available for investment and fixing the maximum term of investment, the Municipal Manager must consider the way in which the investment is to be made.

8.1 Short-term investments:

a. Quotations should be obtained from a minimum of three financial institutions (local banks), for the term of which the funds will be invested.

b. Should one of the institutions offer a better rate for a term, other than what the municipality had in mind, the other institutions which were approached, should also be asked to quote a rate for the other term.

c. Quotations should be obtained in writing or electronic medium.

d. Quotations from institutions must include the following:-
   i Name of institution;
   ii Name of person quoting rates;
   iii Period of the investment;
   iv Relevant conditions; and
   v Other facts, such as interest payable monthly or on maturation date.

e. Once the required number of quotes has been obtained, a decision must be taken regarding the best terms offered and the institution with which funds are going to be invested.

f. The best offer must under normal circumstances be accepted, with thorough consideration of investment principles.

g. No attempt must be made to make institutions compete with each other as far as their rates and terms are concerned.

h. The investment capital must only be paid over to the institution with which it is to be invested and not to an agent or third party.

i. The financial institution where the investment is made must issue a confirmation stating the details of the investments.

j. The Municipal Manager must make sure that the investment document, if issued, is a genuine document and issued by the approved institution.

k. The financial institution, where the investment is made, must issue a certificate for each investment made stating that no commission has, nor will, be paid to any agent or third party, or to any person nominated by the agent or third party.

l. The municipality must be given a monthly report on all investments.

m. The Municipal Manager must obtain information from which the creditworthiness of financial institutions can be determined. This must be obtained and analysed annually.

8.2 Long-term investments:

a Written quotations must be obtained for all investments made for periods longer than twelve months.

b The municipal council must approve all investments made for periods longer than twelve months after considering the cash requirement for the next three years.

c The municipality must within 30 days after an investment with a term of 12 months or longer has been made, publish in a local newspaper in circulation within its area of jurisdiction, full details of any investments so made.

8.3. Withdrawals

All investment amounts withdrawn and not to be reinvested at the same institution at the time of withdrawal, shall be paid into the primary bank account.

All interest shall be paid into the primary bank account at the time of withdrawal of an investment, irrespective of the capital being reinvested.

9 OTHER EXTERNAL DEPOSITS

The principles and procedures set out above must apply to other investment possibilities subject to the applicable legislation, which is available to the municipality, including debentures and other securities of the state as well as other municipalities or statutory bodies in the Republic of South Africa, instituted under and in terms of any law.

10 CONTROL OVER INVESTMENTS

10.1 An investment register should be kept of all investments made. The following information must be recorded:-

a. name of institution;
b. capital invested;
c. date invested;
d. interest rate;
e. maturation date;
f. interest received;
g. capital repaid; and
h. balance invested.

10.2 The investment register and accounting records must be reconciled on a monthly basis.

10.3 The investment register must be examined on a weekly basis to identify investments falling due within the next week.

10.4 Interest, correctly calculated, must be received timeously, together with any distributable capital.

10.5 Investment certificates, if issued, must be kept in a safe place with dual custody.

10.6 The following documents must be safeguarded:-

a Fixed deposit letter or investment certificate;
b. Receipt confirmation for capital invested;
c. Copy of electronic transfer or cheque requisition;
d. Schedule of comparative investment figures;
e. Commission certificate indicating no commission was paid on the investment; and
f. Interest rate quoted.

11 IMPLEMENTATION AND REVIEW OF POLICY

This policy shall be implemented on **1 July 2023** and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.

12 SHORT TITLE

This Policy shall be called the Investment, Liquidity & Cash Management Policy of the Overstrand Municipality.

POLICY SECTION:	**SENIOR MANAGER: FINANCIAL SERVICES**
CURRENT UPDATE:	31 May 2023
PREVIOUS UPDATE:	31 May 2022
PREVIOUS REVIEW:	26 May 2021
PREVIOUS REVIEW:	27 May 2020
PREVIOUS REVIEW:	29 May 2019
PREVIOUS REVIEW:	30 May 2018
PREVIOUS REVIEW:	31 May 2017
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PREVIOUS REVIEW:	28 MAY 2014
PREVIOUS REVIEW:	29 MAY 2013
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APPROVAL BY COUNCIL:	27 MAY 2009

OVERSTRAND MUNICIPALITY – INVESTMENT, LIQUIDITY & CASH MANAGEMENT POLICY

OVERSTRAND MUNICIPALITY

BUDGET POLICY

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PREAMBLE

In the spirit of the Municipal Finance Management Act, (No.56 of 2003), to modernise budget and financial management practices by placing local government finances on a sustainable footing in order to maximize the capacity of municipalities to deliver services to all residents, customers, users and investors, and,

Whereas chapter 4 of the Municipal Finance Management Act, (No 56 of 2003) determines that a municipality may, except where otherwise provided in the Act, incur expenditure only in terms of an approved budget; and within the limits of the amounts appropriated for the different votes in an approved budget,

Therefore the Overstrand Municipality adopts the budget policy set out in this document.

OVERSTRAND MUNICIPALITY – BUDGET POLICY

1. OBJECTIVES OF POLICY

A. The policy sets out the budgeting principles which Overstrand Municipality will follow in preparing each annual budget. The policy aims to give effect to the requirements and stipulations of the Municipal Finance Management Act in terms of the planning, preparation and approval of the annual budgets.

B. The policy shall apply to all the relevant parties within the Overstrand Municipality that are involved throughout the budget process.

C. A Budget Steering Committee will be established to guide the budget process.

D. Cost containment measures are to be applied in accordance with relevant legislation, when considering expenditure:

1) Use of consultants

This Policy is in line with section 35 of the **Municipal Cost Containment Regulations 2019** and the Overstrand Supply Chain Management Policy to ensure that resources of the municipality with regard to the use of consultants, are used effectively, efficiently and economically by implementing cost containment measures.

2) Vehicles used for political office –bearers

This Policy is in line with the stipulations of the Overstrand Travel and Subsistence Policy to ensure that resources of the municipality with regard to vehicles used for political office-bearers, are used effectively, efficiently and economically by implementing cost containment measures.

3) Travel and subsistence

This Policy is in line with the stipulations of the Overstrand Travel and Subsistence Policy, to ensure that resources of the municipality with regard to Travel and subsistence, are used effectively, efficiently and economically by implementing cost containment measures.

4) Domestic accommodation

This Policy is in line with the stipulations of the Overstrand Travel and Subsistence Policy**,** to ensure that resources of the municipality with regard to Domestic accommodation, are used effectively, efficiently and economically by implementing cost containment measures.

5) Credit cards

The accounting officer must ensure that no credit card or debit card linked to a bank

account of the municipality is issued to any official or public office bearer.

6) Sponsorships, events and catering

This Policy is in line with the stipulations of the **Municipal Cost Containment Regulations 2019**, to ensure that resources of the municipality with regard to Sponsorships, events and catering, are used effectively, efficiently and economically by implementing cost containment measures.

7) Communication

This Policy is in line with the stipulations of the **Municipal Cost Containment Regulations 2019**, to ensure that resources of the municipality with regard to Communication, are used effectively, efficiently and economically by implementing cost containment measures.

8) Conferences, meetings and study tours

This Policy is in line with the stipulations of the **Municipal Cost Containment Regulations 2019** and the Travel and Subsistence Policy, to ensure that resources of the municipality with regard to Conferences, meetings and study tours, are used effectively, efficiently and economically by implementing cost containment measures.

9) Other related expenditure items

This Policy is in line with the stipulations of the **Municipal Cost Containment Regulations 2019**, to ensure that resources of the municipality with regard to the following, are used effectively, efficiently and economically by implementing cost containment measures:

i. All commodities, services and products covered by a transversal contract concluded by the National Treasury must be considered before approaching the market, to benefit from savings where lower prices or rates have been negotiated.

ii. Municipal resources may not be used to fund elections, campaign activities, including the provision of food, clothing, printing of agendas and brochures and other inducements as part of, or during election periods or to fund any activities of any political party at any time.

iii. Expenditure on tools of trade for political office bearers must be limited to the upper limits as approved and published by the Cabinet member responsible for local government in terms of the Remuneration of Public Office Bearers Act, 1998.

iv. The municipality must avoid expenditure on elaborate and expensive office furniture.

v. The municipality may only use the services of the South African Police Service to conduct periodical or quarterly security threat assessments of political office bearers and key officials and a report must be submitted to the speaker's office.

vi. The municipality may consider providing additional time -off in lieu of payment for overtime worked. Planned overtime must be submitted to the relevant manager for consideration on a monthly basis. A motivation for all unplanned overtime must be submitted to the relevant manager.

2. BUDGET PRINCIPLES

2.1. Capital Budget

The capital budget refers to the allocations made to specific infrastructural projects and the purchase of equipment and other forms of assets, as classified per the Overstrand Asset Management Policy.

2.1.1 Basis of Calculation

a. The current three year MTREF budget, including two future planning years in terms of the 5 year IDP, is the departure point in preparing the subsequent annual capital budget.
b. The annual capital budget shall be based on realistically anticipated revenue, which should be equal to the anticipated capital expenditure in order to result in a balanced budget.
c. The impact of the capital budget on the current and future operating budgets in terms of finance charges to be incurred on external loans, depreciation of fixed assets, maintenance of fixed assets and any other operating expenditure to be incurred resulting directly from the capital expenditure, should be carefully analyzed when the annual capital budget is being compiled.
d. In addition, the council shall consider the likely impact of such operational expenses, net of any revenues expected to be generated by such items on future property rates and service tariffs.

2.1.2 Financing

Own Financing Sources

Own financing consists of the following sources:

a. Unappropriated cash-backed surpluses from previous financial years, to the extent that such surpluses are not required for operational purposes and cash resources are adequate for cost coverage and liquidity ratio.

b. Borrowing (External Loans)

c. Proceeds on the sale of fixed assets, less cost to sell, in terms of the Asset Management-, Administration of Immovable Property- and Accounting policies.

Other Financing Sources (External)

The external funded capital budget shall be financed from external sources such as the following:

a. Grants and subsidies as allocated in the annual Division of Revenue of Act.

b. Grants and subsidies as allocated by Provincial government.

c. Public contributions and donations.

d. Any other external financing source secured by the local authority.

2.1.3 Process and responsible parties

The process to be followed in the compilation of the capital budget is as follows:

a. The current 3 year MTREF budget is the departure point in preparing the subsequent annual capital budget.

b. The CFO, in conjunction with the Senior Manager: Financial Services and the Manager: Budget Office and after consultation with the Budget Steering Committee sets the reasonable growth level of the capital budget to be financed out of own and external sources and determines affordability.

c. The draft capital budget is compiled based on the projects that emanated out of the engagements with the different stakeholders.

d. The CFO, together with the Senior Manager: Financial Services and the Manager: Budget Office, engage with the Directors and the Senior Manager: Strategic Services in order to determine the priorities for a particular financial year and to determine the ranking of projects based on these priorities.

e. The draft capital budget is submitted to the Budget Steering Committee for perusal and suggestions.

f. The draft capital budget is tabled in Council at least 90 days (31 March) before the start of the new financial year.

g. After the draft budget is tabled in Council, it is advertised for public comment for a period of 30 days.

h. Once the comments from the public have been received, noted and considered, any amendments and the final budget are tabled in Council for final approval, at least 30 days (31 May) before the start of the financial year.

2.1.4 Implementation

a. After the budget has been approved, the service delivery and budget

implementation plan (SDBIP) is finalised.

b. The SDBIP must be submitted to the Mayor within 14 days after aforementioned approval, for approval within a further 14 days.

c. Each director indicates the intended spending for both capital and operating budgets.

d. Cash flows are included in the Service Delivery and Budget Implementation Plan of the organisation.

e. The SDBIP is monitored on a monthly basis.

f. Each project manager uses the respective cost allocation and unique key numbers as indicated on the capital budget.

2.2. Operational Budget

The operational budget refers to the funds that would be generated for the delivery of basic services, grants & subsidies and any other municipal services rendered. These funds are in turn used to cover the expenses incurred in the day to day running of the organization.

2.2.1. Basis of Calculation

a. The zero based and incremental approach is used by budget holders in preparing the annual operating budget, depending on the type of revenue or expenditure.

b. The annual operating budget shall be based on realistically anticipated revenue, which should at least be equal to the anticipated cash operating expenditure in order to result in a balanced budget.

c. An income based approach shall be used where the realistically anticipated revenue would firstly be projected. The level of operating expenditure will then be based on the projected revenue, thus resulting in a balanced budget.

2.2.2. Financing

The operating expenditure shall be financed from the following sources:

Agency Services	Compensation received by the municipality for cost to provide the agency service should be recognised as receipts and not set-off against the expenditure. This compensation maybe in the form of commission, agency fees, contract fees, etc.

Interest, Dividend and Rent on Land	Consist of the income associated with ownership of interest-bearing financial instruments, such as bank deposits, loans extended to others, and bills and bonds issued by others. Dividends come in the form of receipts from shares and distribution of profits to the owner. Rent on land is the receipts due to ownership of land.
Operational Revenue	Operational revenue refers to all other income not elsewhere classified such as administrative fees, bad debts recovered, breakages, commission, discounts and early settlements, etc.
Rental from Fixed Assets	Operating lease income received by the municipality from external use. Distinction is made between rental income based on market related versus non-market related rates.
Sales of Goods and Rendering of Services	This category consist of sales and services rendered provided that the municipality produced or partially produced the good or service.
Service Charges	This group of accounts provides for the basic services delivered by municipalities.
Intercompany/Parent-subsidiary Transactions	Revenue generated due to exchange transactions between municipalities and their subsidiary municipal entities.
Licences or Permits	Granting of licences or permits associated with a regulatory function by government. Fees recognised under this category must result from a principle agreement. If the municipality act as an agent on behalf of provincial or national government the transaction need to be treated accordingly. Judgment need to be applied in deciding whether the "licence or permits" need to be classified as exchange or non-exchange revenue.
Fines, Penalties and Forfeits	This item consists of all compulsory receipts imposed by a court or quasi-judicial body. Out-of-court settlements are also included in this category. As with taxes, this item consists of unrequited, compulsory transactions. Thus, the recipient municipality does not provide anything in return for these receipts.
Licences or Permits	Granting of licences or permits associated with a regulatory function by government. Fees recognised under this category must result from a principle agreement. If the municipality act as an agent on behalf of provincial or national government the transaction need to be treated accordingly. Judgment need to be applied in deciding whether the "licence or permits" need to be classified as exchange or non-exchange revenue.
Property Rates	Property Rates means a municipal rate on property envisaged in section 229 (1)(a) of the Constitution read with the Municipal Property Rate Act 6 of 2004 as amended by the Municipal Property Rates Amendment Act, 2014. Rateable property means property on which a municipality may in terms of section 8 levy a rate and excludes impermissible rates as per section 17 of the Act.

Transfers and Subsidies	This category provides for of all unrequited, voluntary receipts from other parties. Thus an entry should be made under this item when the municipality does not provide anything of similar value directly in return for the transfer from the other party and the transfer is voluntary. {GRAP 23: Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.} This group of accounts provide for "operational and capital transfers and subsidies" received "in-kind or in monetary value".
Interest, Dividend and Rent on Land	Consist of the income associated with ownership non-exchange transactions.

2.2.3 Budget Categories

The following expenditure categories shall be accommodated in the operating budget:

Bad Debts Written Off	The irrecoverable debts that are written off during the financial year as approved by the Council allocated according to the type of service provided to the customer. This account would also include the write-off of accounts in terms of the debt prescription rules.
Bulk Purchases	Bulk purchases of electricity and water from Eskom (including alternative service providers) and Water Sources such as Water Boards and other providers.
Contracted Services	This group of accounts distinguishes between "Outsourced Services, Contractors and Professional and Special Services".
Depreciation and Amortisation	Depreciation is the systematic allocation of the cost of an asset from the Statement of Financial Position to Depreciation Expense on the Statement of Financial Performance over the useful life of the asset. Amortisation is the systematic allocation of the discount, premium or issue cost of a financial instrument over the life of the instrument, or an intangible asset over a certain period. Amortisation is the systematic allocation of the depreciable amount of an intangible asset over its useful life.
Employee Related Cost	This item includes all payments to employees defined below. Employee Related Cost distinguish between Senior Managers and Other Staff as Section 124(1)(c) of the MFMA required disclosures of the details of remuneration for all senior managers and the Standard of GRAP on Related Party Disclosure requires disclosure of key management personnel (GRAP 20 Related Party Disclosure - no effective date determined by the Minister thus IPSAS 20 Related Parties need to be applied. Key management personnel in the context of municipalities referring to the senior management group, including the chief executive (municipal manager).

Interest, Dividends and Rent on Land	This item includes the total value of interest payments, dividends and payment for the use of land owned by another party.
Inventory Consumed	The amount of inventories recognised as an expense during the period. GRAP 12.45(d) The amount of inventories recognised as an expense during the period, which is often referred to as cost of sales, consists of those costs previously included in the measurement of inventory that has now been sold, exchanged or distributed, and unallocated production overheads and abnormal amounts of production cost of inventories. GRAP 12.47
Remuneration of Councillors	Remuneration as determined by the Remuneration of Public Office Bearers Act, 1998 (Act No 20 of 1998). Salary of full/part time councillors including the Executive Mayor or Mayor, Speakers, Deputy Executive Major or Deputy Mayor, Members of the Executive Committee or Mayoral Committee, Whip and Chairperson of a sub-council, etc.
Operating Leases	An operating lease is a lease other than a finance lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. Land use portion of a building finance lease must be recorded under Rental of Land.
Operational Cost	An operating expense is a day-to-day expense such as sales and administration, or research & development, accounting expenses, license fees, advertising, office expenses, utilities such as telephone, insurance, property management, travel and vehicle expenses.
Transfers and Subsidies	This category provides for of all unrequited payments made by the municipality. A payment is unrequited provided that the municipality does not receive anything of similar value directly in return for the transfer to another party. Both current and capital transfers are included in this item. Municipalities distinguish between transfers to provinces, district municipalities, departmental agencies and accounts, universities and Technicons, public corporations, private enterprises, foreign government and international institutions, non-profit organisations and households. This group of accounts provide for "operational and capital transfers and subsidies" made "in-kind or in monetary value".

2.2.4. Process

a. The CFO, in conjunction with the Senior Manager: Financial Services and the Manager: Budget Office, and after consultation with the Budget Steering Committee, sets the reasonable growth level of the operational budget based on the current financial performance and the prevailing industry growth levels. (i.e. CPI).

b. After the income has been determined, an acceptable growth level for the

operating expenditure is determined and the draft operating budget is discussed with the relevant Directors for their perusal and amendments.

c. The draft operating budget is compiled based on the submissions from the engagements with the different stakeholders.

d. The draft operating budget serves before the Budget Steering Committee for perusal and suggestions.

e. The draft operating budget is tabled in Council at least 90 days (31 March) before the start of the new financial year.

f. The draft SDBIP is tabled in Council at least 90 days (31 March) before the start of the new financial year.

g. After the draft budget is tabled in Council, it is advertised for public comment for a period of 30 days.

h. Once the comments from the public have been received, noted and considered, the final budget (inclusive of any amendments) is tabled in Council for adoption, at least 30 days (31 May) before the start of the financial year.

i Sect 25(1) of the Municipal Finance Management Act (56 of 2003) states that "if a municipal council fails to approve an annual budget, including revenue raising measures necessary to give effect to the budget, the Council must reconsider the budget and again vote on the budget, or on an amended version thereof, within 7 days of the Council meeting that failed to approve the budget."

2.2.5. Implementation

a. After the budget has been approved, the service delivery and budget implementation plan (SDBIP) is finalised.

b. The SDBIP must be submitted to the Mayor within 14 days after aforementioned approval, for Mayoral approval with a further 14 days.

c. Each director indicates the intended spending for both capital and operating budgets.

d Cash flows are included in the Service Delivery and Budget Implementation Plan of the organisation.

e. The SDBIP is monitored on a monthly basis.

f. Each directorate uses their respective vote numbers as indicated on the operational budget.

2.3. Adjustments Budget

2.3.1 A general adjustments budget may be tabled once a year by 28 February.

2.3.2 The adjustments budget process shall be aligned to the annual budget in terms of consideration by the Budget Steering Committee.

2.3.3 The adjustments budget must be approved by Council before implementation.

2.3.4 Any consequential amendment of the SDBIP necessitated by the adjustments budget must be published together with the adjustments budget within 5 days after the Municipal Council has approved an adjustments budget.

3. IMPLEMENTATION AND REVIEW OF POLICY

This policy shall be implemented on **1 July 2023** and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.

POLICY SECTION:	SENIOR MANAGER: FINANCIAL SERVICES
CURRENT UPDATE:	31 MAY 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
APPROVAL BY COUNCIL:	04 MAY 2011

OVERSTRAND MUNICIPALITY



VIREMENT POLICY

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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 service delivery in a financially responsible manner.

4 VIREMENT CLARIFICATION

Virement is the process of transferring budgeted funds from one line item number to another, with approval of the relevant Director and CFO, in certain instances, to enable budget managers to amend budgets in the light of experience or to reflect anticipated changes. (Section 28 (2) (c) MFMA)

5 FINANCIAL RESPONSIBILITIES

Strict budgetary control must be maintained throughout the financial year in order that potential overspends and / or income under-recovery within individual vote departments are identified at the earliest possible opportunity. (Chapter 4 of the MFMA) The Chief Financial Officer has a statutory duty to ensure that adequate policies and procedures are in place to ensure an effective system of financial control. The budget virement process is one of these controls. (Section 27(4) MFMA)

It is the responsibility of each manager or head of a directorate or activity to which funds are appropriated, to plan and conduct assigned operations so as not to expend more funds than budgeted. In addition, they have the responsibility to identify and report any irregular or fruitless and wasteful expenditure in terms of the MFMA sections 78 and 32.

6 VIREMENT RESTRICTIONS

(a) A virement of funds between votes (Directorates) will not be allowed without approval in an adjustments budget.

(b) Cumulative virements may not exceed a maximum of 10% of the total approved operating budget per Directorate.

(c) A virement may not create new policy, significantly vary from current policy or alter the approved outcomes / outputs as approved in the IDP for the current or subsequent years. (section 19 and 21 MFMA)

(d) Virements resulting in adjustments to the approved SDBIP need to be submitted to the Municipal Manager after an adjustments budget, with altered outputs and measurements for approval. (MFMA Circular 13 page 3 paragraph 3)

(e) No virement request may be effected in the current year which will increase the approved budget in future financial years without the prior approval of the Municipal Manager and the Mayor. This refers to expenditure such as entering into lease- or rental agreements for vehicles, photo copier's or fax machines, operational contracts.

(f) No virement may be made where it would result in unauthorised expenditure. (section 32 MFMA)

(g) No virement shall add to the staff establishment of the Municipality without the approval of the Municipal Manager.

(h) Budget may only be transferred from Employee Related Cost if approved by the Municipal Manager and the Director: Finance.

(i) If the virement relates to an increase in the work force establishment, then the Council's

existing recruitment policies and procedures will apply.

(j) Virements may not be made in respect of ring-fenced allocations.

(k) Virements are not permitted from or to budgets allocated to the respective Basic Services, unless approved in an adjustments budget.

(l) Virements in capital budget allocations are only permitted within specified action plans and not across funding sources and must in addition have comparable asset lifespan classifications.

(m) No virements are permitted in the first three months or the final month of the financial year without the express approval of the CFO.

(n) No virement proposal shall affect amounts to be paid by another Department without the agreement of the Manager of that Department, as recorded on the signed virement form. (Section 15 MFMA)

(o) Virement amounts may not be rolled over to subsequent years, or create expectations on following budgets. (Section 30 MFMA)

(p) An approved virement does not give expenditure authority and all expenditure resulting from approved virements must still be subject to the procurement / supply chain management policy of Council as periodically reviewed.

(q) Virements may not be made between Expenditure and Income.

(r) Virements may not be made between capital and operational budgets, except as indicated in paragraph 7.

(s) No Capital Budget virements are permitted across the mSCOA Function/Sub-Function segment, except in an official adjustments budget.

(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) Virements in excess of R 50,000 with a maximum as determined under section 6b. requires the approval of the relevant Director for Inter-departmental transfers, as well as the express approval of the Chief Financial Officer. (Section 79 MFMA).

(f) Virement transfers must be taken into consideration by the respective managers with regards to the SDBIP.

(g) Virements in respect of Ward specific projects must be approved by the Chief Financial Officer,

Muncipal Manager and the Mayor.

(h) Virements between Capital and Operational in respect of Ward Specific Projects and grant allocations, will only be allowed if it qualifies as an Adjustment Budget request and will then be done as part of an Adjustments Budget

(i) All virement documentation must be in order and approved before any expenditure may be committed or incurred. (Section 79 MFMA).

(j) After all virement documentation has been duly completed, including all authorizations, the budget transfer will normally be effected within three working days, subject to the operating system functionality.

(k) The Director: Finance must report to the Municipal Manager and the Mayor on a monthly basis in respect of virements in excess of R50 000 per item.

8. IMPLEMENTATION AND REVIEW OF THIS POLICY

This policy shall be implemented on **1 July 2023** and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.

POLICY SECTION:	SENIOR MANAGER: FINANCIAL SERVICES
CURRENT UPDATE:	31 MAY 2023
PREVIOUS UPDATE:	31 MAY 2022
PREVIOUS UPDATE:	26 MAY 2021
PREVIOUS UPDATE:	27 MAY 2020
PREVIOUS UPDATE:	29 MAY 2019
PREVIOUS UPDATE:	30 MAY 2018
PREVIOUS UPDATE:	31 MAY 2017
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PREVIOUS REVIEW:	28 MAY 2015
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PREVIOUS REVIEW:	29 MAY 2013
PREVIOUS REVIEW:	30 MAY 2012
PREVIOUS REVIEW:	4 MAY 2011
APPROVAL BY COUNCIL:	26 MAY 2010

mSCOA FUNCTION/SUB- FUNCTION

ANNEXURE A1

FUNCTION/SUB-FUNCTION	FUNCTION/SUB-FUNCTION
Community and Social Services	**Finance and Administration**
Aged Care, Home Assistance and Transport Facilities	Administrative and Corporate Support
Animal Care and Diseases	Asset Management
Cemeteries, Funeral Parlours and Crematoriums	Finance
Child Care Facilities	Fleet Management
Community Halls and Facilities	Human Resources
Libraries and Archives	Information Technology
Literacy Programmes	Legal Services
Museums and Art Galleries	Marketing, Customer Relations, Publicity and Media Co-ordination
Theatres	Property Services
Zoo's	Risk Management
	Security Services
Electricity and Gas	Supply Chain Management
Electricity	Valuation Service
Street Lighting and Signal Systems	
	Health
Environmental Protection	Health Services
Biodiversity and Landscape	Laboratory Services
Coastal Protection	
Indigenous Forests	**Housing**
Nature Conservation	
Pollution Control	
Soil Conservation	Housing
	Informal Settlements
Executive and Council	
Mayor and Council	**Internal Audit**
Municipal Manager, Town Secretary and Chief Executive	Governance Function
Other	
Abattoirs	**Road Transport**
Air Transport	Public Transport
Forestry	Roads & Traffic Regulation
Licensing and Regulation	Roads
Markets	Taxi Ranks
Tourism	

ANNEXURE A1

FUNCTION/SUB-FUNCTION	FUNCTION/SUB-FUNCTION
Planning and Development	**Sport and Recreation**
Billboards	Beaches and Jetties
Corporate Wide Strategic Planning (IDPs, LEDs)	Community Parks (including Nurseries)
Central Improvement District	Recreational Facilities
Development Facilitation	Sports Grounds and Stadiums
Economic Development/Planning	
Town Planning, Building Regulations and Enforcement, and City Engineer	**Waste Management**
Project Management Unit	Recycling
Support to Local Municipalities	Solid Waste Disposal (Landfill Sites)
	Solid Waste Removal
Public Safety	Street Cleansing
Civil Defence (Municipal Commando's)	
Cleansing	**Waste Water Management**
Control of Public Nuisances	Public Toilets
Fencing and Fences	Sewerage
Fire Fighting and Protection	Storm Water Management
Licensing and Control of Animals	Treatment
Police Forces, Traffic and Street Parking Control	
Pounds	**Water**
	Water Treatment
	Water Distribution
	Water Storage

Note: The function/sub- function segment consist of core and non-core functions

ANNEXURE A2

OPERATIONAL BUDGET - DIRECTORATES & DEPARTMENTS (OWN SEGMENT)

DEPT	DIRECTORATE	CODE
	Council & Mayor's Office	1
0010	COUNCIL'S GENERAL	
0050	MAYORS OFFICE	
0060	PENSIONERS & CONTINUED MEMBERS	
	MM & Internal Audit	2
0100	MUNICIPAL MANAGER	
0140	INTERNAL AUDIT	
0070	RISK MANAGEMENT	
	Management Services	3
0080	MUNICIPAL COURT	
0090	COMMUNICATION	
0110	DIRECTOR: MANAGEMENT SERVICES	
0120	LEGAL SERVICES	
0130	STRATEGIC SERVICES	
0650	HUMAN RESOURCES	
0660	INFO & COMMUNICATION TECHNOLGY	
0670	COUNCIL SUPPORT SERVICES	
	Finance	4
0150	FINANCE: DIRECTOR	
0160	FINANCE: DEPUTY DIRECTOR	
0180	FINANCE: ACCOUNTING SERVICES	
0190	FINANCE: EXPENDITURE & ASSETS	
0200	FINANCE: REVENUE	
0210	FINANCE: SUPPLY CHAIN MANAGEMEMT	
0220	DATA CONTROL	
0250	ASSESSMENT RATES	
	Infrastructure & Planning	5
2180	DIRECTOR:INFRASTRUCTURE & PLAN	
2190	ENGINEERING SERVICES	
2200	TOWN PLANNING	
2210	DEP.DIRECTOR:ENGINEERING PLANN	
2220	GEOGRAPHICAL INFO SYSTEM (GIS)	
2240	SOLID WASTE PLANNING	
2250	BUILDING CONTROL SERVICES	
2260	PROPERTY ADMINISTRATION	
2990	OVERSTRAND HOUSING DEVELOPMENT	
2300	ENVIRONMENTAL MANAGEMENT SERV	

DEPT	DIRECTORATE	CODE
1460	STREETLIGHTS: KLEINMOND	
1470	STREETLIGHTS: HERMANUS	
1480	STREETLIGHTS: STANFORD	
1490	STREETLIGHTS: GANSBAAI	
4200	ELECTRICITY(ADMIN) HM/KM	
4210	ELECTRICITY(ADMIN) GB&ST	
4250	ELECTRICITY (DISTR): KLEINMOND	
4260	ELECTRICITY (DISTR): HERMANUS	
4270	ELECTRICITY (DISTR): STANFORD	
4280	ELECTRICITY (DISTR): GANSBAAI	
4350	ELECT (PURCH/SALES): KLEINMOND	
4360	ELECT (PURCH/SALES): HERMANUS	
4370	ELECT (PURCH/SALES): STANFORD	
4380	ELECT (PURCH/SALES): GANSBAAI	
4400	ELECTRICITY INCOME	
4430	ELECT (SERV & CON): KLEINMOND	
4440	ELECT (SERV & CON): HERMANUS	
4450	ELECT (SERV & CON): STANFORD	
4460	ELECT (SERV & CON): GANSBAAI	
3640	OVERSTRAND: SOLID WASTE DISP.	
	Protection Services	6
0700	TRAFFIC	
0710	LAW ENFORCEMENT	
0720	VEHICLE TESTING	
0740	FIRE BRIGADE	
0750	VEHICLE LICENSING	
0760	SPECIAL TASK TEAM UNIT	
0770	DISASTER MANAGEMENT	
0800	DIRECTOR:PROTECTION & SECURITY	
0780	SECURITY SERVICES	
	LED	7
1110	DIRECTOR:ECON.& SOCIAL DEVELOPMENT &TOURISM	
1120	TOURISM	
1130	SOCIAL DEVELOPMENT	
1140	EPWP	
1150	THUSONG CENTRE HAWSTON	
1160	PARKING SERVICES	

ANNEXURE A2

DEPT	DIRECTORATE	CODE
	Community Services	8
0500	DIRECTOR:COMMUNITY SERVICES	
0510	DEPUTY DIR:OPERATIONAL SERVICE	
0530	AREA MANAGER: KLEINMOND	
0540	AREA MANAGER: HERMANUS	
0550	AREA MANAGER: STANFORD	
0560	AREA MANAGER: GANSBAAI	
0610	CONTROL ROOM	
0620	FLEET MANAGEMENT	
0630	SPORTS & RECREATION	
0640	MANAGER: CORPORATE PROJECTS	
0950	LIBRARY: BETTY'S BAY	
0960	LIBRARY: KLEINMOND	
0970	LIBRARY: HAWSTON	
0980	LIBRARY: MOUNT PLEASANT	
0990	LIBRARY: ZWELIHLE	
1000	LIBRARY: HERMANUS	
1010	LIBRARY: STANFORD	
1020	LIBRARY: GANSBAAI	
1100	POST OFFICE AGENCY: STANFORD	
1300	OPERATIONAL MANAGER: KLEINMOND	
1310	OPERATIONAL MANAGER: HERMANUS	
1320	OPERATIONAL MANAGER: STANFORD	
1330	OPERATIONAL MANAGER: GANSBAAI	
1600	BEACHES: KLEINMOND	
1610	BEACHES: HERMANUS	
1620	BEACHES: GANSBAAI	
1360	STREETS: PROVINCIAL MAIN ROAD	
1400	STREETS: KLEINMOND	
1410	STREETS: HERMANUS	
1430	STREETS: STANFORD	
1440	STREETS: GANSBAAI	
1450	OVERSTRAND: ROADS	
1640	PARKS & TOWNLANDS (KLEINMOND)	
1650	PARKS & TOWNLANDS (HERMANUS)	
1660	PARKS & TOWNLANDS (STANFORD)	
1670	PARKS & TOWNLANDS (GANSBAAI)	
1800	COMMUNITY BUILDINGS KM	
1810	COMMUNITY BUILDINGS HM	
1820	COMMUNITY BUILDINGS ST	
1830	COMMUNITY BUILDINGS GB	
1840	AUDITORIUM & BANQUETING HALL	
1900	OFFICE BUILDINGS KM	
1910	OFFICE BUILDINGS HM	

DEPT	DIRECTORATE	CODE
1920	OFFICE BUILDINGS ST	
1930	OFFICE BUILDINGS GB	
1940	CORPORATE BUILDING (HM)	
1990	SWIMMING POOL: HAWSTON	
2100	SPORTSGROUNDS: KLEINMOND	
2110	SPORTGROUNDS: HERMANUS	
2120	SPORTGROUNDS: STANFORD	
2130	SPORTGROUNDS: GANSBAAI	
2140	SWIMMING POOL: HERMANUS	
2150	SLIPWAY (KLEINBAAI)	
2160	STONY POINT (BETTY'S BAY)	
2170	SLIPWAY KLEINMOND	
2500	CEMETERIES: KLEINMOND	
2510	CEMETERIES: HERMANUS	
2520	CEMETERIES: STANFORD	
2530	CEMETERIES: GANSBAAI	
2600	CARAVAN PARK: PALMIETCAMP	
2610	CARAVANPARK: KLEINMOND	
2620	CAMPING SITE: HAWSTON	
2630	CARAVAN PARK: ONRUS	
2660	CARAVAN PARK: GANSBAAI	
2900	HOUSING & SOCIAL UPLIFTMENT	
2910	HOUSING ALL SCHEMES	
4560	WATER (TREAT): KLEINMOND	
4590	WATER (TREAT): DE BOS/PREEKSTO	
4600	WATER (TREATMENT) STANFORD	
4620	WATER (TREAT): GANSBAAI/FRANSK	
4800	WATER (DISTRIBUTION): KLEINMON	
4810	WATER (DISTRIBUTION): HERMANUS	
4820	WATER (DISTRIBUTION): STANFORD	
4830	WATER (DISTRIBUTION): GANSBAAI	
4850	OVERSTRAND: WATER	
4890	WATER INCOME	
4900	WATER (SERV & CON): KLEINMOND	
4910	WATER (SERV & CON): HERMANUS	
4920	WATER (SERV & CON): STANFORD	
4930	WATER (SERV & CON): GANSBAAI	
4970	WATER (RAW WAT DAMS): GANSBAAI	
1500	STORMWATER: KLEINMOND	
1510	STORMWATER: HERMANUS	
1530	STORMWATER: STANFORD	
1540	STORMWATER: GANSBAAI	
3200	PUBLIC TOILETS (HERMANUS)	
3750	SEWERAGE (DISTRIBU): KLEINMOND	
3760	SEWERAGE (DISTRIBU): HERMANUS	

OVERSTRAND MUNICIPALITY – VIREMENT POLICY

ANNEXURE A2

DEPT	DIRECTORATE	CODE
3770	SEWERAGE (DISTRIBU): STANFORD	
3780	SEWERAGE (DISTRIBU): GANSBAAI	
3860	SEWERAGE (SERV/CON): HERMANUS	
3950	SEWERAGE (TANKERS): KLEINMOND	
3960	SEWERAGE (TANKERS): HERMANUS	
3970	SEWERAGE (TANKERS): STANFORD	
3980	SEWERAGE (TANKERS): GANSBAAI	
4050	SEWERAGE (TREATMENT) KLEINMOND	
4060	SEWERAGE (TREATMENT): HAWSTON	
4070	SEWERAGE (TREATMENT) HERMANUS	
4080	SEWERAGE (TREATMENT) STANFORD	
4090	SEWERAGE (TREATMENT) GANSBAAI	
4100	SEWERAGE INCOME	
3300	REFUSE REMOVAL: KLEINMOND	
3310	REFUSE REMOVAL: HERMANUS	
3320	REFUSE REMOVAL: STANFORD	
3330	REFUSE REMOVAL: GANSBAAI	
3400	SOLID WASTE DISPOSAL:B/BAY	
3410	SOLID WASTE DISPOSAL: HAWSTON	
3420	SOLID WASTE DISPOSAL: VOELKLIP	
3430	SOLID WASTE DISPOSAL: STANFORD	
3440	REFUSE DISPOSAL:P/BEACH(TRFST)	
3500	SOLID WASTE DISPOSAL: KLEINMON	
3510	SOLID WASTE DISPOSAL: HERMANUS	
3620	WASTE DISPOSAL SITE: GANSBAAI	
3650	REFUSE INCOME	
	Costing Services	**9**
9996	INTERNAL BILLING	
9997	ACTIVITY BASED COSTING	
9998	DEPT CHARGES AND RECOVERIES	
	Main Ledger	**10**
9995	MAIN LEDGER	

OVERSTRAND MUNICIPALITY



BORROWING POLICY

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1 PURPOSE

To establish a borrowing framework policy for the Municipality and set out the objectives, policies, statutory requirements and guidelines for the borrowing of funds.

2 OBJECTIVES OF POLICY

The objectives of this Policy are to:

a manage interest rate and credit risk exposure;
b maintain debt within specified limits and ensure adequate provision for the repayment of debt;
c to ensure compliance with all Legislation and Council policy governing borrowing of funds.

3 SCOPE OF THE POLICY

The primary goal in the borrowing of funds is to ensure that the funds are obtained at the lowest possible interest rates at minimum risk, within the parameters of authorized borrowings.

3.1 Risk Management

The need to manage interest rate risk, credit risk exposure and to maintain debt within specified limits is the foremost objective of the borrowing policy. To attain this objective, diversification is required to ensure that the Chief Financial Officer prudently manages interest rate and credit risk exposure.

3.2 Cost of Borrowings

The borrowings should be structured to obtain the lowest possible interest rate, on the most advantageous terms and conditions, taking cognisance of borrowing risk constraints, infrastructure needs and the borrowing limits determined by Legislation.

3.3 Prudence

Borrowings shall be made with care, skill, prudence and diligence.

4 LEGISLATIVE FRAMEWORK AND DELEGATION OF AUTHORITY

The relevant Legislation in terms of which borrowing decisions are governed is the Local Government Municipal Finance Management Act, No 56 of 2003.

The Municipal Regulations on Debt Disclosure has been promulgated (Government Gazette no. 29966, 15 June 2007) and has been effective from 01 July 2007 for a municipality or municipal entity.

5 TYPES OF LOANS AND FINANCING

5.1 Annuity loans

Annuity loans are straight forward and uncomplicated. The loan amount, interest rate and repayment period offered by the Financial Institution are fixed. Normally with an annuity loan, the instalment of the loan will be repaid in equal six monthly instalments over the term of the loan. The capital portion of the instalment will increase over the duration of the loan, and conversely, the interest amount charged will decrease over the loan period. Where the interest rate offered by the Financial Institution is on a variable basis, an interest rate swap (IRS) option should be included in the agreement. An IRS agreement will need to be signed with the party agreeing to accept the variable rate and in turn, offer the fixed rate to the Municipality. An Interest Rate Swap Agreement must comply with the terms set out by the International Swap Dealers Association (ISDA). The fixing of debt repayments is an important consideration in meeting the financial requirements of the Municipality, that of annually producing a balanced budget. There are from time to time various options offered by Financial Institutions which need to be treated on their merits and which could invariably result in slightly lower interest rates being offered.

5.2 Bullet payment redemption

In this instance, the total capital is usually repaid at the end of the term and interest on the total amount borrowed is paid annually or semi-annually. The interest rate can be fixed and the interest payable is known for the duration of the loan. Cash has to be set aside to repay the capital at the end of the term.

The lender could require security in the form of an investment (sinking fund).

5.3 Bonds

A Bond is an instrument used by Government and Parastatals such as Telkom, Eskom, Transnet, Corporates and Municipalities to raise loan capital on the open market. Bond holders have the right to interest, usually paid on a semi-annual basis, and the repayment of the capital amount reflected on the stock certificate held on maturity date. The coupon, maturity, principal value and market value are intrinsic features of a Bond. The most critical variable factor in determining Bond rates is the expected long term trend in inflation, in order to provide a return that equals inflation plus a risk premium. The higher the risk attached to a borrower, the higher will be the risk premium investors will demand. During its tenure the Bond will trade on the Bond market at prevailing interest levels. The price of a Bond trading at any given time on the market is a function of prevailing interest rates. Bond prices move inversely to movements in interest rates.

5.4 Use of Internal Funds

The Municipality from time to time, will use certain of its surplus funds to fund its Capital programme. The utilisation of surplus funds enables the Municipality to reduce its reliance on external debt financing, thereby allowing it to borrow only funds from external sources when favourable market conditions prevail. The use of internal funds impacts negatively on surplus cash for return of interest and should be within limits to reduce the impact on the Current Ratio, ideally to be at a minimum ratio of 1.5 : 1, and the Cost Coverage, ideally not be less than 2 months.

6 OTHER CONSIDERATIONS

The Municipality has by the judicious use of surplus funds and external long term debt implemented its Integrated Development Plan, which has facilitated the much needed service delivery program.

Factors to be considered when borrowing:

(a) the type and extent of benefits to be obtained from the borrowing;
(b) the length of time the benefits will be received;
(c) the beneficiaries of the acquisition or development;
(d) the impact of interest and redemption payments on both current and forecasted property tax and services revenue;
(e) the current and future capacity of the property tax base and rendering of services to pay for borrowings and the rate of growth of the property tax base and services;
(f) likely movements in interest rates for variable rate borrowings;
(g) other current and projected sources of funds;
(h) competing demands for funds;
(i) timing of money market interest rate movements and the long term rates on the interest rate curve.

The Municipality will, in general, seek to limit its dependence on borrowings in order to minimise future revenue committed to debt servicing and redemption charges. The Municipality may only borrow funds, in terms of the Municipal Finance Management Act, for the purpose of acquiring assets, improving facilities or infrastructure to provide service delivery.

Overstrand Municipality may incur long term debt only for the purpose of Capital expenditure on infrastructure, property, plant or equipment to be used for the purpose of achieving the objects of Local Government as set out in section 152 of the Constitution.

The use of external loans should be limited to financing infrastructure where a return can be realised from tariffs to service the debt, or major infrastructure exceeding R10 million for a single project, with long term benefits to the community as a whole, where indirect revenue streams are evident.

The gearing for external loans (total outstanding debt to operating revenue, including recurrent operational grants) was fixed at a ceiling of 60% as at 30 June 2012. To reduce the reliance on external long term borrowing this percentage must reduce till a level of 45% or less is attained by 30 June 2022.

7 REFINANCING DEBT

Section 46 of the Municipal Finance Management Act provides that the Overstrand Municipality may refinance existing long term debt, if such refinancing is in accordance with the framework as prescribed by the Municipal Finance Management Act, as follows:

- The Municipality may borrow money for the purpose of refinancing existing long term debt, provided the existing long term debt was lawfully incurred and the refinancing will not extend the term of the debt beyond the useful life of the infrastructure, property, plant or equipment for which the money was originally borrowed.

Cognisance must be taken of any early repayment penalty clauses in the initial loan agreement, as part of the financial feasibility assessment. No loans will be prematurely redeemed unless there is a financial benefit to the Municipality.

8 DEBT REPAYMENT PERIOD

Whilst the period for which loan debt may be received will vary from time to time according to the needs of the various Lenders, presently the typical debt repayment period for loans is fifteen years, though not closely matching the underlying asset lives serviced by the loans.

Cognisance is taken of the useful lives of the underlying assets to be financed by the debt, and, moreover, careful consideration is taken of the interest rates on the interest yield curve. Should it be established that it is cost effective to borrow the funds on a shorter duration (as opposed to the life of the asset) as indicated by the interest yield curve, the loan will be negotiated to optimise the most favourable and cost effective benefit to the Municipality.

9 SECURITY

In terms of the Municipal Finance Management Act the Municipality may provide security for any of its debt obligations, including the giving of a lien, pledging, mortgaging or ceding an asset, or giving any other form of collateral. It may cede as security any category of revenue or rights of future revenue. Some Lenders may require the Municipality to agree to restrictions on debt that the Municipality may incur in future until the secured debt is settled.

10 SHORT TERM DEBT

The Municipal Finance Management Act provides that the Municipality may incur short term debt only when necessary to bridge shortfalls within a financial year during which the debt is incurred, in expectation of specific and realistic anticipated income to be received within that financial year; or capital needs within a financial year, to be repaid from specific funds to be received from enforceable allocations or long term debt commitments.

The municipal council may approve an individual transaction or a credit facility for a line of credit or overdraft facility.

The Municipality must pay off short term debt within the same financial year and may not renew or refinance its short term debt if it will have the effect of extending the short term debt into a new financial year.

11 DISCLOSURE

The Municipality must, when interacting with a prospective Lender or when preparing documentation for consideration by a prospective Investor, disclose all relevant information that may be requested or that may be material to the decision of the prospective Lender or Investor. Reasonable care must be taken to ensure the accuracy of any information disclosed. Whilst this is a standard and acceptable business practice, it is also in compliance with section 49 of the Municipal Finance Management Act.

12 GUARANTEES

The Municipal Finance Management Act provides that the Municipality may not guarantee any debt of any entity unless the entity is a Municipal entity under its sole ownership control. The debt must be reflected in the approved business plan of the entity. The guarantee must be authorised by the Municipality. This must be done in the same manner and subject to the same conditions applicable to any other borrowings. Neither the National nor Provincial Government may guarantee the debt of any Municipality.

13 APPROVAL OF LOANS BY THE MUNICIPALITY

Section 46 of the Municipal Finance Management Act stipulates that the Municipality may incur long-term debt only if a resolution of the Council, signed by the mayor, has approved the debt agreement and the Accounting Officer has signed the agreement or other document which acknowledges the debt. At least 21 days prior to the meeting of the Council at which approval for the debt is to be considered, the Municipality must make public an information statement setting out particulars of the proposed debt, including the amount of the proposed debt, the purposes for which

the debt is to be incurred and particulars of any security to be provided. The Public, the National Treasury and Provincial Treasury must be invited to submit written comments or representations to the council in respect of the proposed debt.

A copy of the information statement submitted to Council at least 21 days prior to the meeting to approve the loan agreement must contain particulars of -

(a) the essential repayment terms, including the anticipated debt repayment schedule; and
(b) the anticipated total cost in connection with such debt over the repayment period.

14 PROVISION FOR REDEMPTION OF LOANS

Overstrand Municipality may borrow from Institutions and set up sinking funds to facilitate loan repayments, when the repayment is to be met by a bullet payment on the maturity date of the loan. These sinking funds may also be invested directly with the Lender's Bank. The maturity date and accumulated value of such investment must coincide with the maturity date and amount of the intended loan that is to be repaid.

15 NON-REPAYMENT OR NON-SERVICING OF LOAN

Overstrand Municipality must honour all its loan obligations timeously. Failure to effect prompt payment will adversely affect the raising of future loans at favourable costs of borrowing.

Failure to pay any loan instalment, even by one day, and even if only through administrative oversight, will have severe repercussions, and may jeopardise the Municipality's credit rating.

In addition to the timeous payment of the loans, the Municipality must adhere to the covenants stipulated in the loan agreements.

16 PROHIBITED BORROWING PRACTICES

Overstrand Municipality shall not borrow for investment purposes, with the sole purpose of investing to earn a return. The cost of debt is almost always more expensive than the return that the Municipality can derive by investing in permitted investments.

17 FOREIGN BORROWINGS

Foreign Borrowing is permitted in terms of section 47 of the Municipal Finance Management Act, whereby the debt must be denominated in Rand and is not indexed to, or affected by, fluctuations in the value of the Rand against any foreign currency.

18 NATIONAL TREASURY AND OTHER REPORTING AND MONITORING REQUIREMENTS

The Municipality submits returns to National Treasury quarterly and annually, as well as

submissions to Council. It is mainly coordinated by the Financial Services Department.

19 IMPLEMENTATION AND REVIEW PROCESS

This policy shall be implemented on **1 July 2023** and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.

POLICY SECTION:	SENIOR MANAGER: FINANCIAL SERVICES
CURRENT UPDATE	31 May 2023
PREVIOUS REVIEW:	31 May 2022
PREVIOUS REVIEW:	26 May 2021
PREVIOUS REVIEW:	27 May 2020
PREVIOUS REVIEW:	29 May 2019
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OVERSTRAND MUNICIPALITY

FUNDING, RESERVES AND PROVISIONS POLICY

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1. INTRODUCTION AND OBJECTIVE

The Council sets as objective a long term financially sustainable municipality with acceptable levels of service delivery to the community.

This policy aims to set standards and guidelines towards ensuring financial viability over both the short- and long term and includes funding as well as reserves requirements.

2. SECTION A: FUNDING POLICY

2.1 LEGISLATIVE REQUIREMENTS

In terms of Sections 18 and 19 of the Municipal Finance Management Act (Act No 56 of 2003) (MFMA), an annual budget may only be funded from:

2.1.1 Realistically anticipated revenues to be collected, including grants;
2.1.2 Cash backed accumulated funds from previous years' surpluses not committed for other purposes, and
2.1.3 Borrowed funds, but only for capital projects.

Furthermore, spending on a capital project may only be commenced once the funding sources have been considered, are available and have not been committed for other purposes.

The requirements of the MFMA are clear in that the budget must be cash – funded, i.e. cash receipts inclusive of prior period cash surpluses committed to this specific budget, must equal or be more than cash paid.

In determining whether the budget is actually cash funded and in addition ensuring long term financial sustainability, the municipality will use analytical processes, including those specified by National Treasury from time to time.

2.2 STANDARD OF CARE

Each functionary in the budgeting and accounting process must do so with judgment and care with the primary objective of ensuring that the objectives of this policy are achieved.

2.3 STATEMENT OF INTENT

The municipality will not pass a budget which is not cash – funded or where any of the indicators as listed in this document are negative, unless acceptable reasons can be provided for non-compliance and provided that the requirements of the MFMA must at all times be adhered to.

2.4 CASH MANAGEMENT

Cash must be managed in terms of the municipality's Investment and Cash Management Policy.

2.5 LIABILITY MANAGEMENT

Debt must be managed in terms of the municipality's Borrowing Policy, together with any requirements in this policy.

2.6 FUNDING THE OPERATING BUDGET

2.6.1 INTRODUCTION

The municipality's objective is that the user of municipal resources must pay for such usage in the period in which it will occur.

The municipality recognises the plight of the poor, and in line with national and provincial objectives, commits itself to subsidising services to the poor. This may necessitate cross- subsidisation in some tariffs to be calculated in the budget process.

2.6.2 GENERAL PRINCIPLE WHEN COMPILING THE OPERATING BUDGET

The following specific principles apply when compiling the budget:

a) The budget must be cash – funded, i.e. revenue and expenditure projections must be realistic and the provision for impairment of receivables must be calculated on proven recovery rates;
b) Growth parameters must be realistic and be based on historic patterns adjusted for current reliable information;
c) Tariff adjustments must be fair, taking into consideration general inflation indicators as well as the geographic region's ability to pay;
d) Revenue from Government Grants and Subsides must be in accordance with the amounts promulgated in the Division of Revenue Act, proven provincial transfers and any transfers from other municipalities.
e) Projected revenue from services charges must be reflected as net (i.e. all billing less revenue foregone, including free basic services).
f) Projected revenue from property rates must include all rates to be levied.
g) For the purpose of the Cash flow Budget all rebates and discounts must be deducted from the projected revenue.
h) Only changes in fair values related to cash may be included in the cash flow budget. Changes to unamortized discount must be included in the Operating Budget. Employee related costs include contributions to non-current and current employee benefits. It is acknowledged that the non-current benefits' requirements are well above the initial cash capabilities of the municipality. It is therefore determined that the short term expenditure portion of employee benefits be funded from the current year operating cash surplus.
i) Depreciation must be fully budgeted for in the operating budget.

j) Contributions to provisions (non-current and current) do not form part of the cash flow for provisions with a non-current portion, except for the current portion of post retirement benefits relating to continued members for medical aid and long service awards. It is necessary to provide for an increase in cash resources in order to comply with the conditions of the provision at the time when it is needed.

2.7 FUNDING THE CAPITAL BUDGET

2.7.1 INTRODUCTION

The municipality's objective is to maintain, through proper maintenance and replacement measures, existing levels of service and to improve and implement services which are neglected or non-existent.

In order to achieve this objective, the municipality must annually, within financial means, budget for the replacement of redundant assets as well as new assets.

2.7.2 FUNDING SOURCES FOR CAPITAL EXPENDITURE

The capital budget can be funded by way of own cash, grants, public contributions as well as external loans.

Cash

The capital budget or portions thereof may also be funded from surplus cash generated in previous financial years. The cash must already be available and not be committed for other purposes or expected to be generated in the current or future years. The allocations of the funding sources from own contributions will be determined during the budget process.

Grants (Including Public Contributions and Bulk Infrastructure Contributions)

Only cash portions of these grants will be made available for funding of capital projects as might be applicable. Grants for capital expenditure have become a common practice, especially in order to extend service delivery to previously disadvantaged areas. While such grants are welcomed, care should also be taken that grant funding does not place an unreasonable burden on the residents for future maintenance costs which may be higher than their ability to pay.

The accounting officer will annually evaluate the long term effect of unusual capital grants on future tariffs, and if deemed necessary, report on such to Council.

Depreciation charges on assets financed from grants and donations must not have a negative effect on tariffs charged to the users of such assets. The Accounting Officer will put such accounting measures in place as to comply with this requirement as far as possible.

MFMA Circular 48, read with MFMA Circular 58 and 75, states that municipalities may treat the 'reclaimed VAT' in terms of the expenditure from conditional grant funds as 'own revenue'. The municipality opts to utilise the full grant funding for

the grant related projects.

External Loans

The municipality may only raise loans in accordance with its Borrowing Policy.

The Accounting Officer must also put such accounting measures in place to ensure that no unspent portions of loans raised, be included in the cash surplus for the year.

2.8 FUNDING COMPLIANCE MEASUREMENT

2.8.1 INTRODUCTION

The municipality must ensure that the annual budget or any subsequent adjustments budget complies with the requirements of the MFMA and this policy. For this purpose, a set of indicators must be used as part of the budget process and be submitted with the budget. These indicators include all the indicators as recommended by National Treasury as well as any additional indicators detailed in this policy.

If any of the indicators are negative during the compilation or approval process of the budget, the budget may not be approved until all the indicators provide a positive return, unless those negative indicators can be reasonable explained and any future budget projections address the turn-around of these indicators to within acceptable levels.

2.8.2 CASH AND CASH EQUIVALENTS AND INVESTMENTS

A positive Cash and Cash Equivalents position should be maintained throughout the year.

2.8.3 CASH PLUS INVESTMENTS LESS APPLICATION OF FUNDS

The overall cash position of the municipality must be sufficient to cover the following:

a) unspent conditional grants;
b) unspent conditional public contributions;
c) unspent borrowings;
d) VAT due to SARS;
e) ceded investments;
f) the cash portion of statutory funds such as the Housing Development Fund;
g) other working capital requirements; and
h) the cash position must be sufficient to back reserves as approved by the municipality and those portions of provisions as indicated elsewhere in this policy.

INDICATORS

2.8.4 MONTHLY AVERAGE PAYMENT COVERED BY CASH AND CASH EQUIVALENTS ("CASH/COST COVERAGE")

This indicator shows the level of risk should the municipality experience financial stress.

The norm indicated by National Treasury indicates 1 – 3 months Working Capital, but should ideally not be less than 2 months.

2.8.5 SURPLUS/DEFICIT EXCLUDING DEPRECIATION AND OTHER NON CASH ITEMS

It is probable that the operating budget including depreciation charges on assets funded by grants and public contributions, as well as on revalued assets, will result in a deficit.

As determined elsewhere in this policy it is not the intention that residents be burdened with tariff increases to provide for such depreciation charges. In order to ensure a "balanced" budget, the cash position must be determined.

Should a budget result in a deficit cash position, the budget will be deemed unfunded and must be revised.

2.8.6 PROPERTY RATES/SERVICE CHARGE REVENUE PERCENTAGE INCREASE LESS MACRO INFLATION TARGET

The intention of this indicator is to ensure that tariff increases are in line with macro economic targets, but also to ensure that revenue increases for the expected growth in the geographic area are realistically calculated.

2.8.7 CASH COLLECTION RATE AS A PERCENTAGE

The object of the indicator is to establish whether the projected cash to be collected is realistic and complies with section 18 of the MFMA.

The collection rate for calculating the provision for impairment of receivables must be based on past and present experience. Past experience refers to the collection rates of the prior years and present experience refers to the collection rate of the current financial year as from 1 July.

It is not permissible to project a collection rate higher that the current rate. Any improvement in collection rates during the budget year may be appropriated in an Adjustments Budget.

2.8.8 DEBT IMPAIRMENT EXPENSE AS A PERCENTAGE OF BILLABLE REVENUE

This indicator provides information as to whether the contribution to the provision for impairment of receivables is adequate. In theory it should be equal to the difference between 100% and the cash collection rate, but other factors such as past performance can have an influence on it. Any aberration must be

motivated in the budget report.

2.8.9 BORROWING AS A PERCENTAGE OF CAPITAL EXPENDITURE (EXCLUDING GRANTS AND CONTRIBUTIONS)

This indicator provides information as to compliance with the MFMA in determining borrowing needs. The Accounting Officer must ensure compliance with the Municipality's Borrowing Policy.

2.8.10 GRANT REVENUE AS A PERCENTAGE OF GRANTS AVAILABLE

The percentage attained should never be less that 100% and the recognition of expected unspent grants at the current year-end as revenue in the next financial year must be substantiated in a report.

2.8.11 CONSUMER DEBTORS CHANGE (CURRENT AND NON-CURRENT)

The object of the indicator is to determine whether budgeted reductions in outstanding debtors are realistic.

Any unacceptably high increase in either current or non-current debtors' balances should be investigated and reported.

2.8.12 REPAIRS AND MAINTENANCE EXPENDITURE LEVEL

Property Plant and Equipment should be maintained properly at all times in order to ensure sustainable service delivery. The budget should allocate sufficient resources to maintain assets and care should be exercised not to allow a declining maintenance program in order to fund other less important expenditure requirements.

Similarly, if the maintenance requirements become excessive, it could indicate that a capital renewal strategy should be implemented or reviewed.

2.8.13 ASSET RENEWAL/REHABILITATION EXPENDITURE LEVEL

This indicator supports further the indicator for repairs and maintenance.

The Accounting Officer must, as part of the capital budget, indicate whether each project is a new asset or a replacement/renewal asset in order to determine whether the renewal program is sufficient or needs revision.

3 SECTION B: RESERVES AND PROVISIONS POLICY

3.1 INTRODUCTION

Fund accounting historically formed the major component of municipal finance in the IMFO standards.

After the change to General Recognised Accounting Practices (GRAP), fund accounting is no longer allowed.

The municipality, however, recognizes the importance of providing to the municipality itself, as well as its creditors, financiers, staff, and general public a measure of protection for future losses, as well as providing the necessary cash resources for future capital replacements and other current and non-current liabilities.

This policy therefore aims to provide for a measure of protection by creating certain reserves and provisions.

3.2 LEGAL REQUIREMENTS

There are specific legal requirements for the creation of reserves, such as the Housing Development Fund. The GRAP Standards themselves do not provide for reserves, although certain provisions are required in terms of GRAP.

3.3 TYPES OF RESERVES / PROVISIONS

Reserves/Provisions can be classified into two main categories being "cash funded" and "non–cash funded".

3.3.1 CASH FUNDED RESERVES

In order to provide for sufficient cash resources for future expenditure, the municipality hereby approves the establishment of the following reserves:

a) Statutory reserves

It may be necessary to create reserves prescribed by law, such as the Housing Development Fund. The Accounting Officer must create such reserves according to the directives in the relevant laws.

b) Self-Insurance reserves

The Municipality has a Self-Insurance Reserve to set aside amounts to offset potential losses or claims that cannot be insured externally. This Reserve is ring-fenced within the accumulated surplus. Contributions to the Fund are considered annually during the Budget process.

3.3.2 NON – CASH FUNDED RESERVES / PROVISIONS

On occasion it is necessary to create non – cash funded reserves. The Accounting Officer must create any reserves prescribed by the accounting standards, such as the Revaluation Reserve, if required and provisions such as post-retirement benefits and rehabilitation of land fill sites.

3.4 ACCOUNTING FOR RESERVES / PROVISIONS

3.4.1 REVALUATION RESERVE

The accounting for the Revaluation Reserve must be done in accordance with the requirements of GRAP 17.

3.4.2 OTHER RESERVES

The accounting for all other reserves must be processed through the Statement of Financial Performance. The required transfer to or from the reserves must be processed in the Statement of Net Assets to or from the accumulated surplus.

In terms of GRAP1 transactions may be directly appropriated against these reserves.

3.4.3 PROVISIONS

Provisions are established from contributions appropriated in the annual budget. Currently, the long term portions of provisions are non-cash funded and are covered by non-current assets.

4. SECTION C: REVIEW OF THE POLICY

This policy shall be implemented on **1 July 2023** and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.

POLICY SECTION:	**SENIOR MANAGER: FINANCIAL**
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OVERSTRAND MUNICIPALITY

LONG TERM FINANCIAL PLANNING AND IMPLEMENTATION POLICY

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1. INTRODUCTION

1.1 In essence a financial plan encompasses the development, implementation and evaluation of a plan for the provision of basic municipal services and capital assets. Such a plan aims to help Municipal Councillors and other decision makers make informed choices about the provision of basic services and capital assets and to promote stakeholder participation in the process.

1.2 The financial plan should set out the Municipality's estimated expenditure over the medium- term, based on its goals and objectives, as well as the resources necessary to achieve this. In addition, the financial plan must set out where funding for the planned expenditure will come from.

1.3 The compilation of a financial plan is a core component of an Integrated Development Plan (IDP). The envisaged timeframe allocations for a long term financial plan are:-

1.3.1 Immediate (12 months).

1.3.2 Medium term (3 years).

1.3.3 Long term (4 years onwards).

2. PURPOSE

2.1 The Policy on Long Term Financial Planning is aimed at ensuring that the Municipality has sufficient and cost-effective funding in order to achieve its long term objectives through the implementation of the medium term operating and capital budgets. The purpose of the Policy on Long Term Financial Planning is therefore to:

2.1.1 Ensure that all long term financial planning is based on a structured and consistent methodology in order to ensure the long term financial sustainability of Overstrand Municipality.

2.1.2 Identify capital investment requirements and associated funding sources to ensure the future sustainability of the Municipality;

2.1.3 Identify revenue enhancement and cost saving strategies in order to improve service delivery at affordable rates; and

2.1.4 Identify new revenue sources as funding for future years.

3. GUIDING PRINCIPLES

3.1 The policy on Long Term Financial Planning is based on the following principles:

3.1.1 Future financial sustainability;

3.1.2 Annual growth in population and consumer base;

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LONG TERM FINANCIAL PLANNING AND IMPLEMENTATION POLICY

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 2023** and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.

OVERSTRAND MUNICIPALITY

LONG TERM FINANCIAL PLANNING AND IMPLEMENTATION POLICY

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OVERSTRAND MUNICIPALITY

UNAUTHORISED, IRREGULAR OR FRUITLESS AND WASTEFUL EXPENDITURE POLICY

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1 ABBREVIATIONS/ACRONYMS

1.1 Except if otherwise stated in this policy, the following abbreviations or acronyms will represent the following words:

1.1.1.	CFO	-	Chief Financial Officer
1.1.2.	MBRR	-	Municipality Budget and Reporting Regulations
1.1.3.	MFMA	-	Local Government: Municipal Finance Management Act, No. 56 of 2003
1.1.4.	MIG	-	Municipal Infrastructure Grant
1.1.5.	MM or AO	-	Municipal Manager or Accounting Officer appointed in terms of section 54A of the MSA
1.1.6.	MSA	-	Local Government: Municipal Systems Act, No. **[Act]** 32 of 2000
1.1.7.	MSCMR	-	Municipal Supply Chain Management Regulations
1.1.8.	OM	-	Overstrand Local Municipality
1.1.9.	POLICY	-	Policy on unauthorised, irregular or fruitless and wasteful expenditure
1.1.10.	RPOBA	-	Remuneration of Public Office Bearers Act, No. **[Act]** 20 of 1998
1.1.11.	SAPS	-	South African Police Services
1.1.12.	SCM	-	Supply Chain Management
1.1.13.	SM	-	Directors appointed in terms of section 56 of the MSA
1.1.14.	Structures Act	-	Local Government: Municipal Structures Act, No. 117 of 1998 **[Annually Gazetted]**

2 DEFINITIONS

Except if otherwise indicated:

"Councillor" means	member of the municipal council of OM.
"Financial Misconduct" means	any misappropriation, mismanagement, waste or theft of the finances of the OM, and also includes any form of financial misconduct specifically set out in sections 171 and 172 of the MFMA.
"Fruitless and wasteful expenditure" means	expenditure that was made in vain and would have been avoided had reasonable care been exercised.
"Irregular expenditure", in relation to a municipality or municipal entity, means:	a) expenditure incurred by the OM in contravention of, or that is not in accordance with, a requirement of the MFMA, and which has not been condoned in terms of section 170; b) expenditure incurred by the OM in contravention of, or that is not in accordance with, a requirement of the MSA, and which has not been condoned in terms of this Act; c) expenditure incurred by the OM in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act;; d) expenditure incurred by the OM in contravention of, or that is not in accordance with, a requirement of the SCM policy of OM or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law; or e) excludes expenditure by the OM which falls within the definition of "unauthorised expenditure".
"Official", in relation to OM, means:	a) an employee of OM; b) a person seconded to OM to work as a member of the staff of the OM; or c) a person contracted by OM to work as a member of the staff of the OM.
"Overspending" means:	a) in relation to the budget of the OM, means causing the operational or capital expenditure incurred by the municipality during a financial year to exceed the total amount appropriated in that year's budget for its operational or capital expenditure, as the case may be; b) In relation to a vote, means causing expenditure under the vote to exceed the amount appropriated for that vote; or c) In relation to expenditure under section 26 of the MFMA, means causing expenditure under that section to exceed the limits allowed in subsection (5) of that section.
"Political Office Bearer" in relation to a municipality, means-	a) the Speaker. Executive Mayor, Deputy Executive Mayor, a member of the mayoral committee of the OM elected, designated or appointed in terms of a specific provision of the Structures Act; or b) a councillor referred to in section 57(1) of the MFMA;
"Prohibited expenditure" in relation to this policy means	unauthorised, irregular, or fruitless and wasteful expenditure;
"Senior Manager"	has the meaning assigned to it in section 1 of the MFMA and in relation to SM.
"Unauthorised expenditure", means:	any expenditure incurred by the OM otherwise than in accordance with section 15 or 11(3) od the MFMA, and includes- a) overspending of the total amount appropriated in the municipality's approved budget; b) overspending of the total amount appropriated for a vote in the approved budget; c) expenditure from a vote unrelated to the department or functional area covered by the vote; d) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose; e) spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of allocation in section 1 of the MFMA otherwise than in accordance with any conditions of the allocation; or f) a grant by OM otherwise than in accordance with the MFMA.
"Vote" means:	a) One of the main segments into which a budget of a municipality is divided for the appropriation of money for the different directorates or functional areas of the municipality; and b) which specifies the total amount that is appropriated for the purposes of the directorate or functional area concerned.

3 INTRODUCTION

3.1 In terms of section 62 of the MFMA, the accounting officer is responsible for managing the financial affairs of the OM and he/she must, for this purpose, inter alia:

3.1.1 Take all reasonable steps to ensure that unauthorised, irregular or fruitless and wasteful expenditure and other losses are prevented; and

3.1.2 Ensure that disciplinary or, when appropriate, criminal proceedings are instituted against any official or councillor of OM who has allegedly committed an act of financial misconduct or an offence in terms of Chapter 15 of the MFMA.

3.2 This is to ensure the effective, efficient and transparent systems of financial, risk management and internal control.

4 OBJECTIVE

4.1 This document sets out OM's policy and procedures with regards to unauthorised, irregular or fruitless and wasteful expenditure.

4.2 This policy aims to ensure that, amongst other things:

4.2.1 Unauthorised, irregular or fruitless and wasteful expenditure is detected, processed, recorded, and reported in a timely manner;

4.2.2 Officials and councillors have a clear and comprehensive understanding of the procedures they must follow when addressing unauthorised, irregular or fruitless and wasteful expenditure;

4.2.3 OM's resources are managed in compliance with the MFMA, its regulations and other relevant legislation; and

4.2.4 All officials and councillors are aware of their responsibilities in respect of unauthorised, irregular or fruitless and wasteful expenditure.

5 ENABLING LEGISLATION

5.1 The following enabling legislation sets the precedent for the development of OM's Unauthorised, Irregular or Fruitless and Wasteful Expenditure Policy:

5.1.1 The Constitution of the Republic of South Africa, 1996;

5.1.2 The Local Government: Municipal Finance Management Act, No. 56 of 2003;

5.1.3 The Remuneration of Public Office Bearers Act, No. 20 of 1998;

5.1.4 The Local Government: Municipal Systems Act, No. 32 of 2000;

5.1.5 Municipal Budget and Reporting Regulations;

5.1.6 Municipal Supply Chain Management Regulations;

5.1.7 Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings;

5.1.8 The Local Government: Municipal Structures Act No. 117 of 1998;

5.1.9 Any other legislation or regulation that may impact this policy.

6 APPLICATION OF THIS POLICY

6.1 This policy applies to all officials and councillors of OM.

6.2 This policy should be read in conjunction with the following:

6.2.1 Delegations of Authority of the OM;

6.2.2 Codes of Conduct for Municipal Staff Members and Councillors, as provided for in Schedules 1 and 2 of the MSA.

6.3 Officials and Councillors must ensure that all instances of unauthorised, irregular or fruitless and wasteful expenditure is prevented, detected and reported in a timely manner.

7 UNAUTHORISED EXPENDITURE

7.1 Overstrand Municipality may incur expenditure only in terms of an approved budget and within the limits of the amounts appropriated for the different votes in an approved budget.

7.2 Expenditure incurred within the ambit of OM's virement policy is not regarded as unauthorised expenditure.

7.3 Any expenditure that has not been budgeted for, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, economic entity or organ of state and expenditure in the form of a grant that is not permitted in terms of the MFMA is regarded as unauthorised expenditure and furthermore includes the following:

7.3.1 Overspending of the total amount appropriated in the municipality's approved budget;

7.3.2 Overspending of the total amount appropriated for a vote in the approved budget;

7.3.3 Expenditure from a vote unrelated to the department or functional area covered by the vote;

7.3.4 Expenditure of money that have been appropriated for a specific purpose, otherwise than for that specific purpose;

7.3.5 Spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation", in the MFMA, otherwise than in accordance with the conditions of the allocation; or

7.3.6 A grant by the Municipality otherwise in accordance with the MFMA, the indigent policy, bursary scheme, or the grants-in-aid policy;

7.3.7 Unforeseen and unavoidable expenditure not authorised within an adjustments budget within 60 days after the expenditure was incurred; and

7.3.8 Any overspending on non-cash items, for example depreciation, impairments, provisions.

7.4 Expenditure that is **NOT** classified as unauthorised expenditure

7.4.1 Given the definition of unauthorised expenditure, the following are examples of expenditure that are NOT unauthorised expenditure:

7.4.1.1 Any over-collection on the revenue side of the budget as this is not an expenditure; and

7.4.1.2 Any expenditure incurred in respect of:

7.4.1.2.1 re-allocation of funds and the use of such funds in accordance with a council approved virement policy;

7.4.1.2.2 overspending of an amount allocated by standard classification on the main budget Table A2 (Budgeted Financial Performance: revenue and expenditure by standard classification), as long as it does not result in overspending of a vote on the main budget Table A3 (Budgeted Financial Performance: revenue and expenditure by municipal vote) and Table A4 (Budgeted Financial Performance: revenue and expenditure, read in conjunction with supporting Table SA1) of the MBRR; and

7.4.1.2.3 overspending of a municipal vote on the main budget Table A5 (Budgeted Capital Expenditure by vote, standard classification and funding) so long as it does not result in overspending of an amount allocated by standard classification on the main budget Table A5.

7.4.2 Money withdrawn from a bank account under the following circumstances, without appropriation, in terms of an approved budget, is not regarded as unauthorised expenditure:

7.4.2.1 To defray expenditure authorised in terms of section 26 (4) of the MFMA, **[Section 26: Consequences of failure to approve a budget before the start of the budget year];**

7.4.2.2 To defray unforeseen / unavoidable expenditure circumstances strictly in accordance with Section 29 (1) of the MFMA [Section 29: Unforeseen and unavoidable expenditure] failing which the unforeseen / unavoidable expenditure is unauthorised;

7.4.2.3 Re-allocation of funds and the use of such funds in accordance with a council approved virement policy;

7.4.2.4 Expenditure incurred from a special fund for relief, charitable or trust purposes provided of course that it is done strictly in accordance with Section 12 of the MFMA **[Section 12: Relief, charitable, trust or other funds];**

7.4.2.5 To pay over to a person or organ of state money received by the OM on behalf of that person or organ of state, including—

7.4.2.6 money collected by the OM on behalf of that person or organ of state by agreement; or

7.4.2.7 any insurance or other payments received by the OM for that person or organ of state;

7.4.2.8 To refund money incorrectly paid into a bank account;

7.4.2.9 To refund guarantees, sureties and security deposits;

7.4.2.10 For cash management and investment purposes in accordance with section 13 **[Section 13: Cash Management and Investments]**; and

7.4.2.11 To defray increased expenditure in terms of section 31 **[Section 31: Shifting of funds between multi-year appropriations].**

8 IRREGULAR EXPENDITURE

8.1 Irregular expenditure, in relation to a municipality means-

8.1.1 Expenditure incurred by a municipality in contravention of, or that is not in accordance with a requirement of the MFMA and that has not been condoned in terms of section 170;

8.1.2 Expenditure incurred by a municipality in contravention of, or that is not in accordance with a requirement of the MSA and that has not been condoned in terms of that Act;

8.1.3 Expenditure incurred by a municipality in contravention of, or that is not in accordance with a requirement of the RPOBA; or

8.1.4 Expenditure incurred by a municipality in contravention of, or that is not in accordance with a requirement of the supply chain management policy of the municipality or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law.

but excludes expenditure by a municipality which falls within the definition of "unauthorised expenditure"

8.2 Examples of irregular expenditure include, but are not limited to:

8.2.1 Procuring goods and/or services without obtaining an official order prior to the receipt of the goods and/or services;

8.2.2 Procuring goods and/or services without following the official procurement processes;

8.2.3 Procuring goods and/or services without advertising for the requisite number of numbers;

8.2.4 Procuring goods and/or services without obtaining a valid tax clearance certificate;

8.2.5 Procuring goods and/or services in an emergency without the timely application of a deviation in terms of clause 36 of the SCM policy.

8.3 In terms of section 32(2)(b) of the MFMA, irregular expenditure may only be written-off by Council if, after an investigation by a council committee, the irregular expenditure is certified as irrecoverable. In other words writing-off is not a primary response, it is subordinate to the recovery processes, and may only take place if the irregular expenditure is certified by Council as irrecoverable, based on the findings of an investigation.

8.4 With reference to Irregular Expenditure as defined in paragraph 2 above:

8.4.1 In terms of section 170 of the MFMA, only the National Treasury may condone non-compliance with a regulation issued in terms of the MFMA or a condition imposed by the Act itself. The Council therefore has no power in terms of the MFMA to condone any act of non-compliance in terms of the MFMA or any of its regulations. The treatment of expenditure associated with the non-compliance is therefore the responsibility of the Council and is elaborated on in paragraph 15.

8.4.2 There is no provision in the MSA that allows for a contravention of the Act to be condoned. Nevertheless, should the OM wish to request that an act of non-compliance with any provision of the MSA be condoned, then the AO must address the request to the Minister of Co-operative Governance, who is responsible for administering the MSA. The resultant expenditure must however be dealt with in terms of section 32(2) of the MFMA.

8.4.3 There is no provision to allow irregular expenditure resulting from a contravention of the Public Office-Bearers Act to be condoned. This is consistent with section 167(2) of the MFMA, which provides that such irregular expenditure cannot be written-off and must be recovered from the political office-bearer concerned.

8.4.4 The OM may condone a contravention of the council approved SCM policy, provided that the contravention is not also a contravention of the MFMA or the SCM regulations, in which case paragraph 8.4.1 applies and then only National Treasury can condone a contravention of the SCM regulations.

9 FRUITLESS AND WASTEFUL EXPENDITURE

9.1 The concept of fruitless and wasteful expenditure is founded on public administration and accountability principles, to promote "efficient, economic and effective use of resources and the attainment of value for money". The idea is also founded on the fact that the council, the mayor and the accounting officer have a fiduciary responsibility to ensure that municipal resources are used in the best interests of the municipality and the local community.

9.2 In this context 'expenditure' refers broadly to processes that must be followed, transactions with service providers or suppliers and the use of other resources belonging to the municipality. The phrase 'made in vain' indicates that the municipality derived no value for money from the expenditure or the use of other resources. Fruitless and wasteful expenditure must fulfil both the conditions in the definition, namely, that it was made in vain and it would have been avoided had reasonable care been exercised.

9.3 In determining whether expenditure is fruitless and wasteful, officials and councillors must apply the requirement of reasonable care as an objective measurement to determine whether or not a particular expenditure was fruitless and wasteful, that is-

9.3.1 Would the average man (in this case the average experienced official or councillor) have incurred the particular expenditure under exactly the same conditions or circumstances? and

9.3.2 Is the expenditure being incurred at the right price, right quality, right time and right quantity?

9.4 An expense is only fruitless and wasteful in terms of this policy if:

9.4.1 If was made in vain (meaning that the municipality did not receive value for money) and;

9.4.2 And would have been avoided had reasonable care been exercised (meaning that the official or councillor concerned deliberately or negligently caused the expenditure to be incurred by the municipality, furthermore, another official or councillor under the same circumstances would have been able to avoid incurring the expenditure.

9.5 Fruitless and wasteful expenditure includes but is not limited to; interest on late payment, fines and penalties.

10 REPORTING ON UNAUTHORISED, IRREGULAR OR FRUITLESS AND WASTEFUL EXPENDITURE

10.1 Reporting of unauthorised, irregular or fruitless and wasteful expenditure must be done at the appropriate level, as follows:

10.1.1 a Councillor of the OM, must be reported to the Speaker of the Council;

10.1.2 the MM and Speaker, must be reported to the Executive Mayor;

10.1.3 all other municipal officials, must be reported to the MM;

10.2 All reports made by officials and councillors must be treated with the utmost confidentiality.

10.3 The MM must promptly inform the Executive Mayor, the Provincial Minister for Local Government and the Auditor-General, in writing:

10.3.1 of any unauthorised, irregular or fruitless and wasteful expenditure incurred by the municipality;

10.3.2 whether any person is responsible or under investigation for such unauthorised, irregular or fruitless and wasteful expenditure; and

10.3.3 the steps that have been taken to:

10.3.3.1 recover or rectify such expenditure; and

10.3.3.2 prevent a recurrence of such expenditure.

10.4 All expenditure classified as unauthorised, irregular or fruitless and wasteful expenditure must be reported to:

10.4.1 The MM as AO on a quarterly basis;

10.4.2 The Council on a quarterly basis; and

10.5 In accounting for unauthorised, irregular or fruitless and wasteful expenditure, the MM or delegated officials (as may be relevant) must ensure that all such expenditure is disclosed in the annual financial statements as required by the MFMA.

11 MAINTAINING OF REGISTERS FOR UNAUTHORISED, IRREGULAR OR FRUITLESS AND WASTEFUL EXPENDITURE

11.1 The OM must maintain registers of all incidents of unauthorised, irregular or fruitless and wasteful expenditure of which:

11.1.1 The unauthorised and irregular expenditure register will be maintained by the CFO; and

11.1.2 The fruitless and wasteful expenditure register will be maintained by the Department: Council Support Services.

12 INVESTIGATION OF UNAUTHORISED, IRREGULAR OR FRUITLESS AND WASTEFUL EXPENDITURE

12.1 On receiving a report in terms of regulation 3(1) of the Municipal regulations on financial misconduct procedures and criminal proceedings, if the municipal council, or accounting officer of the municipality is satisfied that there is reasonable cause to believe that an act of financial misconduct has been committed, it must within seven days refer to the matter to the disciplinary board to conduct a preliminary investigation into the allegation as envisaged in section 171(4)(a) of the MFMA.

12.2 A disciplinary board must conduct a preliminary investigation to determine whether or not the allegation is founded and make a recommendation to the council as to whether sufficient grounds exists to warrant a full investigation into the allegation. If during the preliminary

investigation, the disciplinary board determines that the allegation is frivolous, vexatious, speculative or obviously unfounded, the investigation must be terminated.

12.3 If the disciplinary board determines that the allegation is founded, a full investigation must be conducted by-

12.3.1 the disciplinary board

12.3.2 the Provincial Treasury or the National Treasury, but only if the conditions in regulation 19 apply.

12.4 After completion of a full investigation, the investigator must-

12.4.1 compile a report on the investigation

12.4.2 submit its report to the mayor and the accounting officer together with its findings and recommendations, if applicable, regarding disciplinary steps that should be taken against alleged transgressor; and

12.4.3 immediately inform the speaker of the council of the submission of the report referred to in sub-clause (b), and also submit a copy of the report to the Provincial Treasury and the National Treasury.

13 DISCIPLINARY AND CRIMINAL CHARGES FOR UNAUTHORISED, IRREGULAR OR FRUITLESS AND WASTEFUL EXPENDITURE

13.1 After having followed a proper investigation, as per paragraph 12 above:

13.1.1 In relation to an official, the MM or delegated official must table the report referred to in 12.5.2 above;

13.1.2 In relation to a councillor, the Speaker or Mayor must table the report referred to in 12.5.2 above.

13.2 If a *prima facie* case has been established then the Executive Mayor, Speaker, MM or delegated official (as may be relevant) must institute disciplinary action as follows:

13.2.1 For financial misconduct in terms of section 171 of the MFMA: in the case of an official that deliberately or negligently:

13.2.1.1 contravened a provision of the MFMA which resulted in prohibited expenditure; or

13.2.1.2 made, permitted or instructed another official to make an unauthorised, irregular or fruitless and wasteful expenditure.

13.2.2 For a breach of the Code of Conduct for Municipal Staff Members in the case of an official whose actions in making, permitting or authorising a prohibited expenditure constitute a breach of the Code; and

13.2.3 For a breach of the Code of Conduct for Councillors in the case of a Councillor, whose actions in making, permitting or authorising a prohibited expenditure constitute a breach of the Code. This would also include instances where a councillor knowingly voted in favour of or agreed with a resolution passed by Council, that contravened legislation resulting in prohibited expenditure when implemented, or where the Councillor improperly interfered in the management or administration of the municipality.

13.3 The Executive Mayor, Speaker, MM or delegated official (as may be relevant) must promptly report, to the SAPS all cases of alleged:

13.3.1 Prohibited expenditure that constitutes a criminal offense; and

13.3.2 Theft and fraud that occurred in the OM.

14 RECOVERY OF UNAUTHORISED, IRREGULAR OR FRUITLESS AND WASTEFUL EXPENDITURE

14.1 The MM or delegated official must recover unauthorised, irregular or fruitless and wasteful expenditure from the person liable for that expenditure unless the expenditure:

14.1.1 in the case of unauthorised expenditure, is

14.1.1.1 authorised in an adjustment budget; OR

14.1.1.2 certified by the Council, after investigation by the Municipal Public Accounts Committee, as irrecoverable and is written off by Council; and

14.1.2 in the case of irregular or fruitless and wasteful expenditure, after investigation by Municipal Public Accounts Committee, is certified by Council as irrecoverable and written off by Council.

14.2 Irregular expenditures resulting from breaches of the RPOBA must be recovered from the Councillor to whom it was paid.

14.3 Once it has been established who is liable for the unauthorised, irregular or fruitless and wasteful expenditure through a disciplinary process, the MM must in writing request that the liable Councillor or official pay the amount within 30 days or as per an agreed written arrangement.

14.4 If the official or councillor fails to make satisfactory payment arrangements or fails to honour payment arrangements made, the amount owed for prohibited expenditure must be recovered through the normal debt collection process of the municipality.

15 PROTECTION OF OFFICIALS OR COUNCILLORS WHO HAVE REPORTED UNAUTHORIZED, IRREGULAR OR FRUITLESS AND WASTEFUL EXPENDITURE

15.1 If any official or councillor who has complied with this policy and as a result thereof has been subjected to intimidation, victimisation or threats, such official or councillor should immediately report such threats, victimisation or intimidation immediately to the MM, Speaker or Executive Mayor as the case may be.

15.2 The MM, Executive Mayor or Speaker must immediately take appropriate action to ensure the protection of the official or councillor after receiving the above report.

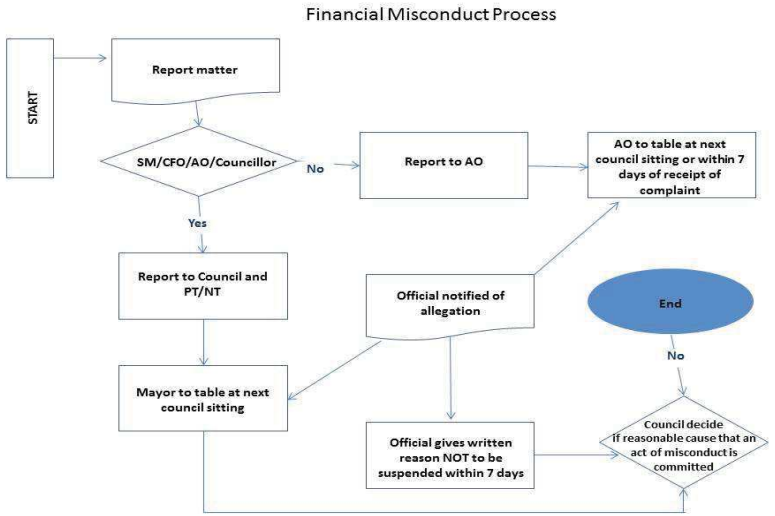
15.3 Where the nature of the threats warrants such action, the threats should be reported to the SAPS by the official with the assistance of the MM, Executive Mayor or Speaker, as the case may be.

16 SHORT TITLE AND COMMENCEMENT

This policy is called the Overstrand Municipality's Unauthorised, Irregular or Fruitless and Wasteful Expenditure Policy.

This policy will come into effect on **1 July 2023** and will be reviewed at least annually by way of a Council resolution.

POLICY SECTION:	HEAD: SUPPLY CHAIN MANAGEMENT
CURRENT UPDATE	31 MAY 2023
PREVIOUS REVIEW:	31 MAY 2022
PREVIOUS REVIEW:	27 MAY 2020
PREVIOUS REVIEW:	29 MAY 2019
APPROVAL BY COUNCIL	30 MAY 2018



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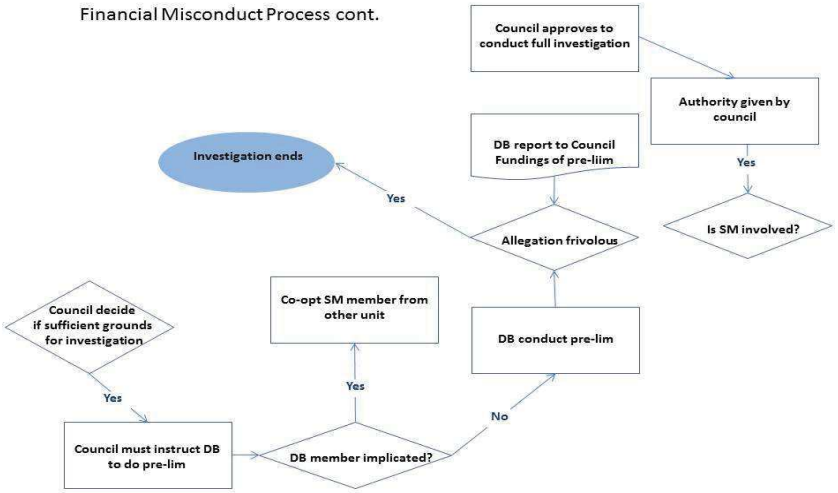

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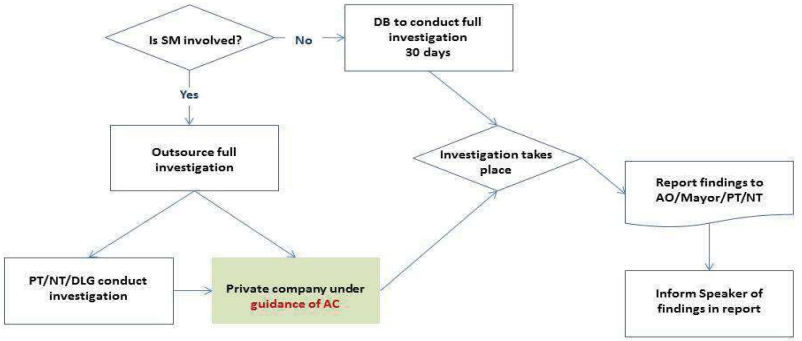

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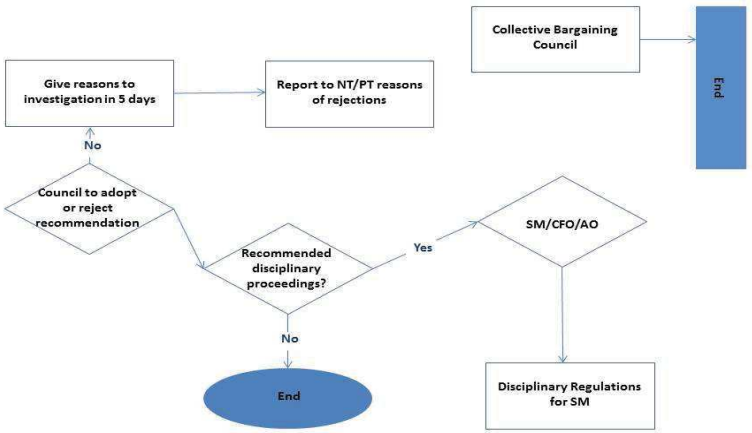

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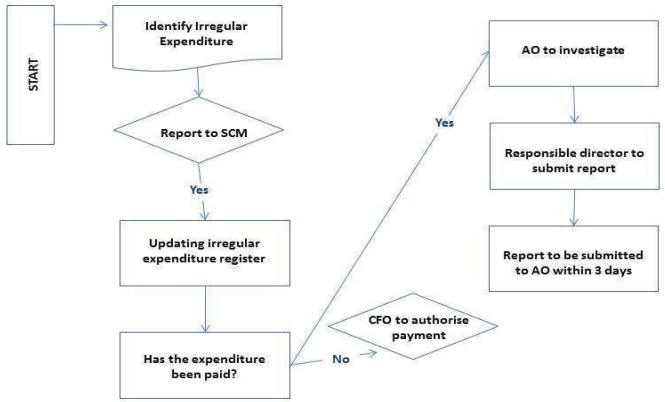

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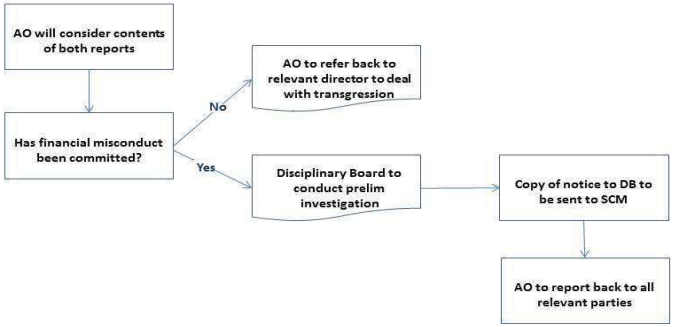

OVERSTRAND MUNICIPALITY

COST CONTAINMENT POLICY

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1 Definitions

In this Policy, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, unless the context indicates otherwise, and-

"Act" means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

“consultant” means a professional person, individual partnership, corporation, or a company appointed to provide technical and specialist advice or to assist with a design and implementation of projects or to assist the municipality to achieve its objectives of local government in terms of section 152 of the Constitution.

“cost containment” means the measures implemented to curtail spending in terms of this policy.

"credit card" means a card issued by a financial services provider, which creates a revolving account and grants a line of credit to the cardholder.

“municipality” means Overstrand Municipality (“OSM”)

“regulations” means the Municipal Cost Containment Regulations, 2019

2. Object of the Policy

The object of the Policy is in line with sections 62(1)(a), 78(1)(b), 95(a) and 105(1)(b) of the Act, and the regulations, to ensure that resources of a municipality and municipal entity are used effectively, efficiently and economically by implementing cost containment measures.

3. Application of Policy

This Policy applies all officials and political office bearers in Overstrand Municipality.

4. Use of consultants

This Policy is in line with **[section]** paragraph 35 of the Overstrand Supply Chain Management Policy to ensure that resources of the municipality with regard to the use of consultants, are used effectively, efficiently and economically by implementing cost containment measures.

5. Vehicles used for political office –bearers

This Policy is in line with the stipulations of the Overstrand Travel and Subsistence Policy and the Overstrand Fleet Management Policy, to ensure that resources of the municipality with regard to vehicles used for political office-bearers, are used effectively, efficiently and economically by implementing cost containment measures.

6. Travel and subsistence

This Policy is in line with the stipulations of the Overstrand Travel and Subsistence Policy, to ensure that resources of the municipality with regard to Travel and subsistence, are used effectively, efficiently and economically by implementing cost containment measures.

7. Domestic accommodation

This Policy is in line with the stipulations of the Overstrand Travel and Subsistence Policy, to ensure that resources of the municipality with regard to Domestic accommodation, are used effectively, efficiently and economically by implementing cost containment measures.

OVERSTRAND MUNICIPALITY – COST CONTAINMENT POLICY

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.

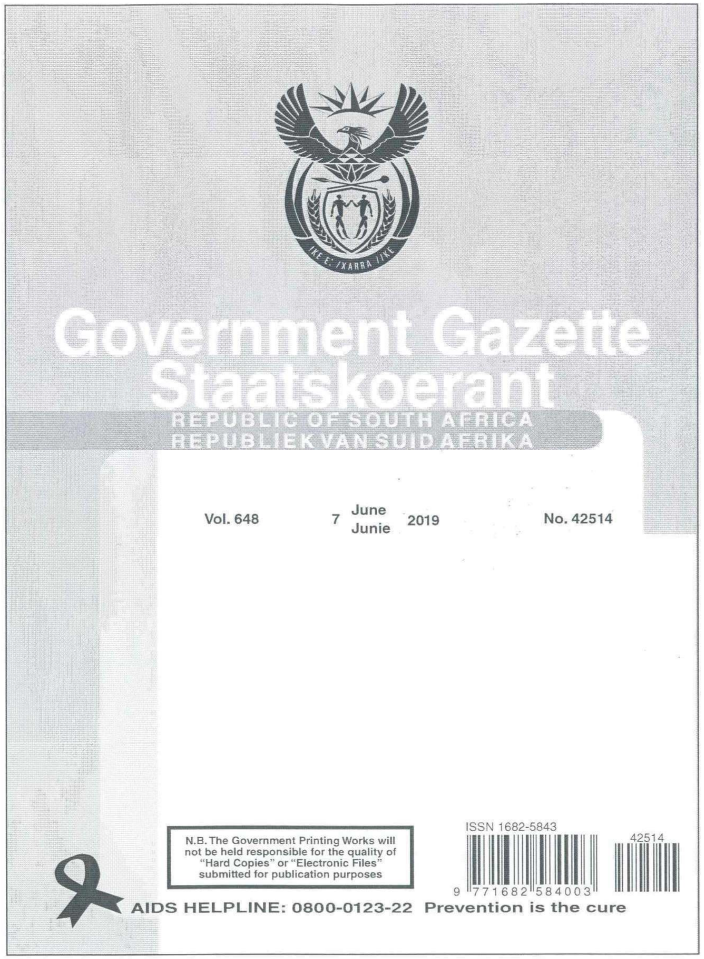
4) The reports referred to in sub -regulation (2) must be copied to the National Treasury and the relevant provincial treasury within seven calendar days after the report is submitted to municipal council.

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 2023**.

This policy shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.

POLICY SECTION:	**SENIOR MANAGER: EXPENDITURE & ASSET MANAGEMENT**
CURRENT UPDATE	31 MAY 2023
PREVIOUS UPDATE:	31 MAY 2022
PREVIOUS UPDATE:	26 MAY 2021
APPROVAL BY COUNCIL:	27 MAY 2020



NATIONAL TREASURY

NOTICE 317 OF 2019

LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003
MUNICIPAL COST CONTAINMENT REGULATIONS, 2019

The Minister of Finance has, acting with the concurrence of the Minister of Cooperative Governance and Traditional Affairs, in terms of section 168(1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), made the Regulations as set out in the Schedule.

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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.

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Cost containment policies

4. (1) Each municipality or municipal entity must develop or revise and implement a cost containment policy which must–
(a) in the case of a municipality, be adopted by the municipal council, and in the case of a municipal entity, by the board of directors as part of its budget related policies;
(b) define a municipality or municipal entity's objectives for the use of consultants; and
(c) be consistent with the Act and these Regulations.

(2) The cost containment policy of a municipality or a municipal entity contemplated in sub-regulation (1) must–
(a) be in writing;
(b) give effect to these Regulations;
(c) be reviewed annually, as may be appropriate;
(d) be communicated on the municipality's or municipal entity's website; and
(e) set out–
(i) monitoring measures for ensuring implementation of the policy;
(ii) procedures for the annual review of the policy; and
(iii) consequences for non-adherence to the measures contained therein.

Use of consultants

5. (1) A municipality or municipal entity may only appoint consultants if an assessment of the needs and requirements confirms that the affected municipality or municipal entity does not have the requisite skills or resources in its full-time employ to perform the function.
(2) An accounting officer must adopt a fair and reasonable remuneration framework for consultants taking into account the rates–
(a) determined in the "Guideline on fees for audits undertaken on behalf of the Auditor-General of South Africa", issued by the South African Institute of Chartered Accountants;
(b) set out in the "Guide on Hourly Fee Rates for Consultants", issued by the Department of Public Service and Administration; or
(c) as prescribed by the body regulating the profession of the consultant.
(3) The tender documentation for the appointment of consultants must include a clause that the remuneration rates will be subject to negotiation, not exceeding the applicable rates mentioned in sub-regulation (2).
(4) When negotiating cost-effective consultancy rates for international consultants, the accounting officer may take into account the relevant international and market-determined rates.
(5) When consultants are appointed, an accounting officer must–
(a) appoint consultants on a time and cost basis with specific start and end dates;
(b) where practical, appoint consultants on an output-specified basis, subject to specific measurable objectives and associated remuneration;
(c) ensure that contracts with consultants include overall cost ceilings by specifying whether the contract price is inclusive or exclusive of travel and subsistence disbursements;
(d) ensure the transfer of skills by consultants to the relevant officials of a municipality or municipal entity;
(e) undertake all engagements of consultants in accordance with the Municipal Supply Chain Management Regulations, 2005 and the municipality or municipal entity's supply chain management policy; and
(f) develop consultancy reduction plans to reduce the reliance on consultants.
(6) All contracts with consultants must include a fee retention or penalty clause for poor performance.
(7) A municipality or municipal entity must ensure that the specifications and performance are used as a monitoring tool for the work to be undertaken and are appropriately recorded and monitored.
(8) The travel and subsistence costs of consultants must be in accordance with the national travel policy issued by the National Department of Transport, as updated from time to time.

(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.

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(7) An accounting officer may incur expenditure not exceeding the limits for petty cash usage to host farewell functions in recognition of officials who retire after serving the municipality or municipal entity for ten or more years or retire on grounds of ill health.

Communication

11. (1) A municipality or municipal entity may, as far as possible, advertise municipal related events on its website instead of advertising in magazines or newspapers.
(2) An accounting officer must ensure that allowances to officials for private calls and data costs are limited to an amount as determined by the accounting officer in the cost containment policy of the municipality or municipal entity.
(3) Newspapers and other related publications for the use of officials must be discontinued on expiry of existing contracts or supply orders, unless required for professional purposes and where unavailable in electronic format.
(4) A municipality or municipal entity may participate in the transversal term contract arranged by the National Treasury for the acquisition of mobile communication services.

Conferences, meetings and study tours

12. (1) An accounting officer must establish policies and procedures to manage applications to attend conferences or events hosted by professional bodies or non-governmental institutions held within and outside the borders of South Africa taking into account their merits and benefits, costs and available alternatives.
(2) When considering applications from officials or political office bearers to attend conferences or events within and outside the borders of South Africa, an accounting officer or mayor as the case may be, must take the following into account–
(a) the official's or political office bearer's role and responsibilities and the anticipated benefits of the conference or event;
(b) whether the conference or event addresses relevant concerns of the institution;
(c) the appropriate number of officials or political office bearers, not exceeding three, attending the conference or event; and
(d) the availability of funds to meet expenses related to the conference or event.
(3) An accounting officer may consider appropriate benchmark costs with other professional bodies or regulatory bodies prior to granting approval for an official to attend a conference or event within and outside the borders of South Africa.
(4) The benchmark costs referred to in sub-regulation (3) may not exceed an amount as determined from time to time by the National Treasury through a notice.
(5) The amount referred to in sub-regulation (4) excludes costs related to travel, accommodation and related expenses, but includes–
(a) conference or event registration expenses; and
(b) any other expense incurred in relation to the conference or event.
(6) When considering costs for conferences or events these may not include items such as laptops, tablets and other similar tokens that are built into the price of such conferences or events.
(7) The accounting officer of a municipality or municipal entity must ensure that meetings and planning sessions that entail the use of municipal funds are, as far as may be practically possible, held in-house.
(8) Municipal or provincial office facilities must be utilised for conference, meetings, strategic planning sessions, *inter alia*, where an appropriate venue exists within the municipal jurisdiction.
(9) An accounting officer must grant the approval for officials and in the case of political office bearers and the accounting officer, the mayor, as contemplated in sub-regulation (2).
(10) A municipality or municipal entity must, where applicable, take advantage of early registration discounts by granting the required approvals to attend the conference, event or study tour, in advance.

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Other related expenditure items

13. (1) All commodities, services and products covered by a transversal contract concluded by the National Treasury must be considered before approaching the market, to benefit from savings where lower prices or rates have been negotiated.

(2) Municipal resources may not be used to fund elections, campaign activities, including the provision of food, clothing, printing of agendas and brochures and other inducements as part of, or during election periods or to fund any activities of any political party at any time.

(3) Expenditure on tools of trade for political office bearers must be limited to the upper limits as approved and published by the Cabinet member responsible for local government in terms of the Remuneration of Public Office Bearers Act, 1998.

(4) A municipality or municipal entity must avoid expenditure on elaborate and expensive office furniture.

(5) A municipality or municipal entity may only use the services of the South African Police Service to conduct periodical or quarterly security threat assessments of political office bearers and key officials and a report must be submitted to the speaker's office.

(6) A municipality or municipal entity may consider providing additional time-off in lieu of payment for overtime worked. Planned overtime must be submitted to the relevant manager for consideration on a monthly basis. A motivation for all unplanned overtime must be submitted to the relevant manager.

(7) A municipality or municipal entity must ensure that due process is followed when suspending or dismissing officials to avoid unnecessary litigation costs.

Enforcement Procedures

14. Failure to implement or comply with these Regulations may result in any official of the municipality or municipal entity, political office bearer or director of the board that authorised or incurred any expenditure contrary to these regulations being held liable for financial misconduct or a financial offence in the case of political office bearers as defined in Chapter 15 of the Act read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014.

Disclosures of cost containment measures

15. (1) The disclosure of cost containment measures applied by the municipality and municipal entity must be included in the municipal in-year budget reports and annual costs savings disclosed in the annual report.

(2) The measures implemented and aggregate amounts saved per quarter, together with the regular reports on reprioritisation of cost savings and on the implementation of the cost containment measures must be submitted to the Municipal Council for review and resolution. The municipal council can refer such reports to an appropriate Council Committee for further recommendations and actions.

(3) The reports referred to in sub-regulation (2) must be copied to the National Treasury and the relevant provincial treasury within seven calendar days after the report is submitted to municipal council.

Short title and commencement

16. These Regulations are called the Municipal Cost Containment Regulations, 2019 and take effect on 1 July 2019.

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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.

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1 Definitions

In this policy, unless the context indicates otherwise, a word or expression to which a meaning has been assigned in the Act bears the same meaning, and:

"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;
["designated group"]	**[means- (a) black designated groups; (b) black people; (c) women; (d) people with disabilities; or (e) small enterprises, as defined in section 1 of the National Small Enterprise Act, 1996 (Act No. 102 of 1996);]**
["designated sector"]	**[means a sector, sub-sector or industry or product designated in terms of paragraph 8(1)(a);]**
["Disability"]	***[means in respect of a person, a permanent means, in respect of a person, a permanent impairment of a physical, intellectual, or sensory function, which results in restricted, or lack of, ability to perform an activity in the manner, or within the range, considered normal for a human being.]***
"EME"	means an exempted micro enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
"Firm price"	is the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy, or tax, which, in terms of a law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract;
["Functionality"]	**[means the measurement according to predetermined norms, as set out in the tender documents, of a service or commodity that is designed to be practical and useful, working or operating, taking into account, among other factors, the quality, reliability, viability and durability of a service and the technical capacity and ability of a tenderer;]**
["Historically disadvantaged individual (HDI)"]	***[means a South African citizen –*** **(1) who, due to the apartheid policy that had been in place, had no franchise in national elections prior to the introduction of the Constitution of the Republic of South Africa,1983 (Act No 110 of 1983); and / or** **(2) who is a female; and / or** **(3) who has a disability:** **Provided that a person who obtained South African citizenship on or after the coming to effect of the Interim Constitution, is deemed not to be an HDI.]**
"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 that operate within the Municipal area, the 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 **[Municipality.]**
"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)-[PPPFA] 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 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; 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.
   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 as follows.

B-BBEE Status Level of Contributor	Number of Points for Preference (80/20)	Number of Points for Preference (90/10)
1	10	5
2	8	4
3	6	3
4	4	2
5	2	1
6	2	1
7	2	1
8	2	1
Non-compliant contributor	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. Points will be allocated as follows:

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

7. Any specific goal for which a point may be awarded, must be clearly specified in the invitation to submit a tender.
8. Procurement up to R30 000 will be limited to the application of goals as per paragraph 10.2 (a) and 10.3 above.
9. A tenderer failing to submit proof of required evidence to claim preferences for other specified 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.
10. The preference points scored by a tenderer must be added to the points scored for price.
11. The points scored must be rounded off to the nearest two decimal places.
12. 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 (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 [Repeal of policy

1. **This Policy repeal all previous preferential procurement policies of the municipality in its entirety.**
2. **Any tender advertised before the date referred to in paragraph 15 must be dealt with in terms of the Preferential Procurement Regulations, 2017.]**

16 Short title and commencement

This part of the policy is called the Preferential Procurement Policy of the Overstrand Municipality. This policy will come into effect on **01 July 2023** and will be reviewed at least annually by way of a Council resolution.

POLICY SECTION:	HEAD: SUPPLY CHAIN MANAGEMENT				
CURRENT REVIEW	2023/05/31	PREVIOUS REVIEW	2017/11/29	PREVIOUS REVIEW	2012/11/28
PREVIOUS REVIEW	2022/12/14	PREVIOUS REVIEW	2017/05/31	PREVIOUS REVIEW	2012/06/26
PREVIOUS REVIEW	2022/05/31	PREVIOUS REVIEW	2017/03/29	PREVIOUS REVIEW	2012/05/30
PREVIOUS REVIEW	2021/05/26	PREVIOUS REVIEW	2016/05/25	PREVIOUS REVIEW	2011/11/30
PREVIOUS REVIEW	2020/05/27	PREVIOUS REVIEW	2016/02/24	PREVIOUS REVIEW	2011/05/04
PREVIOUS REVIEW	2019/06/26	PREVIOUS REVIEW	2015/05/28	PREVIOUS REVIEW	2010/05/26
PREVIOUS REVIEW	2019/05/29	PREVIOUS REVIEW	2014/05/28	PREVIOUS REVIEW	2009/05/27
PREVIOUS REVIEW	2018/05/30	PREVIOUS REVIEW	2013/05/29	APPROVAL	2008/06/25

Eskom

ESKOM HOLDINGS SOC LTD REG NO 2002/015527/30
VAT REG NO 4740101508

OVERSTRAND LOCAL MUNICIPALITY
ATT CHIEF FINANCIAL OFFICER
PRIVATE BAG X3
KLEINMOND
7195

KM Dec.'22

WESTERN REGION
PO BOX 377 BELVILLE 7535

CONTACT CENTRE: (0860) 037566
FAX NO: 0862 437 566
E-MAIL: customerservices@eskom.co.za
WEB: WWW.ESKOM.CO.ZA

Eskom
TEL: 08600 37566
SMS: 35328

CUSTOMER SELF SERVICE WEBSITE:
https://csonline.eskom.co.za

WESTERN REGION
PO BOX 377 BELVILLE 7535

YOUR ACCOUNT NO	8805321340
SECURITY HELD	0.01
BILLING DATE	2023-01-04
TAX INVOICE NO	880581267113
ACCOUNT MONTH	DECEMBER 2022
CURRENT DUE DATE	2023-02-03
VAT REG NO	4140106396

DIRECT DEPOSIT DETAIL

BANK:	ABSA
BRANCH CODE:	334110
BANK ACC NO:	340167430

TAX INVOICE

E-MAIL: eskomaccounts@overstrand.gov.za

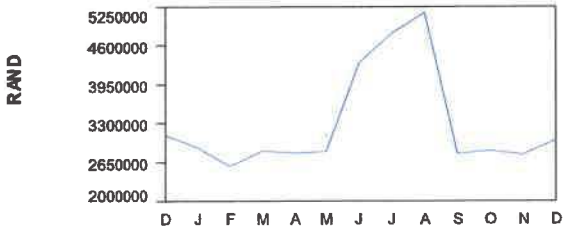
ACCOUNT TRANSACTION SUMMARY

RCC / SCC CONNECTION CHARGE		R	252.40
ADMINISTRATION CHARGE		R	4,209.18
TRANSMISSION NETWORK CAPACITY		R	87,809.40
DIST. NETWORK CAPACITY CHARGE		R	170,952.60
NETWORK DEMAND CHARGE		R	312,628.80
ANCILLARY SERVICE (ALL)		R	11,265.71
ENERGY CHARGE (STD)	727,678.00	R	786,474.38
ENERGY CHARGE (PEAK)	288,523.00	R	453,067.67
ENERGY CHARGE (OFF)	861,418.00	R	590,415.90
ELECTRIFICATION AND RURAL SUBS (ALL)		R	220,244.59
SERVICE CHARGE		R	9,338.13
TOTAL CHARGES FOR BILLING PERIOD		R	**2,646,658.76**

ACCOUNT SUMMARY FOR DECEMBER 2022

BALANCE BROUGHT FORWARD	(Due Date 2023-01-02)	R	2,801,463.60
PAYMENT(S) RECEIVED	ACB Payment - 2022-12-29	R	-2,801,463.60
TOTAL CHARGES FOR BILLING PERIOD		R	2,646,658.76
VAT RAISED ON ITEMS AT 14%		R	0.00
VAT RAISED ON ITEMS AT 15%		R	396,998.81

ARREARS						
>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS	CURRENT	TOTAL DUE	R 3,043,657.57
0.00	0.00	0.00	0.00	3,043,657.57		



ACCOUNT NO / REFERENCE NO
8805321340

NAME
OVERSTRAND LOCAL MUNICIPALITY

FAX NUMBER
0282714100

Post Office 0934 8805321340

11341 8805321340 >>>>>> 9207 2880 5321 3403

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TOTAL AMOUNT DUE
3,043,657.55

PAYMENT ARRANGEMENT

INSTALMENT
0.00

ARREARS
0.00

DUE DATE
2023-02-03

AMOUNT PAID

LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT

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WESTERN REGION
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WEB: WWW.ESKOM.CO.ZA

OVERSTRAND LOCAL MUNICIPALITY
ATT CHIEF FINANCIAL OFFICER
PRIVATE BAG X3
KLEINMOND
7195

YOUR ACCOUNT NO	8805321340
BILLING DATE	2023-01-04
TAX INVOICE NO	880581267113
ACCOUNT MONTH	DECEMBER 2022
CURRENT DUE DATE	2023-02-03
VAT REG NO	4140106396
NOTIFIED MAX DEMAND	7,000.00
UTILISED CAPACITY	7,000.00

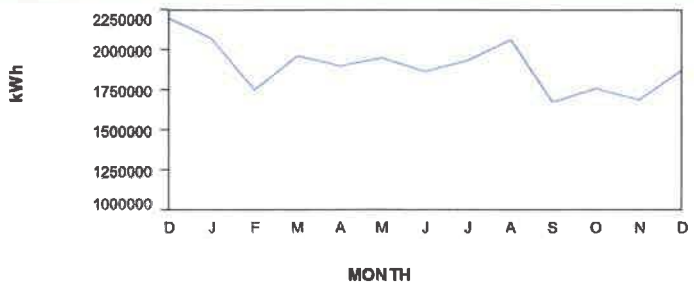
CONSUMPTION DETAILS (2022-12-01 - 2022-12-31)

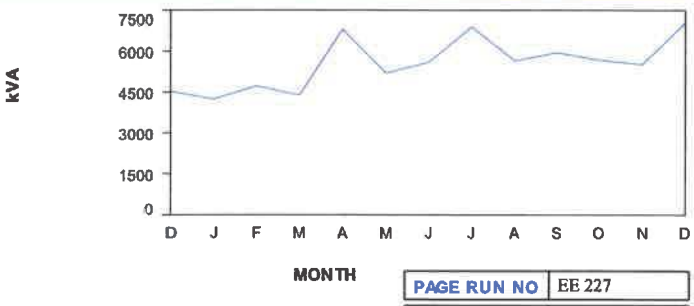
ENERGY CONSUMPTION OFF PEAK kWH	861,417.50
ENERGY CONSUMPTION STD kWh	727,677.50
ENERGY CONSUMPTION PEAK kWh	288,522.50
ENERGY CONSUMPTION ALL kWh	1,877,617.50
DEMAND CONSUMPTION - OFF PEAK	7,070.00
DEMAND CONSUMPTION - STD	6,820.00
DEMAND CONSUMPTION - PEAK	6,200.00
DEMAND READING - KW/KVA	7,070.00
LOAD FACTOR	35.0

PREMISE ID NUMBER 8805321426 TARIFF NAME: Megaflex

KLEINMOND MAIN SUPPLY 1/92 REMOTE

Administration Charge @ R135.78 per day for 31 days	R	4,209.18
TX Network Capacity Charge 7,070 kVa @ R12.42 : = R12.42/kVA	R	87,809.40
Network Capacity Charge 7,070 kVA @ R24.18 : = R24.18/kVA	R	170,952.60
Network Demand Charge 6,820 kVA @ R45.84 = R45.84 /kVA	R	312,628.80
Ancillary Service Charge 1,877,618 kWh @ R0.006 /kWh	R	11,265.71
Low Season Standard Energy Charge 727,678 kWh @ R1.0808 /kWh	R	786,474.38
Low Season Peak Energy Charge 288,523 kWh @ R1.5703 /kWh	R	453,067.67
Low Season Off Peak Energy Charge 861,418 kWh @ R0.6854 /kWh	R	590,415.90
Electrification and Rural Subsidy 1,877,618 kWh @ R0.1173 /kWh	R	220,244.59
Residual Connection Charge @ R252.40	R	252.40
SERVICE CHARGE	R	9,338.13
TOTAL CHARGES	R	**2,646,658.76**





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VAT REG NO 4740101508

OVERSTRAND LOCAL MUNICIPALITY
ATT CHIEF FINANCIAL OFFICER
P O BOX 20
HERMANUS
7200

HS Dec.'22

WESTERN REGION
PO BOX 377 BELVILLE 7535

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SMS: 35328

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WESTERN REGION
PO BOX 377 BELVILLE 7535

YOUR ACCOUNT NO	6796230414
SECURITY HELD	1870000.01
BILLING DATE	2023-01-04
TAX INVOICE NO	679527151816
ACCOUNT MONTH	DECEMBER 2022
CURRENT DUE DATE	2023-02-03
VAT REG NO	4140106396

DIRECT DEPOSIT DETAIL

BANK:	ABSA
BRANCH CODE:	334110
BANK ACC NO:	340167430

TAX INVOICE

E-MAIL: eskomaccounts@overstrand.gov.za

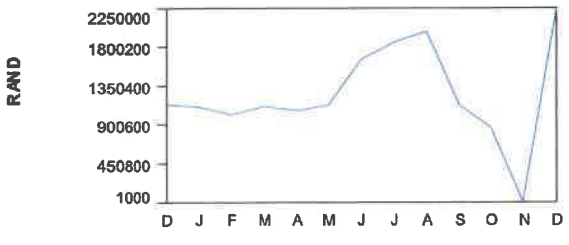
ACCOUNT TRANSACTION SUMMARY

RCC / SCC CONNECTION CHARGE		R	6,167.27
ADMINISTRATION CHARGE		R	4,209.18
TRANSMISSION NETWORK CAPACITY		R	49,680.00
DIST. NETWORK CAPACITY CHARGE		R	96,720.00
NETWORK DEMAND CHARGE		R	99,657.54
ANCILLARY SERVICE (ALL)		R	3,875.96
ENERGY CHARGE (STD)	251,243.00	R	271,543.43
ENERGY CHARGE (PEAK)	94,473.00	R	148,350.95
ERGY CHARGE (OFF)	300,279.00	R	205,811.23
ELECTRIFICATION AND RURAL SUBS (ALL)		R	75,775.10
SERVICE CHARGE		R	9,338.13
TOTAL CHARGES FOR BILLING PERIOD		R	**971,128.79**

ACCOUNT SUMMARY FOR DECEMBER 2022

BALANCE BROUGHT FORWARD	(Due Date 2023-01-06)	R	1,146,661.76
PAYMENT(S) RECEIVED	ACB Payment - 2022-12-29	R	-1,146,661.76
TOTAL CHARGES FOR BILLING PERIOD		R	971,128.79
VAT RAISED ON ITEMS AT 14%		R	0.00
VAT RAISED ON ITEMS AT 15%		R	145,669.32

ARREARS						
>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS	CURRENT	TOTAL DUE	R 1,116,798.11
0.00	0.00	0.00	0.00	1,116,798.11		



ACCOUNT NO / REFERENCE NO
6796230414

NAME
OVERSTRAND LOCAL MUNICIPALITY

FAX NUMBER
0283162632

Post Office 0934 6796230414

11341 6796230414

>>>>>> 9207 2679 6230 4149

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TOTAL AMOUNT DUE

1,116,798.10

PAYMENT ARRANGEMENT

INSTALMENT
0.00

ARREARS
0.00

DUE DATE
2023-02-03

AMOUNT PAID

LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT

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WESTERN REGION
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OVERSTRAND LOCAL MUNICIPALITY
ATT CHIEF FINANCIAL OFFICER
P O BOX 20
HERMANUS
7200

YOUR ACCOUNT NO	6796230414
BILLING DATE	2023-01-04
TAX INVOICE NO	679527151816
ACCOUNT MONTH	DECEMBER 2022
CURRENT DUE DATE	2023-02-03
VAT REG NO	4140106396
NOTIFIED MAX DEMAND	4,000.00
UTILISED CAPACITY	4,000.00

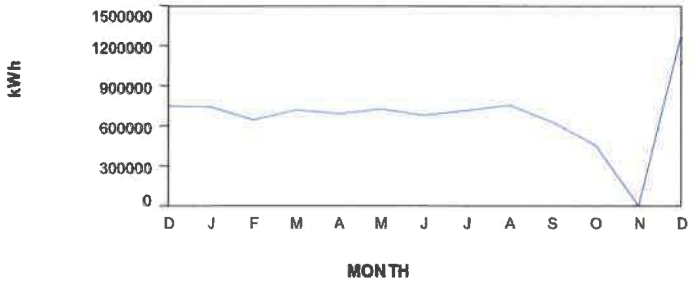
CONSUMPTION DETAILS (2022-12-01 - 2022-12-31)

ENERGY CONSUMPTION OFF PEAK kWH	300,279.02
ENERGY CONSUMPTION STD kWh	251,242.60
ENERGY CONSUMPTION PEAK kWh	94,472.87
ENERGY CONSUMPTION ALL kWh	645,994.49
DEMAND CONSUMPTION - OFF PEAK	2,114.43
DEMAND CONSUMPTION - STD	2,174.02
DEMAND CONSUMPTION - PEAK	2,063.38
DEMAND READING - KW/KVA	2,174.0
REACTIVE ENERGY - OFF PEAK	113,951.2
REACTIVE ENERGY - STD	79,725.74
REACTIVE ENERGY - PEAK	28,214.07
LOAD FACTOR	40.00

PREMISE ID NUMBER 6796230441 **TARIFF NAME:** Megaflex

HAWSTON MAIN SUPPLY,1/3056/2,I

Administration Charge @ R135.78 per day for 31 days	R	4,209.18
TX Network Capacity Charge 4,000 kVa @ R12.42 : = R12.42/kVA	R	49,680.00
Network Capacity Charge 4,000 kVA @ R24.18 : = R24.18/kVA	R	96,720.00
Network Demand Charge 2,174.03 kVA @ R45.84 = R45.84 /kVA	R	99,657.54
Ancillary Service Charge 645,994 kWh @ R0.006 /kWh	R	3,875.96
Low Season Standard Energy Charge 251,243 kWh @ R1.0808 /kWh	R	271,543.43
Low Season Peak Energy Charge 94,473 kWh @ R1.5703 /kWh	R	148,350.95
Low Season Off Peak Energy Charge 300,279 kWh @ R0.6854 /kWh	R	205,811.23
Electrification and Rural Subsidy 645,994 kWh @ R0.1173 /kWh	R	75,775.10
Standard Connection Charge R2,455.14	R	2,455.14
Standard Connection Charge R3,712.13	R	3,712.13
SERVICE CHARGE	R	9,338.13
TOTAL CHARGES	R	971,128.7





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7200

HM Dec.'22

WESTERN REGION
PO BOX 377 BELVILLE 7535

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CUSTOMER SELF SERVICE WEBSITE:
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WESTERN REGION
PO BOX 377 BELVILLE 7535

YOUR ACCOUNT NO	7917853150
SECURITY HELD	5915000.01
BILLING DATE	2023-01-05
TAX INVOICE NO	791851287443
ACCOUNT MONTH	DECEMBER 2022
CURRENT DUE DATE	2023-02-04
VAT REG NO	4140106396

DIRECT DEPOSIT DETAIL

BANK:	ABSA
BRANCH CODE:	334110
BANK ACC NO:	340167430

TAX INVOICE

E-MAIL: eskomaccounts@overstrand.gov.za

ACCOUNT TRANSACTION SUMMARY

NON REBATABLE MONTHLY RENTAL		R	2,967.00
ADMINISTRATION CHARGE		R	11,687.62
TRANSMISSION NETWORK CAPACITY		R	427,146.75
DIST. NETWORK CAPACITY CHARGE		R	536,569.75
NETWORK DEMAND CHARGE		R	951,640.38
ANCILLARY SERVICE (ALL)		R	56,400.24
ENERGY CHARGE (STD)	3,860,951.00	R	4,092,343.08
ENERGY CHARGE (PEAK)	1,457,158.00	R	2,243,949.23
ERGY CHARGE (OFF)	4,589,985.00	R	3,084,612.10
ELECTRIFICATION AND RURAL SUBS (ALL)		R	1,162,219.31
URBAN LOW VOLTAGE SUBSIDY		R	423,600.00
SERVICE CHARGE		R	182,989.28
TOTAL CHARGES FOR BILLING PERIOD		R	**13,176,124.74**

ACCOUNT SUMMARY FOR DECEMBER 2022

BALANCE BROUGHT FORWARD	(Due Date 2023-01-02)	R	15,436,611.54
PAYMENT(S) RECEIVED	Cash - 2022-12-29	R	-15,436,611.54
TOTAL CHARGES FOR BILLING PERIOD		R	13,176,124.74
VAT RAISED ON ITEMS AT 14%		R	0.00
VAT RAISED ON ITEMS AT 15%		R	1,976,418.71

ACCOUNT NO / REFERENCE NO
7917853150

NAME
OVERSTRAND LOCAL MUNICIPALITY

FAX NUMBER
0283162632

Post Office 0934 7917853150

11341 7917853150

>>>>>> 9207 2791 7853 1506

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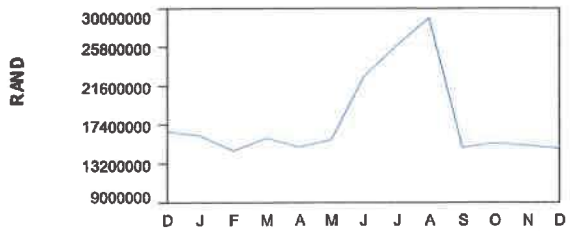
ARREARS						
>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS	CURRENT	TOTAL DUE	R 15,152,543.45
0.00	0.00	0.00	0.00	15,152,543.45		

TOTAL AMOUNT DUE
15,152,543.45



PAYMENT ARRANGEMENT

INSTALMENT
0.00

ARREARS
0.00

DUE DATE
2023-02-04

AMOUNT PAID

LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT

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WESTERN REGION
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WEB: WWW.ESKOM.CO.ZA

OVERSTRAND LOCAL MUNICIPALITY
ATT CHIEF FINANCIAL OFFICER
P O BOX 20
HERMANUS
7200

YOUR ACCOUNT NO	7917853150
BILLING DATE	2023-01-05
TAX INVOICE NO	791851287443
ACCOUNT MONTH	DECEMBER 2022
CURRENT DUE DATE	2023-02-04
VAT REG NO	4140106396
NOTIFIED MAX DEMAND	15,000.00
UTILISED CAPACITY	15,035.97

CONSUMPTION DETAILS (2022-12-01 - 2022-12-31)

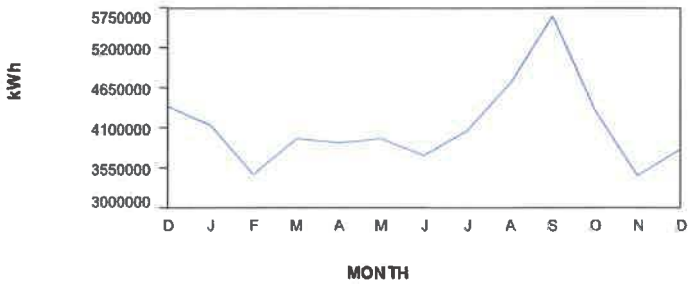
ENERGY CONSUMPTION OFF PEAK kWH	1,735,863.32
ENERGY CONSUMPTION STD kWh	1,511,890.59
ENERGY CONSUMPTION PEAK kWh	563,703.58
ENERGY CONSUMPTION ALL kWh	3,811,457.49
DEMAND CONSUMPTION - OFF PEAK	15,035.97
DEMAND CONSUMPTION - STD	15,035.96
DEMAND CONSUMPTION - PEAK	12,553.47
DEMAND READING - KW/KVA	15,035.97
REACTIVE ENERGY - OFF PEAK	237,609.0
REACTIVE ENERGY - STD	226,365.08
REACTIVE ENERGY - PEAK	74,068.56
LOAD FACTOR	29.00

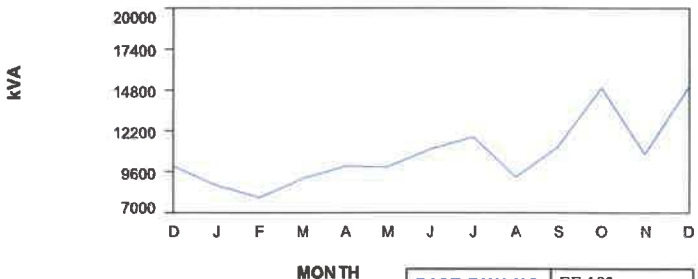
PREMISE ID NUMBER 7917853832 **TARIFF NAME:** Megaflex

HERMANUS MAIN SUPPLY 1/3091 REMOTE

Administration Charge @ R188.51 per day for 31 days	R	5,843.81
TX Network Capacity Charge 15,035.97 kVa @ R12.42 : = R12.42/kVA	R	186,746.75
Network Capacity Charge 15,035.97 kVA @ R24.18 : = R24.18/kVA	R	363,569.75
Network Demand Charge 15,035.97 kVA @ R45.84 = R45.84 /kVA	R	689,248.86
Ancillary Service Charge 3,811,457 kWh @ R0.006 /kWh	R	22,868.74
Low Season Standard Energy Charge 1,511,891 kWh @ R1.0808 /kWh	R	1,634,051.79
Low Season Peak Energy Charge 563,704 kWh @ R1.5703 /kWh	R	885,184.39
Low Season Off Peak Energy Charge 1,735,863 kWh @ R0.6854 /kWh	R	1,189,760.50
Electrification and Rural Subsidy 3,811,457 kWh @ R0.1173 /kWh	R	447,083.91
Premium Connection Charge @ R2,967.00	R	2,967.00
SERVICE CHARGE	R	182,989.28
TOTAL CHARGES	R	5,610,314.78

SEE INVOICE 791756602748 Jan'23 FOR CORRECTION.





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Eskom

WESTERN REGION
PO BOX 377 BELVILLE 7535

CONTACT CENTRE: (0860) 037566
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E-MAIL: customerservices@eskom.co.za
WEB: WWW.ESKOM.CO.ZA

OVERSTRAND LOCAL MUNICIPALITY
ATT CHIEF FINANCIAL OFFICER
P O BOX 20
HERMANUS
7200

YOUR ACCOUNT NO	7917853150
BILLING DATE	2023-01-05
TAX INVOICE NO	791851287443
ACCOUNT MONTH	DECEMBER 2022
CURRENT DUE DATE	2023-02-04
VAT REG NO	4140106396
NOTIFIED MAX DEMAND	20,000.00
UTILISED CAPACITY	20,000.00

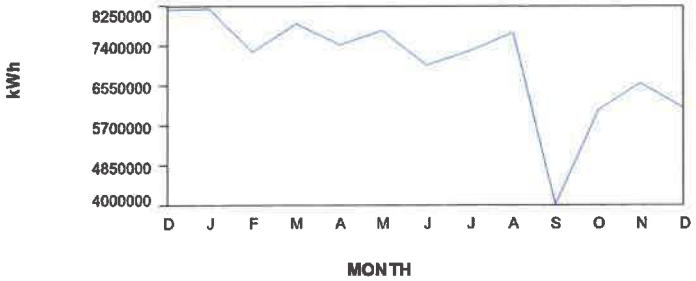
CONSUMPTION DETAILS (2022-12-01 - 2022-12-31)

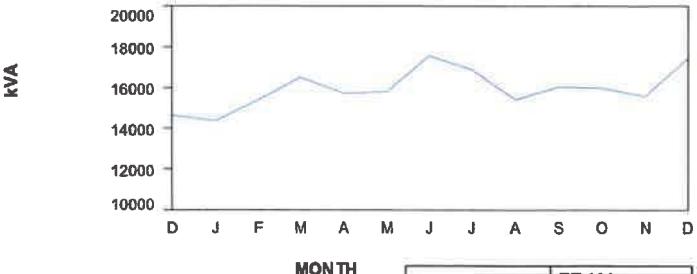
ENERGY CONSUMPTION OFF PEAK kWH	2,854,122.22
ENERGY CONSUMPTION STD kWh	2,349,060.01
ENERGY CONSUMPTION PEAK kWh	893,454.15
ENERGY CONSUMPTION ALL kWh	6,096,636.38
DEMAND CONSUMPTION - OFF PEAK	17,461.40
DEMAND CONSUMPTION - STD	16,399.46
DEMAND CONSUMPTION - PEAK	15,988.46
MAND READING - KW/KVA	17,461.40
ACTIVE ENERGY - OFF PEAK	936,548.70
REACTIVE ENERGY - STD	810,034.21
REACTIVE ENERGY - PEAK	289,601.10
LOAD FACTOR	48.00

PREMISE ID NUMBER 9929240636 **TARIFF NAME:** Megaflex

HERMANUS WALKER BAY SUPPLY 1/3091

Administration Charge @ R188.51 per day for 31 days	R	5,843.81
TX Network Capacity Charge 20,000 kVa @ R12.02 : = R12.02/kVA	R	240,400.00
Network Capacity Charge 20,000 kVA @ R8.65 : = R8.65/kVA	R	173,000.00
Network Demand Charge 16,399.47 kVA @ R16.00 = R16.00 /kVA	R	262,391.52
Urban Low Voltage Subsidy 20,000 kVa @ R21.18 : = R21.18/kVA	R	423,600.00
Ancillary Service Charge 6,096,636 kWh @ R0.0055 /kWh	R	33,531.50
Low Season Standard Energy Charge 2,349,060 kWh @ R1.0465 /kWh	R	2,458,291.29
Low Season Peak Energy Charge 893,454 kWh @ R1.5208 /kWh	R	1,358,764.84
Low Season Off Peak Energy Charge 2,854,122 kWh @ R0.6639 /kWh	R	1,894,851.60
Electrification and Rural Subsidy 6,096,636 kWh @ R0.1173 /kWh	R	715,135.40
TOTAL CHARGES	R	7,565,809.96





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VAT REG NO 4740101508

OVERSTRAND LOCAL MUNICIPALITY
ATT CHIEF FINANCIAL OFFICER
P O BOX 26
GANSBAAI
7220

SF Dec.'22

WESTERN REGION
PO BOX 377 BELVILLE 7535

CONTACT CENTRE:	(0860) 037566
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TEL:	08600 37566
SMS:	35328

CUSTOMER SELF SERVICE WEBSITE:
https://csonline.eskom.co.za

WESTERN REGION
PO BOX 377 BELVILLE 7535

YOUR ACCOUNT NO	8968844003
SECURITY HELD	1215000.01
BILLING DATE	2023-01-04
TAX INVOICE NO	896565246363
ACCOUNT MONTH	DECEMBER 2022
CURRENT DUE DATE	2023-02-03
VAT REG NO	4140106396

DIRECT DEPOSIT DETAIL

BANK:	ABSA
BRANCH CODE:	334110
BANK ACC NO:	340167430

TAX INVOICE

E-MAIL: eskomaccounts@overstrand.gov.za

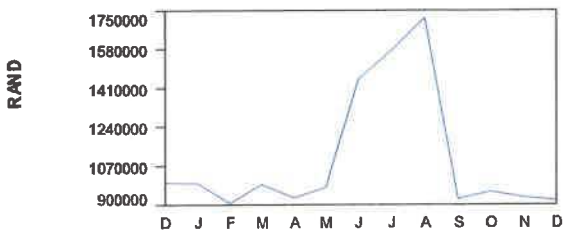
ACCOUNT TRANSACTION SUMMARY

RCC / SCC CONNECTION CHARGE		R	7,438.00
ADMINISTRATION CHARGE		R	4,209.18
TRANSMISSION NETWORK CAPACITY		R	37,260.00
DIST. NETWORK CAPACITY CHARGE		R	72,540.00
NETWORK DEMAND CHARGE		R	79,141.84
ANCILLARY SERVICE (ALL)		R	3,279.25
ENERGY CHARGE (STD)	217,009.00	R	234,543.33
ENERGY CHARGE (PEAK)	79,887.00	R	125,446.56
ERGY CHARGE (OFF)	249,645.00	R	171,106.68
ELECTRIFICATION AND RURAL SUBS (ALL)		R	64,109.26
SERVICE CHARGE		R	9,338.13
TOTAL CHARGES FOR BILLING PERIOD		R	**808,412.23**

ACCOUNT SUMMARY FOR DECEMBER 2022

BALANCE BROUGHT FORWARD	(Due Date 2023-01-02)	R	945,781.92
PAYMENT(S) RECEIVED	ACB Payment - 2022-12-29	R	-945,781.92
TOTAL CHARGES FOR BILLING PERIOD		R	808,412.23
VAT RAISED ON ITEMS AT 14%		R	0.00
VAT RAISED ON ITEMS AT 15%		R	121,261.84

ARREARS						
>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS	CURRENT	TOTAL DUE	R 929,674.07
0.00	0.00	0.00	0.00	929,674.07		



ACCOUNT NO / REFERENCE NO
8968844003

NAME
OVERSTRAND LOCAL MUNICIPALITY

FAX NUMBER
0283132962

Post Office 0934 8968844003

11341 8968844003

>>>>>>>> 9207 2896 8844 0031

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TOTAL AMOUNT DUE
929,674.05

PAYMENT ARRANGEMENT

INSTALMENT
0.00

ARREARS
0.00

DUE DATE
2023-02-03

AMOUNT PAID

LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT

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WESTERN REGION
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OVERSTRAND LOCAL MUNICIPALITY
ATT CHIEF FINANCIAL OFFICER
P O BOX 26
GANSBAAI
7220

YOUR ACCOUNT NO	8968844003
BILLING DATE	2023-01-04
TAX INVOICE NO	896565246363
ACCOUNT MONTH	DECEMBER 2022
CURRENT DUE DATE	2023-02-03
VAT REG NO	4140106396
NOTIFIED MAX DEMAND	3,000.00
UTILISED CAPACITY	3,000.00

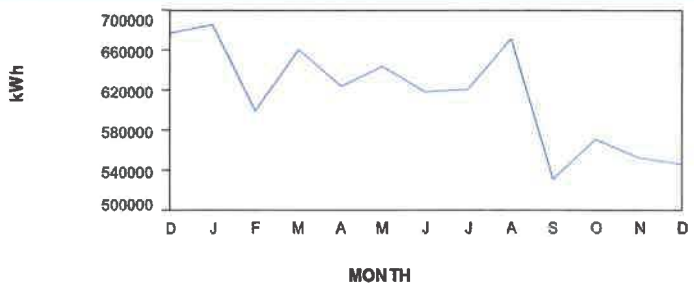
CONSUMPTION DETAILS (2022-12-01 - 2022-12-31)

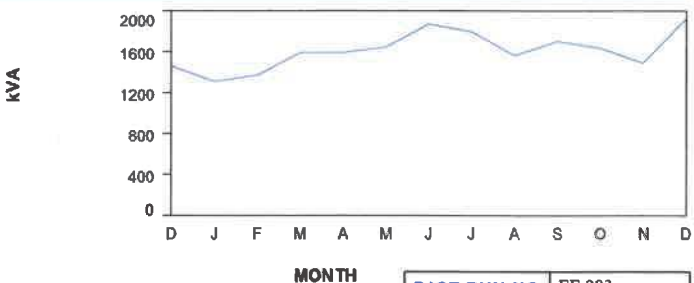
ENERGY CONSUMPTION OFF PEAK kWH	249,645.32
ENERGY CONSUMPTION STD kWh	217,008.71
ENERGY CONSUMPTION PEAK kWh	79,887.22
ENERGY CONSUMPTION ALL kWh	546,541.25
DEMAND CONSUMPTION - OFF PEAK	1,931.00
DEMAND CONSUMPTION - STD	1,611.76
DEMAND CONSUMPTION - PEAK	1,726.48
DEMAND READING - KW/KVA	1,931.0
REACTIVE ENERGY - OFF PEAK	112,139.7
REACTIVE ENERGY - STD	81,163.04
REACTIVE ENERGY - PEAK	28,406.40
LOAD FACTOR	39.00

PREMISE ID NUMBER 8968844173 TARIFF NAME: Megaflex

STANFORD MAIN SUPPLY,1/3239,I

Administration Charge @ R135.78 per day for 31 days	R	4,209.18
TX Network Capacity Charge 3,000 kVa @ R12.42 : = R12.42/kVA	R	37,260.00
Network Capacity Charge 3,000 kVA @ R24.18 : = R24.18/kVA	R	72,540.00
Network Demand Charge 1,726.48 kVA @ R45.84 = R45.84 /kVA	R	79,141.84
Ancillary Service Charge 546,541 kWh @ R0.006 /kWh	R	3,279.25
Low Season Standard Energy Charge 217,009 kWh @ R1.0808 /kWh	R	234,543.33
Low Season Peak Energy Charge 79,887 kWh @ R1.5703 /kWh	R	125,446.56
Low Season Off Peak Energy Charge 249,645 kWh @ R0.6854 /kWh	R	171,106.68
Electrification and Rural Subsidy 546,541 kWh @ R0.1173 /kWh	R	64,109.26
Standard Connection Charge @ R7,438.00	R	7,438.00
SERVICE CHARGE	R	9,338.13
TOTAL CHARGES	R	808,412.23





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ESKOM HOLDINGS SOC LTD REG NO 2002/015527/30
VAT REG NO 4740101508

WESTERN REGION
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WESTERN REGION
PO BOX 377 BELVILLE 7535

OVERSTRAND LOCAL MUNCIPALITY
ATT CHIEF FINANCIAL OFFICER
P O BOX 26
GANSBAAI
7220

GB Dec. '22

YOUR ACCOUNT NO	6270348035
SECURITY HELD	1215000.01
BILLING DATE	2023-01-05
TAX INVOICE NO	627145133142
ACCOUNT MONTH	DECEMBER 2022
CURRENT DUE DATE	2023-02-04
VAT REG NO	4140106396

DIRECT DEPOSIT DETAIL	
BANK:	ABSA
BRANCH CODE:	334110
BANK ACC NO:	340167430

TAX INVOICE

E-MAIL: eskomaccounts@overstrand.gov.za

ACCOUNT TRANSACTION SUMMARY

NON REBATABLE MONTHLY RENTAL		R	1,153.00
ADMINISTRATION CHARGE		R	4,209.18
TRANSMISSION NETWORK CAPACITY		R	183,644.48
DIST. NETWORK CAPACITY CHARGE		R	357,530.07
DX EXCESS NETWORK CAPACITY CHA		R	57,549.47
NETWORK DEMAND CHARGE		R	677,798.95
ANCILLARY SERVICE (ALL)		R	32,482.03
ENERGY CHARGE (STD)	2,054,269.00	R	2,220,253.94
ENERGY CHARGE (PEAK)	767,587.00	R	1,205,341.87
ENERGY CHARGE (OFF)	2,591,815.00	R	1,776,430.00
ELECTRIFICATION AND RURAL SUBS (ALL)		R	635,023.61
SERVICE CHARGE		R	9,338.13
TOTAL CHARGES FOR BILLING PERIOD		R	**7,160,754.73**

ACCOUNT SUMMARY FOR DECEMBER 2022

BALANCE BROUGHT FORWARD	(Due Date 2023-01-02)	R	8,302,636.35
PAYMENT(S) RECEIVED	Cash - 2022-12-29	R	-8,302,636.35
TOTAL CHARGES FOR BILLING PERIOD		R	7,160,754.73
VAT RAISED ON ITEMS AT 14%		R	0.00
VAT RAISED ON ITEMS AT 15%		R	1,074,113.21

ARREARS							
>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS	CURRENT			
0.00	0.00	0.00	0.00	8,234,867.94	TOTAL DUE	R	8,234,867.94

ACCOUNT NO / REFERENCE NO
6270348035

NAME
OVERSTRAND LOCAL MUNCIPALITY

FAX NUMBER
0283840241

Nett Office 0934 6270348035

11341 6270348035

>>>>>>> 9207 2627 0348 0357

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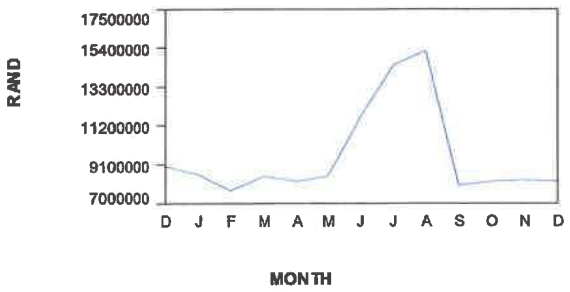
TOTAL AMOUNT DUE
8,234,867.90



PAYMENT ARRANGEMENT

INSTALMENT
0.00

ARREARS
0.00

DUE DATE
2023-02-04

AMOUNT PAID

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LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT

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WEB: WWW.ESKOM.CO.ZA

OVERSTRAND LOCAL MUNCIPALITY
ATT CHIEF FINANCIAL OFFICER
P O BOX 26
GANSBAAI
7220

YOUR ACCOUNT NO	6270348035
BILLING DATE	2023-01-05
TAX INVOICE NO	627145133142
ACCOUNT MONTH	DECEMBER 2022
CURRENT DUE DATE	2023-02-04
VAT REG NO	4140106396
NOTIFIED MAX DEMAND	14,000.00
UTILISED CAPACITY	14,786.19

CONSUMPTION DETAILS (2022-12-01 - 2022-12-31)

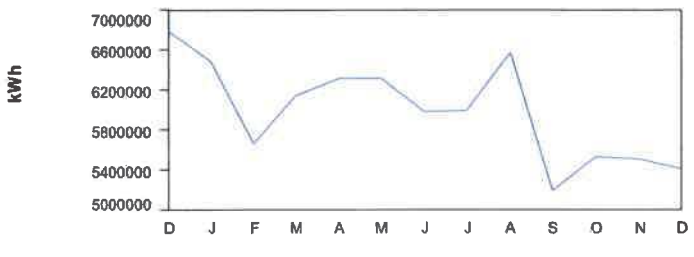
ENERGY CONSUMPTION OFF PEAK kWH	2,591,814.79
ENERGY CONSUMPTION STD kWh	2,054,269.18
ENERGY CONSUMPTION PEAK kWh	767,587.14
ENERGY CONSUMPTION ALL kWh	5,413,671.11
DEMAND CONSUMPTION - OFF PEAK	14,713.60
DEMAND CONSUMPTION - STD	14,786.19
DEMAND CONSUMPTION - PEAK	13,854.34
DEMAND READING - KW/KVA	14,786.19
REACTIVE ENERGY - OFF PEAK	688,180.38
REACTIVE ENERGY - STD	537,351.86
REACTIVE ENERGY - PEAK	187,532.42
LOAD FACTOR	50.00

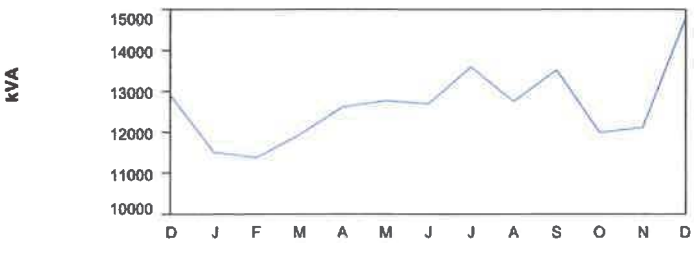
PREMISE ID NUMBER 6270348907 TARIFF NAME: Megaflex

GANSBAAI MAIN SUPPLY 1/3218.I

Administration Charge @ R135.78 per day for 31 days	R	4,209.18
TX Network Capacity Charge 14,786.19 kVa @ R12.42 : = R12.42/kVA	R	183,644.48
Network Capacity Charge 14,786.19 kVA @ R24.18 : = R24.18/kVA	R	357,530.07
Number of Events: 2	R	0.00
NMD Exceeded by 786.19 kVA	R	0.00
Excess Network Capacity Charge 1,572.39 kVa @ R36.60 : = R36.60/kVA	R	57,549.47
Network Demand Charge 14,786.19 kVA @ R45.84 = R45.84 /kVA	R	677,798.95
Ancillary Service Charge 5,413,671 kWh @ R0.006 /kWh	R	32,482.03
Low Season Standard Energy Charge 2,054,269 kWh @ R1.0808 /kWh	R	2,220,253.94
Low Season Peak Energy Charge 767,587 kWh @ R1.5703 /kWh	R	1,205,341.87
Low Season Off Peak Energy Charge 2,591,815 kWh @ R0.6854 /kWh	R	1,776,430.00
Electrification and Rural Subsidy 5,413,671 kWh @ R0.1173 /kWh	R	635,023.61
Premium Connection Charge @ R1,153.00	R	1,153.00
SERVICE CHARGE	R	9,338.13
TOTAL CHARGES	R	7,160,754.73

SEE INVOICE 627931493867 JAN. '23 FOR CORRECTION.





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ESKOM HOLDINGS SOC LTD REG NO 2002/015527/30
VAT REG NO 4740101508

OVERSTRAND LOCAL MUNICIPALITY
ATT CHIEF FINANCIAL OFFICER
PRIVATE BAG X3
KLEINMOND
7195

KM Jan.'23

WESTERN REGION
PO BOX 377 BELVILLE 7535

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WEB: WWW.ESKOM.CO.ZA

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TEL: 08600 37566
SMS: 35328

CUSTOMER SELF SERVICE WEBSITE:
https://csonline.eskom.co.za

WESTERN REGION
PO BOX 377 BELVILLE 7535

YOUR ACCOUNT NO	8805321340
SECURITY HELD	0.01
BILLING DATE	2023-02-02
TAX INVOICE NO	880677566523
ACCOUNT MONTH	JANUARY 2023
CURRENT DUE DATE	2023-03-04
VAT REG NO	4140106396

DIRECT DEPOSIT DETAIL

BANK:	ABSA
BRANCH CODE:	334110
BANK ACC NO:	340167430

TAX INVOICE

E-MAIL: eskomaccounts@overstrand.gov.za

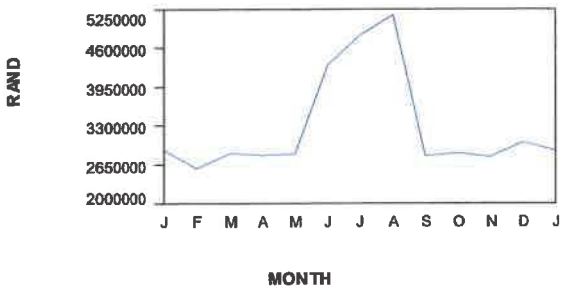
ACCOUNT TRANSACTION SUMMARY

RCC / SCC CONNECTION CHARGE		R	252.40
ADMINISTRATION CHARGE		R	4,209.18
TRANSMISSION NETWORK CAPACITY		R	86,940.00
DIST. NETWORK CAPACITY CHARGE		R	169,260.00
NETWORK DEMAND CHARGE		R	294,522.00
ANCILLARY SERVICE (ALL)		R	10,546.92
ENERGY CHARGE (STD)	698,013.00	R	754,412.45
ENERGY CHARGE (PEAK)	292,270.00	R	458,951.58
ERGY CHARGE (OFF)	767,538.00	R	526,070.55
ELECTRIFICATION AND RURAL SUBS (ALL)		R	206,192.29
SERVICE CHARGE		R	9,338.13
TOTAL CHARGES FOR BILLING PERIOD		R	**2,520,695.50**

ACCOUNT SUMMARY FOR JANUARY 2023

BALANCE BROUGHT FORWARD	(Due Date 2023-02-03)	R	3,043,657.57
PAYMENT(S) RECEIVED	ACB Payment - 2023-01-31	R	-3,043,657.57
TOTAL CHARGES FOR BILLING PERIOD		R	2,520,695.50
VAT RAISED ON ITEMS AT 14%		R	0.00
VAT RAISED ON ITEMS AT 15%		R	378,104.33

ARREARS						
>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS	CURRENT	TOTAL DUE	R 2,898,799.83
0.00	0.00	0.00	0.00	2,898,799.83		



ACCOUNT NO / REFERENCE NO
8805321340

NAME
OVERSTRAND LOCAL MUNICIPALITY

FAX NUMBER
0282714100

Post Office 0934 8805321340

11341 8805321340

>>>>>>>>>> 9207 2880 5321 3403

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TOTAL AMOUNT DUE

2,898,799.80

PAYMENT ARRANGEMENT

INSTALMENT
0.00

ARREARS
0.00

DUE DATE
2023-03-04

AMOUNT PAID

LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT

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OVERSTRAND LOCAL MUNICIPALITY
ATT CHIEF FINANCIAL OFFICER
PRIVATE BAG X3
KLEINMOND
7195

YOUR ACCOUNT NO	8805321340
BILLING DATE	2023-02-02
TAX INVOICE NO	880677566523
ACCOUNT MONTH	JANUARY 2023
CURRENT DUE DATE	2023-03-04
VAT REG NO	4140106396
NOTIFIED MAX DEMAND	7,000.00
UTILISED CAPACITY	7,000.00

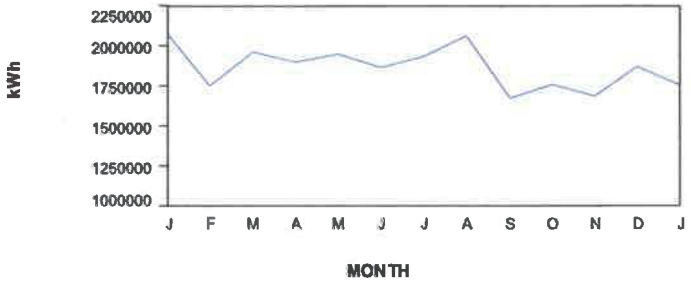
CONSUMPTION DETAILS (2023-01-01 - 2023-01-31)

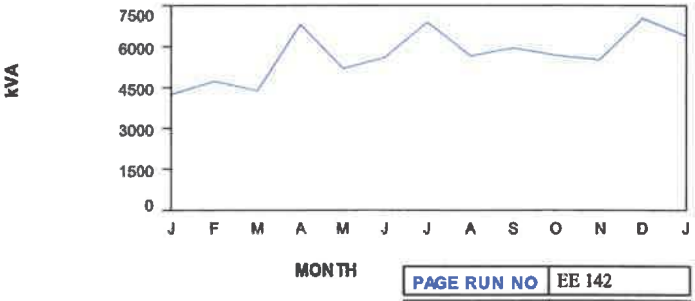
ENERGY CONSUMPTION OFF PEAK kWH	767,537.50
ENERGY CONSUMPTION STD kWh	698,012.50
ENERGY CONSUMPTION PEAK kWh	292,270.00
ENERGY CONSUMPTION ALL kWh	1,757,820.00
DEMAND CONSUMPTION - OFF PEAK	5,900.00
DEMAND CONSUMPTION - STD	6,425.00
DEMAND CONSUMPTION - PEAK	6,115.00
DEMAND READING - KW/KVA	6,425.00
LOAD FACTOR	36.00

PREMISE ID NUMBER 8805321426 **TARIFF NAME:** Megaflex

KLEINMOND MAIN SUPPLY 1/92 REMOTE

Administration Charge @ R135.78 per day for 31 days	R	4,209.18
TX Network Capacity Charge 7,000 kVa @ R12.42 : = R12.42/kVA	R	86,940.00
Network Capacity Charge 7,000 kVA @ R24.18 : = R24.18/kVA	R	169,260.00
Network Demand Charge 6,425 kVA @ R45.84 = R45.84 /kVA	R	294,522.00
Ancillary Service Charge 1,757,820 kWh @ R0.006 /kWh	R	10,546.92
Low Season Standard Energy Charge 698,013 kWh @ R1.0808 /kWh	R	754,412.45
Low Season Peak Energy Charge 292,270 kWh @ R1.5703 /kWh	R	458,951.58
Low Season Off Peak Energy Charge 767,538 kWh @ R0.6854 /kWh	R	526,070.55
Electrification and Rural Subsidy 1,757,820 kWh @ R0.1173 /kWh	R	206,192.29
Residual Connection Charge @ R252.40	R	252.40
SERVICE CHARGE	R	9,338.13
TOTAL CHARGES	R	2,520,695.50





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Eskom

ESKOM HOLDINGS SOC LTD REG NO 2002/015527/30
VAT REG NO 4740101508

OVERSTRAND LOCAL MUNICIPALITY
ATT CHIEF FINANCIAL OFFICER
P O BOX 20
HERMANUS
7200

HS Jan.'23

WESTERN REGION
PO BOX 377 BELVILLE 7535

CONTACT CENTRE: (0860) 037566
FAX NO: 0862 437 566
E-MAIL: customerservices@eskom.co.za
WEB: WWW.ESKOM.CO.ZA

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TEL: 08600 37566
SMS: 35328

CUSTOMER SELF SERVICE WEBSITE:
https://csonline.eskom.co.za

WESTERN REGION
PO BOX 377 BELVILLE 7535

YOUR ACCOUNT NO	6796230414
SECURITY HELD	1870000.01
BILLING DATE	2023-02-02
TAX INVOICE NO	679359462892
ACCOUNT MONTH	JANUARY 2023
CURRENT DUE DATE	2023-03-04
VAT REG NO	4140106396

DIRECT DEPOSIT DETAIL
BANK: ABSA
BRANCH CODE: 334110
BANK ACC NO: 340167430

TAX INVOICE

E-MAIL: eskomaccounts@overstrand.gov.za

ACCOUNT TRANSACTION SUMMARY

RCC / SCC CONNECTION CHARGE		R	6,220.38
ADMINISTRATION CHARGE		R	4,209.18
TRANSMISSION NETWORK CAPACITY		R	49,680.00
DIST. NETWORK CAPACITY CHARGE		R	96,720.00
NETWORK DEMAND CHARGE		R	94,330.47
ANCILLARY SERVICE (ALL)		R	3,734.25
ENERGY CHARGE (STD)	245,296.00	R	265,115.92
ENERGY CHARGE (PEAK)	97,345.00	R	152,860.85
ENERGY CHARGE (OFF)	279,734.00	R	191,729.68
ELECTRIFICATION AND RURAL SUBS (ALL)		R	73,004.59
SERVICE CHARGE		R	9,338.13
TOTAL CHARGES FOR BILLING PERIOD		R	**946,943.45**

ACCOUNT SUMMARY FOR JANUARY 2023

BALANCE BROUGHT FORWARD	(Due Date 2023-02-03)	R	1,116,798.11
PAYMENT(S) RECEIVED	ACB Payment - 2023-01-31	R	-1,116,798.11
TOTAL CHARGES FOR BILLING PERIOD		R	946,943.45
VAT RAISED ON ITEMS AT 14%		R	0.00
VAT RAISED ON ITEMS AT 15%		R	142,041.51

ARREARS						
>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS	CURRENT	TOTAL DUE	R 1,088,984.96
0.00	0.00	0.00	0.00	1,088,984.96		

ACCOUNT NO / REFERENCE NO
6796230414

NAME
OVERSTRAND LOCAL MUNICIPALITY

FAX NUMBER
0283162632

Post Office 0934 6796230414

11341 6796230414

>>>>>> 9207 2679 6230 4149

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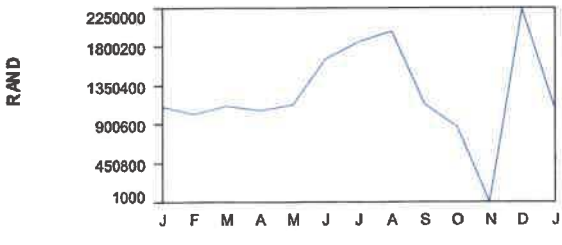
EASYPAY

TOTAL AMOUNT DUE
1,088,984.95



Message
Your Monthly Connection Charge is subject to a variable interest rate of prime plus 2,0% and was adjusted in line with the prime interest rate change

PAYMENT ARRANGEMENT

INSTALMENT
0.00

ARREARS
0.00

DUE DATE
2023-03-04

AMOUNT PAID

LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT

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WESTERN REGION
PO BOX 377 BELVILLE 7535

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WEB: WWW.ESKOM.CO.ZA

OVERSTRAND LOCAL MUNICIPALITY
ATT CHIEF FINANCIAL OFFICER
P O BOX 20
HERMANUS
7200

YOUR ACCOUNT NO	6796230414
BILLING DATE	2023-02-02
TAX INVOICE NO	679359462892
ACCOUNT MONTH	JANUARY 2023
CURRENT DUE DATE	2023-03-04
VAT REG NO	4140106396
NOTIFIED MAX DEMAND	4,000.00
UTILISED CAPACITY	4,000.00

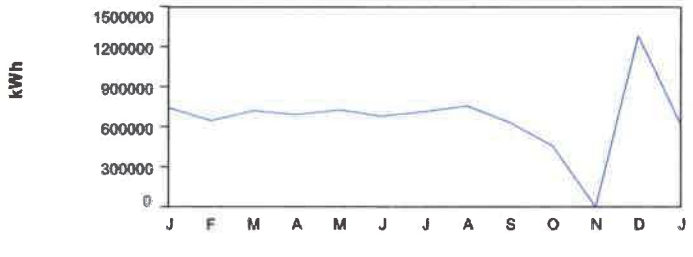
CONSUMPTION DETAILS (2023-01-01 - 2023-01-31)

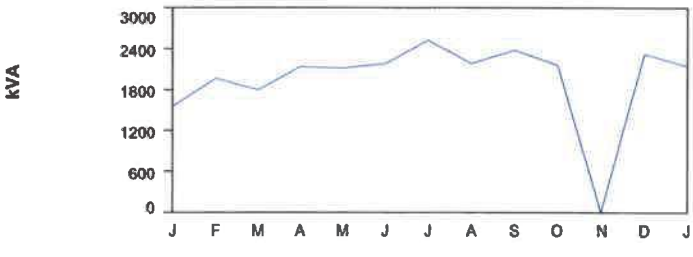
ENERGY CONSUMPTION OFF PEAK kWH	279,734.18
ENERGY CONSUMPTION STD kWh	245,296.28
ENERGY CONSUMPTION PEAK kWh	97,344.50
ENERGY CONSUMPTION ALL kWh	622,374.96
DEMAND CONSUMPTION - OFF PEAK	2,154.87
DEMAND CONSUMPTION - STD	2,002.92
DEMAND CONSUMPTION - PEAK	2,057.81
DEMAND READING - KW/KVA	2,154.87
REACTIVE ENERGY - OFF PEAK	115,217.0
REACTIVE ENERGY - STD	83,982.98
REACTIVE ENERGY - PEAK	31,576.76
LOAD FACTOR	39.00

PREMISE ID NUMBER 6796230441 TARIFF NAME: Megaflex

HAWSTON MAIN SUPPLY,1/3056/2,I

Administration Charge @ R135.78 per day for 31 days	R	4,209.18
TX Network Capacity Charge 4,000 kVa @ R12.42 : = R12.42/kVA	R	49,680.00
Network Capacity Charge 4,000 kVA @ R24.18 : = R24.18/kVA	R	96,720.00
Network Demand Charge 2,057.82 kVA @ R45.84 = R45.84 /kVA	R	94,330.47
Ancillary Service Charge 622,375 kWh @ R0.006 /kWh	R	3,734.25
Low Season Standard Energy Charge 245,296 kWh @ R1.0808 /kWh	R	265,115.92
Low Season Peak Energy Charge 97,345 kWh @ R1.5703 /kWh	R	152,860.85
Low Season Off Peak Energy Charge 279,734 kWh @ R0.6854 /kWh	R	191,729.68
Electrification and Rural Subsidy 622,375 kWh @ R0.1173 /kWh	R	73,004.59
Standard Connection Charge R2,476.29	R	2,476.29
Standard Connection Charge R3,744.09	R	3,744.09
SERVICE CHARGE	R	9,338.13
TOTAL CHARGES	R	946,943.4





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ESKOM HOLDINGS SOC LTD REG NO 2002/015527/30
VAT REG NO 4740101508

OVERSTRAND LOCAL MUNICIPALITY
ATT CHIEF FINANCIAL OFFICER
P O BOX 20
HERMANUS
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HM Jan. '23

WESTERN REGION
PO BOX 377 BELVILLE 7535

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WESTERN REGION
PO BOX 377 BELVILLE 7535

YOUR ACCOUNT NO	7917853150
SECURITY HELD	5915000.01
BILLING DATE	2023-02-01
TAX INVOICE NO	791756602748
ACCOUNT MONTH	JANUARY 2023
CURRENT DUE DATE	2023-03-03
VAT REG NO	4140106396

DIRECT DEPOSIT DETAIL

BANK:	ABSA
BRANCH CODE:	334110
BANK ACC NO:	340167430

TAX INVOICE

E-MAIL: eskomaccounts@overstrand.gov.za

ACCOUNT TRANSACTION SUMMARY

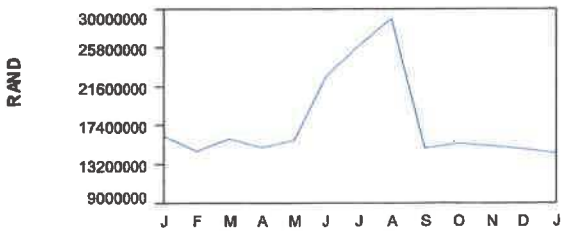
NON REBATABLE MONTHLY RENTAL		R	2,967.00
ADMINISTRATION CHARGE		R	11,687.62
TRANSMISSION NETWORK CAPACITY		R	426,700.00
DIST. NETWORK CAPACITY CHARGE		R	535,700.00
NETWORK DEMAND CHARGE		R	897,385.13
ANCILLARY SERVICE (ALL)		R	54,220.49
ENERGY CHARGE (STD)	3,626,026.00	R	3,842,744.36
ENERGY CHARGE (PEAK)	1,476,902.00	R	2,274,061.59
ENERGY CHARGE (OFF)	4,428,003.00	R	2,974,854.39
ELECTRIFICATION AND RURAL SUBS (ALL)		R	1,117,978.44
URBAN LOW VOLTAGE SUBSIDY		R	423,600.00
SERVICE CHARGE		R	182,989.28
REBILLED ADJUSTMENTS	(Summary - See attachment for details)	R	-32,693.52
TOTAL CHARGES FOR BILLING PERIOD		R	12,712,194.78

ACCOUNT SUMMARY FOR JANUARY 2023

BALANCE BROUGHT FORWARD	(Due Date 2023-02-04)	R	15,152,543.45
PAYMENT(S) RECEIVED	Cash - 2023-01-31	R	-15,152,543.45
TOTAL CHARGES FOR BILLING PERIOD		R	12,712,194.78
VAT RAISED ON ITEMS AT 14%		R	0.00
VAT RAISED ON ITEMS AT 15%		R	1,906,829.21

7,412,117.39
5 332 770.91
12,744,888.30

ARREARS						
>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS	CURRENT	TOTAL DUE	R 14,619,023.99
0.00	0.00	0.00	0.00	14,619,023.99		



ACCOUNT NO / REFERENCE NO
7917853150

NAME
OVERSTRAND LOCAL MUNICIPALITY

FAX NUMBER
0283162632

0934 7917853150

11341 7917853150

>>>>>>> 9207 2791 7853 1506

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EasyPay

TOTAL AMOUNT DUE
14,619,023.95

PAYMENT ARRANGEMENT

INSTALMENT
0.00

ARREARS
0.00

DUE DATE
2023-03-03

AMOUNT PAID

LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT

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WESTERN REGION
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OVERSTRAND LOCAL MUNICIPALITY
ATT CHIEF FINANCIAL OFFICER
P O BOX 20
HERMANUS
7200

YOUR ACCOUNT NO	7917853150
BILLING DATE	2023-02-01
TAX INVOICE NO	791756602748
ACCOUNT MONTH	JANUARY 2023
CURRENT DUE DATE	2023-03-03
VAT REG NO	4140106396
NOTIFIED MAX DEMAND	15,000.00
UTILISED CAPACITY	15,000.00

CONSUMPTION DETAILS (2023-01-01 - 2023-01-31)

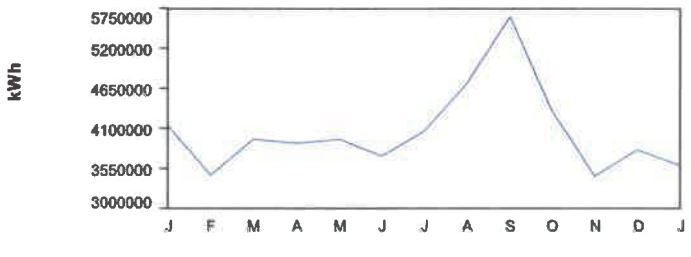
ENERGY CONSUMPTION OFF PEAK kWH	1,632,707.37
ENERGY CONSUMPTION STD kWh	1,402,570.33
ENERGY CONSUMPTION PEAK kWh	565,434.94
ENERGY CONSUMPTION ALL kWh	3,600,712.64
DEMAND CONSUMPTION - OFF PEAK	13,126.89
DEMAND CONSUMPTION - STD	13,637.55
DEMAND CONSUMPTION - PEAK	11,039.59
DEMAND READING - KW/KVA	13,637.55
REACTIVE ENERGY - OFF PEAK	235,445.4
REACTIVE ENERGY - STD	217,252.60
REACTIVE ENERGY - PEAK	78,644.84
LOAD FACTOR	35.00

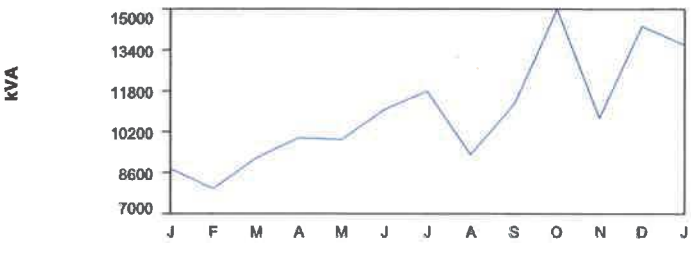
PREMISE ID NUMBER 7917853832 TARIFF NAME: Megaflex

HERMANUS MAIN SUPPLY 1/3091 REMOTE

Administration Charge @ R188.51 per day for 31 days	R	5,843.81
TX Network Capacity Charge 15,000 kVa @ R12.42 : = R12.42/kVA	R	186,300.00
Network Capacity Charge 15,000 kVA @ R24.18 : = R24.18/kVA	R	362,700.00
Network Demand Charge 13,637.55 kVA @ R45.84 = R45.84 /kVA	R	625,145.29
Ancillary Service Charge 3,600,713 kWh @ R0.006 /kWh	R	21,604.28
Low Season Standard Energy Charge 1,402,570 kWh @ R1.0808 /kWh	R	1,515,897.66
Low Season Peak Energy Charge 565,435 kWh @ R1.5703 /kWh	R	887,902.58
Low Season Off Peak Energy Charge 1,632,707 kWh @ R0.6854 /kWh	R	1,119,057.38
Electrification and Rural Subsidy 3,600,713 kWh @ R0.1173 /kWh	R	422,363.63
Premium Connection Charge @ R2,967.00	R	2,967.00
REBILLED ADJUSTMENTS (Summary - See attachment for details)	R	-32,693.52
SERVICE CHARGE	R	182,989.28
TOTAL CHARGES	R	5,300,077.39

+ 32,693.52
5,332,770.91





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OVERSTRAND LOCAL MUNICIPALITY
ATT CHIEF FINANCIAL OFFICER
P O BOX 20
HERMANUS
7200

YOUR ACCOUNT NO	7917853150
BILLING DATE	2023-02-01
TAX INVOICE NO	791756602748
ACCOUNT MONTH	JANUARY 2023
CURRENT DUE DATE	2023-03-03
VAT REG NO	4140106396
NOTIFIED MAX DEMAND	20,000.00
UTILISED CAPACITY	20,000.00

CONSUMPTION DETAILS (2023-01-01 - 2023-01-31)

ENERGY CONSUMPTION OFF PEAK kWH	2,795,296.30
ENERGY CONSUMPTION STD kWh	2,223,456.37
ENERGY CONSUMPTION PEAK kWh	911,466.97
ENERGY CONSUMPTION ALL kWh	5,930,219.64
DEMAND CONSUMPTION - OFF PEAK	15,984.72
DEMAND CONSUMPTION - STD	17,014.98
DEMAND CONSUMPTION - PEAK	15,694.80
EMAND READING - KW/KVA	17,014.98
EACTIVE ENERGY - OFF PEAK	946,338.06
REACTIVE ENERGY - STD	802,526.27
REACTIVE ENERGY - PEAK	302,661.80
LOAD FACTOR	48.00

PREMISE ID NUMBER 9929240636 **TARIFF NAME:** Megaflex

HERMANUS WALKER BAY SUPPLY 1/3091

Administration Charge @ R188.51 per day for 31 days	R	5,843.81
TX Network Capacity Charge 20,000 kVa @ R12.02 : = R12.02/kVA	R	240,400.00
Network Capacity Charge 20,000 kVA @ R8.65 : = R8.65/kVA	R	173,000.00
Network Demand Charge 17,014.99 kVA @ R16.00 : = R16.00 /kVA	R	272,239.84
Urban Low Voltage Subsidy 20,000 kVa @ R21.18 : = R21.18/kVA	R	423,600.00
Ancillary Service Charge 5,930,220 kWh @ R0.0055 /kWh	R	32,616.21
Low Season Standard Energy Charge 2,223,456 kWh @ R1.0465 /kWh	R	2,326,846.70
Low Season Peak Energy Charge 911,467 kWh @ R1.5208 /kWh	R	1,386,159.01
Low Season Off Peak Energy Charge 2,795,296 kWh @ R0.6639 /kWh	R	1,855,797.01
Electrification and Rural Subsidy 5,930,220 kWh @ R0.1173 /kWh	R	695,614.81
TOTAL CHARGES	R	7,412,117.39





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OVERSTRAND LOCAL MUNICIPALITY
ATT CHIEF FINANCIAL OFFICER
P O BOX 20
HERMANUS
7200

YOUR ACCOUNT NO	7917853150
BILLING DATE	2023-02-01
TAX INVOICE NO	791756602748
ACCOUNT MONTH	JANUARY 2023
CURRENT DUE DATE	2023-03-03
VAT REG NO	4140106396
NOTIFIED MAX DEMAND	20,000.00
UTILISED CAPACITY	20,000.00

REBILLED ADJUSTMENTS

DEC. '22 HM MAIN SUPPLY

R -32,693.52

TAX INVOICE NO. 791851287443 DATED 2023-02-01 FOR PREMISE 7917853832

CORRECTIONS	R	5,394,631.98
Administration Charge @ R188.51 per day for 31 days	R	5,843.81
TX Network Capacity Charge 15,000 kVa @ R12.42 :	R	186,300.00
Network Capacity Charge 15,000 kVA @ R24.18 :	R	362,700.00
Network Demand Charge 14,351.48 kVA @ R45.84 :	R	657,871.84
Ancillary Service Charge 3,811,457 kWh @ R0.006 /kWh	R	22,868.74
Low Season Standard Energy Charge 1,511,891 kWh @ R1.0808 /k	R	1,634,051.79
Low Season Peak Energy Charge 563,704 kWh @ R1.5703 /kWh	R	885,184.39
Low Season Off Peak Energy Charge 1,735,863 kWh @ R0.6854 /k	R	1,189,760.50
Electrification and Rural Subsidy 3,811,457 kWh @ R0.1173 /kWh	R	447,083.91
Premium Connection Charge @ R2,967.00	R	2,967.00
CANCELLATIONS	R	-5,427,325.50
Administration Charge @ R188.51 per day for 31 days	R	-5,843.81
TX Network Capacity Charge 15,035.97 kVa @ R12.42 :	R	-186,746.75
Network Capacity Charge 15,035.97 kVA @ R24.18 :	R	-363,569.75
Network Demand Charge 15,035.97 kVA @ R45.84 :	R	-689,248.86
Ancillary Service Charge 3,811,457 kWh @ R0.006 /kWh	R	-22,868.74
Low Season Standard Energy Charge 1,511,891 kWh @ R1.0808 /k	R	-1,634,051.79
Low Season Peak Energy Charge 563,704 kWh @ R1.5703 /kWh	R	-885,184.39
Low Season Off Peak Energy Charge 1,735,863 kWh @ R0.6854 /k	R	-1,189,760.50
Electrification and Rural Subsidy 3,811,457 kWh @ R0.1173 /kWh	R	-447,083.91
Premium Connection Charge @ R2,967.00	R	-2,967.00

5 394 631.98

PLUS: SERVICE CHARGE + 182 989.28

TOTAL CHARGES DEC. '22 5 577 621.26

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Eskom

ESKOM HOLDINGS SOC LTD REG NO 2002/015527/30
VAT REG NO 4740101508

OVERSTRAND LOCAL MUNICIPALITY
ATT CHIEF FINANCIAL OFFICER
P O BOX 26
GANSBAAI
7220

SF Jan.'23

WESTERN REGION
PO BOX 377 BELVILLE 7535

CONTACT CENTRE: (0860) 037566
FAX NO: 0862 437 566
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WEB: WWW.ESKOM.CO.ZA

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TEL: 08600 37566
SMS: 35328

CUSTOMER SELF SERVICE WEBSITE:
https://csonline.eskom.co.za

WESTERN REGION
PO BOX 377 BELVILLE 7535

YOUR ACCOUNT NO	8968844003
SECURITY HELD	1215000.01
BILLING DATE	2023-02-03
TAX INVOICE NO	896234410980
ACCOUNT MONTH	JANUARY 2023
CURRENT DUE DATE	2023-03-06
VAT REG NO	4140106396

DIRECT DEPOSIT DETAIL
BANK: ABSA
BRANCH CODE: 334110
BANK ACC NO: 340167430

TAX INVOICE

E-MAIL: eskomaccounts@overstrand.gov.za

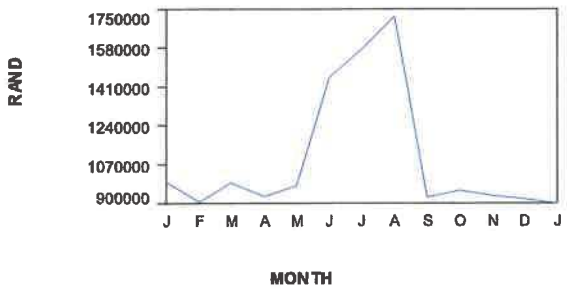
ACCOUNT TRANSACTION SUMMARY

RCC / SCC CONNECTION CHARGE		R	7,438.00
ADMINISTRATION CHARGE		R	4,209.18
TRANSMISSION NETWORK CAPACITY		R	37,260.00
DIST. NETWORK CAPACITY CHARGE		R	72,540.00
NETWORK DEMAND CHARGE		R	82,137.03
ANCILLARY SERVICE (ALL)		R	3,172.45
ENERGY CHARGE (STD)	206,260.00	R	222,925.81
ENERGY CHARGE (PEAK)	80,569.00	R	126,517.50
ENERGY CHARGE (OFF)	241,913.00	R	165,807.17
ELECTRIFICATION AND RURAL SUBS (ALL)		R	62,021.44
SERVICE CHARGE		R	9,338.13
TOTAL CHARGES FOR BILLING PERIOD		R	**793,366.71**

ACCOUNT SUMMARY FOR JANUARY 2023

BALANCE BROUGHT FORWARD	(Due Date 2023-02-03)	R	929,674.07
PAYMENT(S) RECEIVED	ACB Payment - 2023-01-31	R	-929,674.07
TOTAL CHARGES FOR BILLING PERIOD		R	793,366.71
VAT RAISED ON ITEMS AT 14%		R	0.00
VAT RAISED ON ITEMS AT 15%		R	119,005.01

ARREARS						
>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS	CURRENT	TOTAL DUE	R 912,371.72
0.00	0.00	0.00	0.00	912,371.72		



ACCOUNT NO / REFERENCE NO
8968844003

NAME
OVERSTRAND LOCAL MUNICIPALITY

FAX NUMBER
0283132962

0934 8968844003

11341 8968844003

>>>>>> 9207 2896 8844 0031

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TOTAL AMOUNT DUE

912,371.70

PAYMENT ARRANGEMENT

INSTALMENT
0.00

ARREARS
0.00

DUE DATE
2023-03-06

AMOUNT PAID

LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT

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Eskom

WESTERN REGION
PO BOX 377 BELVILLE 7535

CONTACT CENTRE: (0860) 037566
FAX NO: 0862 437 566
E-MAIL: customerservices@eskom.co.za
WEB: WWW.ESKOM.CO.ZA

OVERSTRAND LOCAL MUNICIPALITY
ATT CHIEF FINANCIAL OFFICER
P O BOX 26
GANSBAAI
7220

YOUR ACCOUNT NO	8968844003
BILLING DATE	2023-02-03
TAX INVOICE NO	896234410980
ACCOUNT MONTH	JANUARY 2023
CURRENT DUE DATE	2023-03-06
VAT REG NO	4140106396
NOTIFIED MAX DEMAND	3,000.00
UTILISED CAPACITY	3,000.00

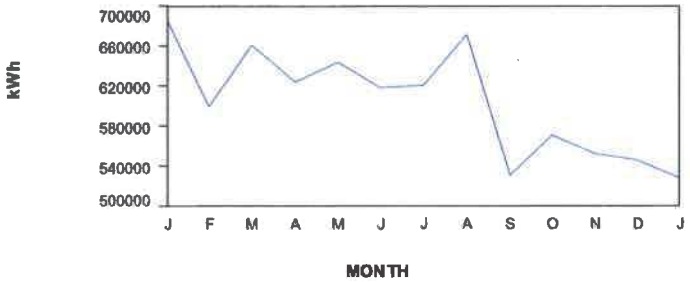
CONSUMPTION DETAILS (2023-01-01 - 2023-01-31)

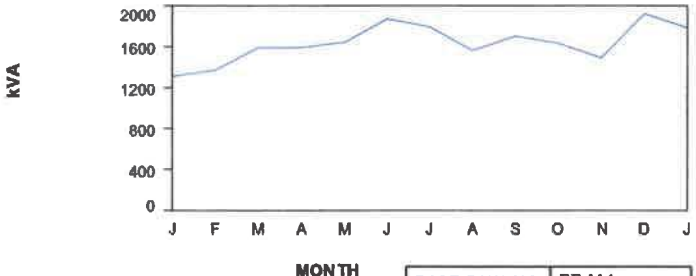
ENERGY CONSUMPTION OFF PEAK kWH	241,913.35
ENERGY CONSUMPTION STD kWh	206,260.27
ENERGY CONSUMPTION PEAK kWh	80,568.64
ENERGY CONSUMPTION ALL kWh	528,742.26 ^
DEMAND CONSUMPTION - OFF PEAK	1,734.26
DEMAND CONSUMPTION - STD	1,791.82
DEMAND CONSUMPTION - PEAK	1,518.75
DEMAND READING - KW/KVA	1,791.82 ^
REACTIVE ENERGY - OFF PEAK	112,690.2
REACTIVE ENERGY - STD	81,930.72
REACTIVE ENERGY - PEAK	30,062.48
LOAD FACTOR	41.00 ^

PREMISE ID NUMBER 8968844173 TARIFF NAME: Megaflex

STANFORD MAIN SUPPLY,1/3239,I

Administration Charge @ R135.78 per day for 31 days	R	4,209.18 ^
TX Network Capacity Charge 3,000 kVa @ R12.42 : = R12.42/kVA	R	37,260.00 ^
Network Capacity Charge 3,000 kVA @ R24.18 : = R24.18/kVA	R	72,540.00 ^
Network Demand Charge 1,791.82 kVA @ R45.84 ^ = R45.84 /kVA	R	82,137.03 ^
Ancillary Service Charge 528,742 kWh @ R0.006 /kWh	R	3,172.45 ^
Low Season Standard Energy Charge 206,260 kWh @ R1.0808 /kWh	R	222,925.81 ^
Low Season Peak Energy Charge 80,569 kWh @ R1.5703 /kWh	R	126,517.50 ^
Low Season Off Peak Energy Charge 241,913 kWh @ R0.6854 /kWh	R	165,807.17 ^
Electrification and Rural Subsidy 528,742 kWh @ R0.1173 /kWh	R	62,021.44 ^
Standard Connection Charge @ R7,438.00	R	7,438.00 ^
SERVICE CHARGE	R	9,338.13 ^
TOTAL CHARGES	R	793,366.71 ^





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ESKOM HOLDINGS SOC LTD REG NO 2002/015527/30
VAT REG NO 4740101508

OVERSTRAND LOCAL MUNCIPALITY
ATT CHIEF FINANCIAL OFFICER
P O BOX 26
GANSBAAI
7220

GB Jan.'23

WESTERN REGION
PO BOX 377 BELVILLE 7535

CONTACT CENTRE: (0860) 037566
FAX NO: 0862 437 566
E-MAIL: customerservices@eskom.co.za
WEB: WWW.ESKOM.CO.ZA

Eskom
TEL: 08600 37566
SMS: 35328

CUSTOMER SELF SERVICE WEBSITE:
https://csonline.eskom.co.za

WESTERN REGION
PO BOX 377 BELVILLE 7535

YOUR ACCOUNT NO	6270348035
SECURITY HELD	1215000.01
BILLING DATE	2023-02-01
TAX INVOICE NO	627931493867
ACCOUNT MONTH	JANUARY 2023
CURRENT DUE DATE	2023-03-03
VAT REG NO	4140106396

DIRECT DEPOSIT DETAIL

BANK:	ABSA
BRANCH CODE:	334110
BANK ACC NO:	340167430

TAX INVOICE

E-MAIL: eskomaccounts@overstrand.gov.za

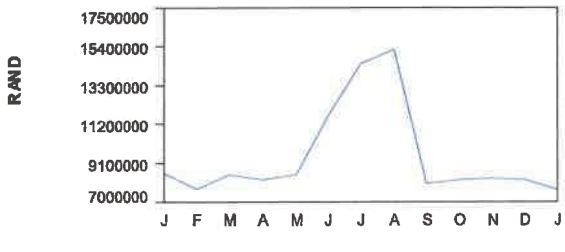
ACCOUNT TRANSACTION SUMMARY

NON REBATABLE MONTHLY RENTAL			R	1,153.00
ADMINISTRATION CHARGE			R	4,209.18
TRANSMISSION NETWORK CAPACITY			R	173,880.00
DIST. NETWORK CAPACITY CHARGE			R	338,520.00
NETWORK DEMAND CHARGE			R	627,859.48
ANCILLARY SERVICE (ALL)			R	31,285.60
ENERGY CHARGE (STD)		1,932,482.00	R	2,088,626.55
ENERGY CHARGE (PEAK)		767,787.00	R	1,205,655.93
ENERGY CHARGE (OFF)		2,513,998.00	R	1,723,094.23
ELECTRIFICATION AND RURAL SUBS (ALL)			R	611,633.52
SERVICE CHARGE			R	9,338.13
REBILLED ADJUSTMENTS	(Summary - See attachment for details)		R	-129,039.11
TOTAL CHARGES FOR BILLING PERIOD			R	**6,686,216.51**

ACCOUNT SUMMARY FOR JANUARY 2023

BALANCE BROUGHT FORWARD	(Due Date 2023-02-04)	R	8,234,867.94
PAYMENT(S) RECEIVED	Cash - 2023-01-31	R	-8,234,867.94
TOTAL CHARGES FOR BILLING PERIOD		R	6,686,216.51
VAT RAISED ON ITEMS AT 14%		R	0.00
VAT RAISED ON ITEMS AT 15%		R	1,002,932.47

ARREARS						
>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS	CURRENT	TOTAL DUE	R 7,689,148.98
0.00	0.00	0.00	0.00	7,689,148.98		



ACCOUNT NO / REFERENCE NO
6270348035

NAME
OVERSTRAND LOCAL MUNCIPALITY

FAX NUMBER
0283840241

Post Office 0934 6270348035

6,815,255.62

11341 6270348035

>>>>>> 9207 2627 0348 0357

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EasyPay

TOTAL AMOUNT DUE
7,689,148.95

PAYMENT ARRANGEMENT

INSTALMENT
0.00

ARREARS
0.00

DUE DATE
2023-03-03

AMOUNT PAID

LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT

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BILL GROUP	
BILL PAGE	1 OF 3

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WESTERN REGION
PO BOX 377 BELVILLE 7535

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OVERSTRAND LOCAL MUNCIPALITY
ATT CHIEF FINANCIAL OFFICER
P O BOX 26
GANSBAAI
7220

YOUR ACCOUNT NO	6270348035
BILLING DATE	2023-02-01
TAX INVOICE NO	627931493867
ACCOUNT MONTH	JANUARY 2023
CURRENT DUE DATE	2023-03-03
VAT REG NO	4140106396
NOTIFIED MAX DEMAND	14,000.00
UTILISED CAPACITY	14,000.00

CONSUMPTION DETAILS (2023-01-01 - 2023-01-31)

ENERGY CONSUMPTION OFF PEAK kWH	2,513,997.96
ENERGY CONSUMPTION STD kWh	1,932,482.28
ENERGY CONSUMPTION PEAK kWh	767,786.64
ENERGY CONSUMPTION ALL kWh	5,214,266.88
DEMAND CONSUMPTION - OFF PEAK	13,696.75
DEMAND CONSUMPTION - STD	13,696.76
DEMAND CONSUMPTION - PEAK	12,430.09
DEMAND READING - KW/KVA	13,696.7
REACTIVE ENERGY - OFF PEAK	703,497.6
REACTIVE ENERGY - STD	523,345.55
REACTIVE ENERGY - PEAK	195,162.87
LOAD FACTOR	51.00

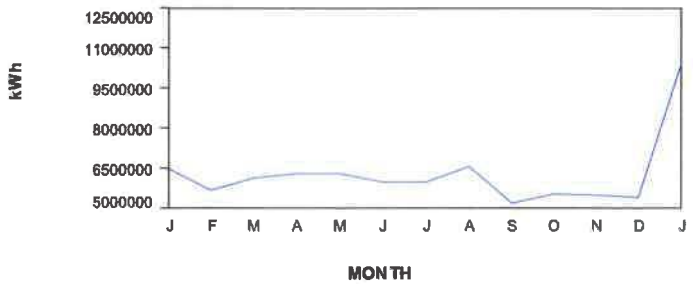
PREMISE ID NUMBER 6270348907 TARIFF NAME: Megaflex

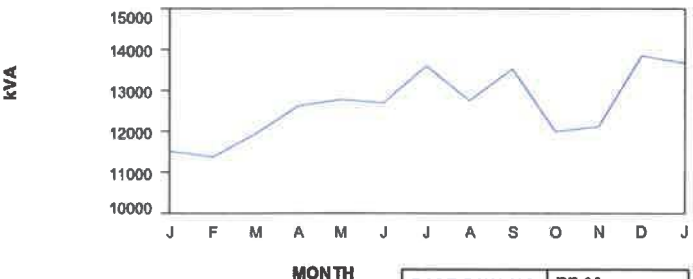
GANSBAAI MAIN SUPPLY 1/3218,I

Administration Charge @ R135.78 per day for 31 days	R	4,209.18
TX Network Capacity Charge 14,000 kVa @ R12.42 : = R12.42/kVA	R	173,880.00
Network Capacity Charge 14,000 kVA @ R24.18 : = R24.18/kVA	R	338,520.00
Network Demand Charge 13,696.76 kVA @ R45.84 = R45.84 /kVA	R	627,859.48
Ancillary Service Charge 5,214,267 kWh @ R0.006 /kWh	R	31,285.60
Low Season Standard Energy Charge 1,932,482 kWh @ R1.0808 /kWh	R	2,088,626.55
Low Season Peak Energy Charge 767,787 kWh @ R1.5703 /kWh	R	1,205,655.93
Low Season Off Peak Energy Charge 2,513,998 kWh @ R0.6854 /kWh	R	1,723,094.23
Electrification and Rural Subsidy 5,214,267 kWh @ R0.1173 /kWh	R	611,633.52
Premium Connection Charge @ R1,153.00	R	1,153.00
REBILLED ADJUSTMENTS (Summary - See attachment for details)	R	-129,039.11 *
SERVICE CHARGE	R	9,338.13
TOTAL CHARGES	R	6,686,216.5

+ 129,039.11 *

6,815,255.62





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OVERSTRAND LOCAL MUNCIPALITY
ATT CHIEF FINANCIAL OFFICER
P O BOX 26
GANSBAAI
7220

YOUR ACCOUNT NO	6270348035
BILLING DATE	2023-02-01
TAX INVOICE NO	627931493867
ACCOUNT MONTH	JANUARY 2023
CURRENT DUE DATE	2023-03-03
VAT REG NO	4140106396
NOTIFIED MAX DEMAND	14,000.00
UTILISED CAPACITY	14,000.00

REBILLED ADJUSTMENTS

R -129,039.11

TAX INVOICE NO. 627145133142 DATED 2023-02-01 FOR PREMISE 6270348907

DEC. '22

CORRECTIONS	R	7,022,377.49
Administration Charge @ R135.78 per day for 31 days	R	4,209.18
TX Network Capacity Charge 14,000 kVa @ R12.42 :	R	173,880.00
Network Capacity Charge 14,000 kVA @ R24.18 :	R	338,520.00
Network Demand Charge 13,854.36 kVA @ R45.84 :	R	635,083.86
Ancillary Service Charge 5,413,671 kWh @ R0.006 /kWh	R	32,482.03
Low Season Standard Energy Charge 2,054,269 kWh @ R1.0808 /k	R	2,220,253.94
Low Season Peak Energy Charge 767,587 kWh @ R1.5703 /kWh	R	1,205,341.87
Low Season Off Peak Energy Charge 2,591,815 kWh @ R0.6854 /k	R	1,776,430.00
Electrification and Rural Subsidy 5,413,671 kWh @ R0.1173 /kWh	R	635,023.61
Premium Connection Charge @ R1,153.00	R	1,153.00
CANCELLATIONS	R	-7,151,416.60
Administration Charge @ R135.78 per day for 31 days	R	-4,209.18
TX Network Capacity Charge 14,786.19 kVa @ R12.42 :	R	-183,644.48
Network Capacity Charge 14,786.19 kVA @ R24.18 :	R	-357,530.07
Excess Network Capacity Charge 1,572.39 kVa @ R36.60 :	R	-57,549.47
Network Demand Charge 14,786.19 kVA @ R45.84 :	R	-677,798.95
Ancillary Service Charge 5,413,671 kWh @ R0.006 /kWh	R	-32,482.03
Low Season Standard Energy Charge 2,054,269 kWh @ R1.0808 /k	R	-2,220,253.94
Low Season Peak Energy Charge 767,587 kWh @ R1.5703 /kWh	R	-1,205,341.87
Low Season Off Peak Energy Charge 2,591,815 kWh @ R0.6854 /k	R	-1,776,430.00
Electrification and Rural Subsidy 5,413,671 kWh @ R0.1173 /kWh	R	-635,023.61
Premium Connection Charge @ R1,153.00	R	-1,153.00

7,022,377.49

PLUS SERVICE CHARGE 9,338.13

TOTAL CHARGES : DEC '22 7,031,715.62

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ESKOM HOLDINGS SOC LTD REG NO 2002/015527/30
VAT REG NO 4740101508

OVERSTRAND LOCAL MUNICIPALITY
ATT CHIEF FINANCIAL OFFICER
PRIVATE BAG X3
KLEINMOND
7195

KM FEB. '23

WESTERN REGION
PO BOX 377 BELVILLE 7535

CONTACT CENTRE:	(0860) 037566
FAX NO:	0862 437 566
E-MAIL:	customerservices@eskom.co.za
WEB:	WWW.ESKOM.CO.ZA

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TEL: 08600 37566
SMS: 35328

CUSTOMER SELF SERVICE WEBSITE:
https://csonline.eskom.co.za

WESTERN REGION
PO BOX 377 BELVILLE 7535

YOUR ACCOUNT NO	8805321340
SECURITY HELD	0.01
BILLING DATE	2023-03-02
TAX INVOICE NO	880063738098
ACCOUNT MONTH	FEBRUARY 2023
CURRENT DUE DATE	2023-04-01
VAT REG NO	4140106396

DIRECT DEPOSIT DETAIL

BANK:	ABSA
BRANCH CODE:	334110
BANK ACC NO:	340167430

TAX INVOICE

E-MAIL: eskomaccounts@overstrand.gov.za

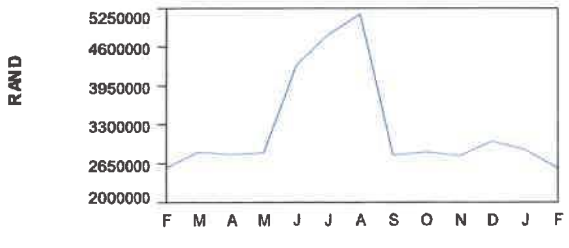
ACCOUNT TRANSACTION SUMMARY

RCC / SCC CONNECTION CHARGE		R	252.40
ADMINISTRATION CHARGE		R	3,801.84
TRANSMISSION NETWORK CAPACITY		R	86,940.00
DIST. NETWORK CAPACITY CHARGE		R	169,260.00
NETWORK DEMAND CHARGE		R	308,961.60
ANCILLARY SERVICE (ALL)		R	9,058.41
ENERGY CHARGE (STD)	614,248.00	R	663,879.24
ENERGY CHARGE (PEAK)	247,143.00	R	388,088.65
ENERGY CHARGE (OFF)	648,345.00	R	444,375.66
ELECTRIFICATION AND RURAL SUBS (ALL)		R	177,091.92
SERVICE CHARGE		R	8,434.44
TOTAL CHARGES FOR BILLING PERIOD		R	**2,260,144.16**

ACCOUNT SUMMARY FOR FEBRUARY 2023

BALANCE BROUGHT FORWARD	(Due Date 2023-03-04)	R	2,898,799.83
PAYMENT(S) RECEIVED	ACB Payment - 2023-02-28	R	-2,898,799.83
TOTAL CHARGES FOR BILLING PERIOD		R	2,260,144.16
VAT RAISED ON ITEMS AT 14%		R	0.00
VAT RAISED ON ITEMS AT 15%		R	339,021.63

ARREARS						
>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS	CURRENT	TOTAL DUE	R 2,599,165.79
0.00	0.00	0.00	0.00	2,599,165.79		



ACCOUNT NO / REFERENCE NO
8805321340

NAME
OVERSTRAND LOCAL MUNICIPALITY

FAX NUMBER
0282714100

Post Office 0934 8805321340

11341 8805321340

>>>>>>> 9207 2880 5321 3403

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EasyPay

TOTAL AMOUNT DUE
2,599,165.75

PAYMENT ARRANGEMENT

INSTALMENT
0.00

ARREARS
0.00

DUE DATE
2023-04-01

AMOUNT PAID

LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT

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WESTERN REGION
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WEB: WWW.ESKOM.CO.ZA

OVERSTRAND LOCAL MUNICIPALITY
ATT CHIEF FINANCIAL OFFICER
PRIVATE BAG X3
KLEINMOND
7195

YOUR ACCOUNT NO	8805321340
BILLING DATE	2023-03-02
TAX INVOICE NO	880063738098
ACCOUNT MONTH	FEBRUARY 2023
CURRENT DUE DATE	2023-04-01
VAT REG NO	4140106396
NOTIFIED MAX DEMAND	7,000.00
UTILISED CAPACITY	7,000.00

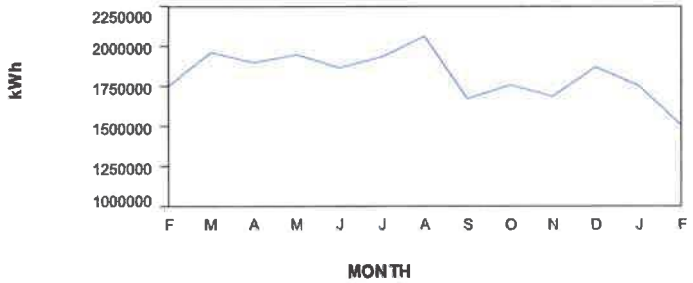
CONSUMPTION DETAILS (2023-02-01 - 2023-02-28)

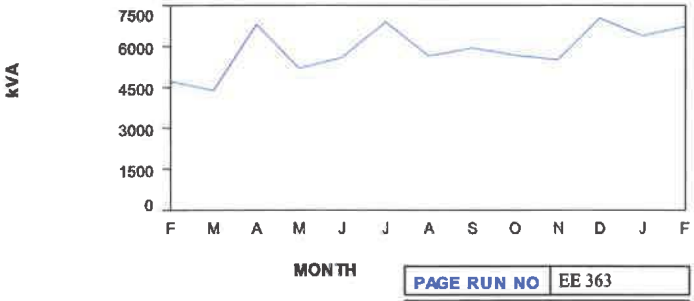
ENERGY CONSUMPTION OFF PEAK kWH	648,345.00
ENERGY CONSUMPTION STD kWh	614,247.50
ENERGY CONSUMPTION PEAK kWh	247,142.50
ENERGY CONSUMPTION ALL kWh	1,509,735.00
DEMAND CONSUMPTION - OFF PEAK	5,550.00
DEMAND CONSUMPTION - STD	6,740.00
DEMAND CONSUMPTION - PEAK	5,450.00
DEMAND READING - KW/KVA	6,740.0
LOAD FACTOR	33.0

PREMISE ID NUMBER 8805321426 **TARIFF NAME:** Megaflex

KLEINMOND MAIN SUPPLY 1/92 REMOTE

Administration Charge @ R135.78 per day for 28 days	R	3,801.84
TX Network Capacity Charge 7,000 kVa @ R12.42 : = R12.42/kVA	R	86,940.00
Network Capacity Charge 7,000 kVA @ R24.18 : = R24.18/kVA	R	169,260.00
Network Demand Charge 6,740 kVA @ R45.84 = R45.84 /kVA	R	308,961.60
Ancillary Service Charge 1,509,735 kWh @ R0.006 /kWh	R	9,058.41
Low Season Standard Energy Charge 614,248 kWh @ R1.0808 /kWh	R	663,879.24
Low Season Peak Energy Charge 247,143 kWh @ R1.5703 /kWh	R	388,088.65
Low Season Off Peak Energy Charge 648,345 kWh @ R0.6854 /kWh	R	444,375.66
Electrification and Rural Subsidy 1,509,735 kWh @ R0.1173 /kWh	R	177,091.92
Residual Connection Charge @ R252.40	R	252.40
SERVICE CHARGE	R	8,434.44
TOTAL CHARGES	R	**2,260,144.16**





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ESKOM HOLDINGS SOC LTD REG NO 2002/015527/30
VAT REG NO 4740101508

OVERSTRAND LOCAL MUNICIPALITY
ATT CHIEF FINANCIAL OFFICER
P O BOX 20
HERMANUS
7200

HS FEB. '23

WESTERN REGION
PO BOX 377 BELVILLE 7535

CONTACT CENTRE: (0860) 037566
FAX NO: 0862 437 566
E-MAIL: customerservices@eskom.co.za
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TEL: 08600 37566
SMS: 35328

CUSTOMER SELF SERVICE WEBSITE:
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WESTERN REGION
PO BOX 377 BELVILLE 7535

YOUR ACCOUNT NO	6796230414
SECURITY HELD	1870000.01
BILLING DATE	2023-03-02
TAX INVOICE NO	679649409080
ACCOUNT MONTH	FEBRUARY 2023
CURRENT DUE DATE	2023-04-01
VAT REG NO	4140106396

DIRECT DEPOSIT DETAIL

BANK:	ABSA
BRANCH CODE:	334110
BANK ACC NO:	340167430

TAX INVOICE

E-MAIL: eskomaccounts@overstrand.gov.za

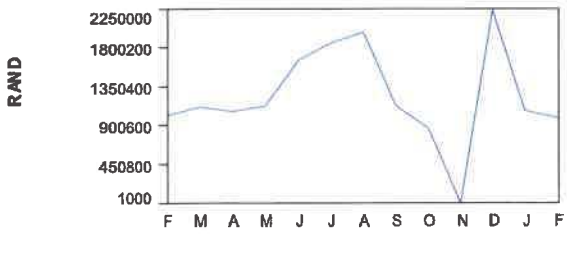
ACCOUNT TRANSACTION SUMMARY

RCC / SCC CONNECTION CHARGE		R	6,220.38
ADMINISTRATION CHARGE		R	3,801.84
TRANSMISSION NETWORK CAPACITY		R	49,680.00
DIST. NETWORK CAPACITY CHARGE		R	96,720.00
NETWORK DEMAND CHARGE		R	102,973.60
ANCILLARY SERVICE (ALL)		R	3,273.40
ENERGY CHARGE (STD)	216,073.00	R	233,531.70
ENERGY CHARGE (PEAK)	88,082.00	R	138,315.16
ENERGY CHARGE (OFF)	241,411.00	R	165,463.10
ELECTRIFICATION AND RURAL SUBS (ALL)		R	63,994.89
SERVICE CHARGE		R	8,434.44
TOTAL CHARGES FOR BILLING PERIOD		R	872,408.51

ACCOUNT SUMMARY FOR FEBRUARY 2023

BALANCE BROUGHT FORWARD	(Due Date 2023-03-04)	R	1,088,984.96
PAYMENT(S) RECEIVED	ACB Payment - 2023-02-28	R	-1,088,984.96
TOTAL CHARGES FOR BILLING PERIOD		R	872,408.51
VAT RAISED ON ITEMS AT 14%		R	0.00
VAT RAISED ON ITEMS AT 15%		R	130,861.27

ARREARS						
>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS	CURRENT	TOTAL DUE	R 1,003,269.78
0.00	0.00	0.00	0.00	1,003,269.78		



ACCOUNT NO / REFERENCE NO
6796230414

NAME
OVERSTRAND LOCAL MUNICIPALITY

FAX NUMBER
0283162632

Post Office 0934 6796230414

11341 6796230414

>>>> 9207 2679 6230 4149

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TOTAL AMOUNT DUE
1,003,269.75

PAYMENT ARRANGEMENT

INSTALMENT
0.00

ARREARS
0.00

DUE DATE
2023-04-01

AMOUNT PAID

LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT

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WESTERN REGION
PO BOX 377 BELVILLE 7535

CONTACT CENTRE: (0860) 037566
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WEB: WWW.ESKOM.CO.ZA

OVERSTRAND LOCAL MUNICIPALITY
ATT CHIEF FINANCIAL OFFICER
P O BOX 20
HERMANUS
7200

YOUR ACCOUNT NO	6796230414
BILLING DATE	2023-03-02
TAX INVOICE NO	679649409080
ACCOUNT MONTH	FEBRUARY 2023
CURRENT DUE DATE	2023-04-01
VAT REG NO	4140106396
NOTIFIED MAX DEMAND	4,000.00
UTILISED CAPACITY	4,000.00

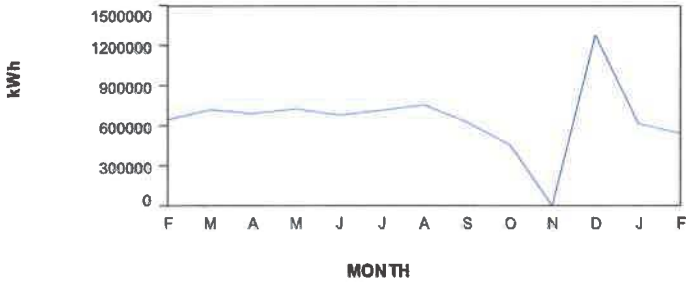
CONSUMPTION DETAILS (2023-02-01 - 2023-02-28)

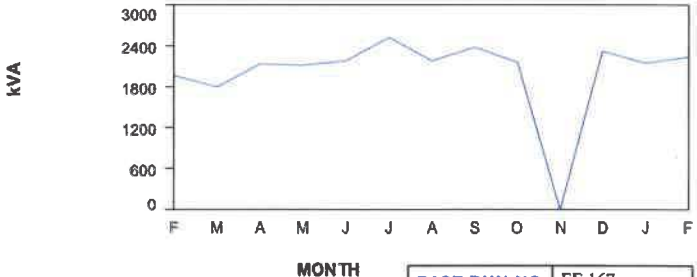
ENERGY CONSUMPTION OFF PEAK kWH	241,410.88
ENERGY CONSUMPTION STD kWh	216,072.98
ENERGY CONSUMPTION PEAK kWh	88,082.20
ENERGY CONSUMPTION ALL kWh	545,566.06
DEMAND CONSUMPTION - OFF PEAK	1,942.86
DEMAND CONSUMPTION - STD	1,923.22
DEMAND CONSUMPTION - PEAK	2,246.37
DEMAND READING - KW/KVA	2,246.3
REACTIVE ENERGY - OFF PEAK	95,777.2
REACTIVE ENERGY - STD	71,468.47
REACTIVE ENERGY - PEAK	27,026.21
LOAD FACTOR	36.00

PREMISE ID NUMBER 6796230441 **TARIFF NAME:** Megaflex

HAWSTON MAIN SUPPLY,1/3056/2,I

Administration Charge @ R135.78 per day for 28 days	R	3,801.84
TX Network Capacity Charge 4,000 kVa @ R12.42 : = R12.42/kVA	R	49,680.00
Network Capacity Charge 4,000 kVA @ R24.18 : = R24.18/kVA	R	96,720.00
Network Demand Charge 2,246.37 kVA @ R45.84 = R45.84 /kVA	R	102,973.60
Ancillary Service Charge 545,566 kWh @ R0.006 /kWh	R	3,273.40
Low Season Standard Energy Charge 216,073 kWh @ R1.0808 /kWh	R	233,531.70
Low Season Peak Energy Charge 88,082 kWh @ R1.5703 /kWh	R	138,315.16
Low Season Off Peak Energy Charge 241,411 kWh @ R0.6854 /kWh	R	165,463.10
Electrification and Rural Subsidy 545,566 kWh @ R0.1173 /kWh	R	63,994.89
Standard Connection Charge R2,476.29	R	2,476.29
Standard Connection Charge R3,744.09	R	3,744.09
SERVICE CHARGE	R	8,434.44
TOTAL CHARGES	R	872,408.5





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TEL: 08600 37566
SMS: 35328

ESKOM HOLDINGS SOC LTD REG NO 2002/015527/30
VAT REG NO 4740101508

CUSTOMER SELF SERVICE WEBSITE:
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OVERSTRAND LOCAL MUNICIPALITY
ATT CHIEF FINANCIAL OFFICER
P O BOX 20
HERMANUS
7200

HM FEB. '23

WESTERN REGION
PO BOX 377 BELVILLE 7535

YOUR ACCOUNT NO	7917853150
SECURITY HELD	5915000.01
BILLING DATE	2023-03-01
TAX INVOICE NO	791264482938
ACCOUNT MONTH	FEBRUARY 2023
CURRENT DUE DATE	2023-03-31
VAT REG NO	4140106396

DIRECT DEPOSIT DETAIL

BANK:	ABSA
BRANCH CODE:	334110
BANK ACC NO:	340167430

TAX INVOICE

E-MAIL: eskomaccounts@overstrand.gov.za

ACCOUNT TRANSACTION SUMMARY

NON REBATABLE MONTHLY RENTAL		R	2,967.00
ADMINISTRATION CHARGE		R	10,556.56
TRANSMISSION NETWORK CAPACITY		R	426,700.00
DIST. NETWORK CAPACITY CHARGE		R	535,700.00
NETWORK DEMAND CHARGE		R	882,075.10
ANCILLARY SERVICE (ALL)		R	48,622.91
ENERGY CHARGE (STD)	3,348,176.00	R	3,547,089.57
ENERGY CHARGE (PEAK)	1,515,941.00	R	2,333,112.98
ENERGY CHARGE (OFF)	3,692,723.00	R	2,479,579.67
ELECTRIFICATION AND RURAL SUBS (ALL)		R	1,003,717.33
URBAN LOW VOLTAGE SUBSIDY		R	423,600.00
SERVICE CHARGE		R	165,280.64
TOTAL CHARGES FOR BILLING PERIOD		R	11,859,001.76

ACCOUNT SUMMARY FOR FEBRUARY 2023

BALANCE BROUGHT FORWARD	(Due Date 2023-03-03)	R	14,619,023.99
TOTAL CHARGES FOR BILLING PERIOD		R	11,859,001.76
VAT RAISED ON ITEMS AT 14%		R	0.00
VAT RAISED ON ITEMS AT 15%		R	1,778,850.27

ACCOUNT NO / REFERENCE NO
7917853150

NAME
OVERSTRAND LOCAL MUNICIPALITY

FAX NUMBER
0283162632

Post Office 0934 7917853150

11341 7917853150

>>>> 9207 2791 7853 1506

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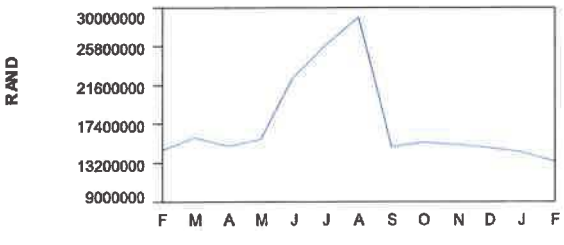
ARREARS						
>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS	CURRENT	TOTAL DUE	R 28,256,876.02
0.00	0.00	0.00	14,619,023.99	13,637,852.03		

TOTAL AMOUNT DUE
28,256,876.00



PAYMENT ARRANGEMENT

INSTALMENT
0.00

ARREARS
14,619,023.99

DUE DATE
2023-03-31

AMOUNT PAID

LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT

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WESTERN REGION
PO BOX 377 BELVILLE 7535

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OVERSTRAND LOCAL MUNICIPALITY
ATT CHIEF FINANCIAL OFFICER
P O BOX 20
HERMANUS
7200

YOUR ACCOUNT NO	7917853150
BILLING DATE	2023-03-01
TAX INVOICE NO	791264482938
ACCOUNT MONTH	FEBRUARY 2023
CURRENT DUE DATE	2023-03-31
VAT REG NO	4140106396
NOTIFIED MAX DEMAND	15,000.00
UTILISED CAPACITY	15,000.00

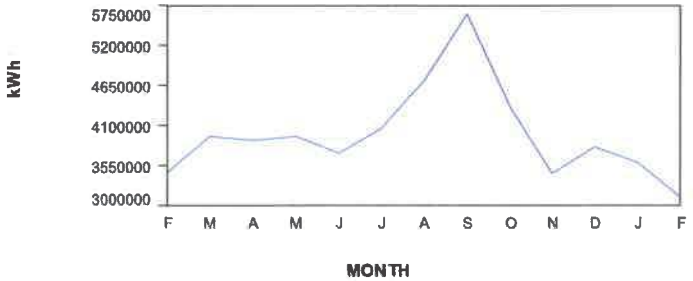
CONSUMPTION DETAILS (2023-02-01 - 2023-02-28)

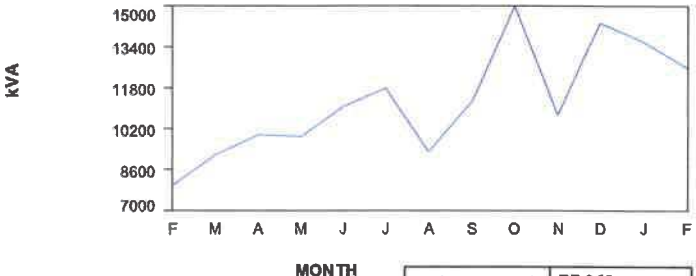
ENERGY CONSUMPTION OFF PEAK kWH	1,301,436.15
ENERGY CONSUMPTION STD kWh	1,260,156.72
ENERGY CONSUMPTION PEAK kWh	558,987.80
ENERGY CONSUMPTION ALL kWh	3,120,580.67
DEMAND CONSUMPTION - OFF PEAK	12,608.67
DEMAND CONSUMPTION - STD	12,584.64
DEMAND CONSUMPTION - PEAK	12,065.75
DEMAND READING - KW/KVA	12,608.6
REACTIVE ENERGY - OFF PEAK	177,215.1
REACTIVE ENERGY - STD	184,129.56
REACTIVE ENERGY - PEAK	68,875.04
LOAD FACTOR	36.00

PREMISE ID NUMBER 7917853832 TARIFF NAME: Megaflex

HERMANUS MAIN SUPPLY 1/3091 REMOTE

Administration Charge @ R188.51 per day for 28 days	R	5,278.28
TX Network Capacity Charge 15,000 kVa @ R12.42 : = R12.42/kVA	R	186,300.00
Network Capacity Charge 15,000 kVA @ R24.18 : = R24.18/kVA	R	362,700.00
Network Demand Charge 12,584.64 kVA @ R45.84 = R45.84 /kVA	R	576,879.90
Ancillary Service Charge 3,120,581 kWh @ R0.006 /kWh	R	18,723.49
Low Season Standard Energy Charge 1,260,157 kWh @ R1.0808 /kWh	R	1,361,977.69
Low Season Peak Energy Charge 558,988 kWh @ R1.5703 /kWh	R	877,778.86
Low Season Off Peak Energy Charge 1,301,436 kWh @ R0.6854 /kWh	R	892,004.23
Electrification and Rural Subsidy 3,120,581 kWh @ R0.1173 /kWh	R	366,044.15
Premium Connection Charge @ R2,967.00	R	2,967.00
SERVICE CHARGE	R	165,280.64
TOTAL CHARGES	R	4,815,934.24





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OVERSTRAND LOCAL MUNICIPALITY
ATT CHIEF FINANCIAL OFFICER
P O BOX 20
HERMANUS
7200

YOUR ACCOUNT NO	7917853150
BILLING DATE	2023-03-01
TAX INVOICE NO	791264482938
ACCOUNT MONTH	FEBRUARY 2023
CURRENT DUE DATE	2023-03-31
VAT REG NO	4140106396
NOTIFIED MAX DEMAND	20,000.00
UTILISED CAPACITY	20,000.00

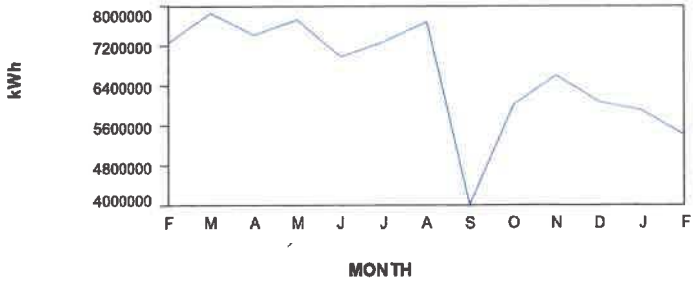
CONSUMPTION DETAILS (2023-02-01 - 2023-02-28)

ENERGY CONSUMPTION OFF PEAK kWH	2,391,287.42
ENERGY CONSUMPTION STD kWh	2,088,019.41
ENERGY CONSUMPTION PEAK kWh	956,952.58
ENERGY CONSUMPTION ALL kWh	5,436,259.41 ^
DEMAND CONSUMPTION - OFF PEAK	15,922.99
DEMAND CONSUMPTION - STD	15,886.70
DEMAND CONSUMPTION - PEAK	19,074.69
MAND READING - KW/KVA	19,074.69 ^
EACTIVE ENERGY - OFF PEAK	805,349.79
REACTIVE ENERGY - STD	725,977.31
REACTIVE ENERGY - PEAK	306,956.89
LOAD FACTOR	44.00 ^

PREMISE ID NUMBER 9929240636 **TARIFF NAME:** Megaflex

HERMANUS WALKER BAY SUPPLY 1/3091

Administration Charge @ R188.51 per day for 28 days	R	5,278.28 ^
TX Network Capacity Charge 20,000 kVa @ R12.02 : = R12.02/kVA	R	240,400.00 ^
Network Capacity Charge 20,000 kVA @ R8.65 : = R8.65/kVA	R	173,000.00 ^
Network Demand Charge 19,074.7 kVA @ R16.00 ^ = R16.00 /kVA	R	305,195.20 ^
Urban Low Voltage Subsidy 20,000 kVa @ R21.18 : = R21.18/kVA	R	423,600.00 ^
Ancillary Service Charge 5,436,259 kWh @ R0.0055 /kWh	R	29,899.42 ^
Low Season Standard Energy Charge 2,088,019 kWh @ R1.0465 /kWh	R	2,185,111.88 ^
Low Season Peak Energy Charge 956,953 kWh @ R1.5208 /kWh	R	1,455,334.12 ^
Low Season Off Peak Energy Charge 2,391,287 kWh @ R0.6639 /kWh	R	1,587,575.44 ^
Electrification and Rural Subsidy 5,436,259 kWh @ R0.1173 /kWh	R	637,673.18 ^
TOTAL CHARGES	R	7,043,067.52 ^





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ESKOM HOLDINGS SOC LTD REG NO 2002/015527/30
VAT REG NO 4740101508

OVERSTRAND LOCAL MUNICIPALITY
ATT CHIEF FINANCIAL OFFICER
P O BOX 26
GANSBAAI
7220

SF FEB. '23

WESTERN REGION
PO BOX 377 BELVILLE 7535

CONTACT CENTRE: (0860) 037566
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E-MAIL: customerservices@eskom.co.za
WEB: WWW.ESKOM.CO.ZA

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TEL: 08600 37566
SMS: 35328

CUSTOMER SELF SERVICE WEBSITE:
https://csonline.eskom.co.za

WESTERN REGION
PO BOX 377 BELVILLE 7535

YOUR ACCOUNT NO	8968844003
SECURITY HELD	1215000.01
BILLING DATE	2023-03-03
TAX INVOICE NO	896321410397
ACCOUNT MONTH	FEBRUARY 2023
CURRENT DUE DATE	2023-04-03
VAT REG NO	4140106396

DIRECT DEPOSIT DETAIL

BANK:	ABSA
BRANCH CODE:	334110
BANK ACC NO:	340167430

TAX INVOICE

E-MAIL: eskomaccounts@overstrand.gov.za

ACCOUNT TRANSACTION SUMMARY

RCC / SCC CONNECTION CHARGE		R	7,438.00
ADMINISTRATION CHARGE		R	3,801.84
TRANSMISSION NETWORK CAPACITY		R	37,260.00
DIST. NETWORK CAPACITY CHARGE		R	72,540.00
NETWORK DEMAND CHARGE		R	74,983.70
ANCILLARY SERVICE (ALL)		R	2,909.84
ENERGY CHARGE (STD)	194,748.00	R	210,483.64
ENERGY CHARGE (PEAK)	84,639.00	R	132,908.62
ENERGY CHARGE (OFF)	205,587.00	R	140,909.33
ELECTRIFICATION AND RURAL SUBS (ALL)		R	56,887.45
SERVICE CHARGE		R	8,434.44
TOTAL CHARGES FOR BILLING PERIOD		R	**748,556.86**

ACCOUNT SUMMARY FOR FEBRUARY 2023

BALANCE BROUGHT FORWARD	(Due Date 2023-03-06)	R	912,371.72
PAYMENT(S) RECEIVED	ACB Payment - 2023-02-28	R	-912,371.72
TOTAL CHARGES FOR BILLING PERIOD		R	748,556.86
VAT RAISED ON ITEMS AT 14%		R	0.00
VAT RAISED ON ITEMS AT 15%		R	112,283.53

ACCOUNT NO / REFERENCE NO
8968844003

NAME
OVERSTRAND LOCAL MUNICIPALITY

FAX NUMBER
0283132962

Post Office 0934 8968844003

11341 8968844003

>>>>>> 9207 2896 8844 0031

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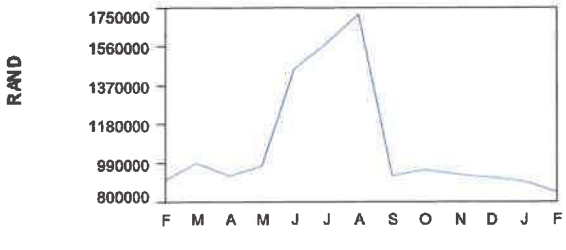
ARREARS						
>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS	CURRENT	TOTAL DUE	R 860,840.39
0.00	0.00	0.00	0.00	860,840.39		

TOTAL AMOUNT DUE
860,840.35



PAYMENT ARRANGEMENT

INSTALMENT
0.00

ARREARS
0.00

DUE DATE
2023-04-03

AMOUNT PAID

LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT

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OVERSTRAND LOCAL MUNICIPALITY
ATT CHIEF FINANCIAL OFFICER
P O BOX 26
GANSBAAI
7220

YOUR ACCOUNT NO	8968844003
BILLING DATE	2023-03-03
TAX INVOICE NO	896321410397
ACCOUNT MONTH	FEBRUARY 2023
CURRENT DUE DATE	2023-04-03
VAT REG NO	4140106396
NOTIFIED MAX DEMAND	3,000.00
UTILISED CAPACITY	3,000.00

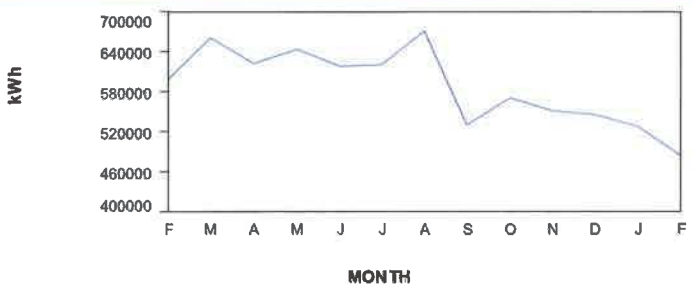
CONSUMPTION DETAILS (2023-02-01 - 2023-02-28)

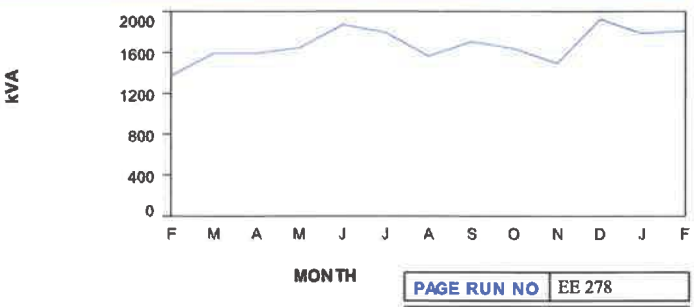
ENERGY CONSUMPTION OFF PEAK kWH	205,586.63
ENERGY CONSUMPTION STD kWh	194,748.48
ENERGY CONSUMPTION PEAK kWh	84,638.80
ENERGY CONSUMPTION ALL kWh	484,973.91
DEMAND CONSUMPTION - OFF PEAK	1,812.48
DEMAND CONSUMPTION - STD	1,635.76
DEMAND CONSUMPTION - PEAK	1,525.93
DEMAND READING - KW/KVA	1,812.48
REACTIVE ENERGY - OFF PEAK	93,619.16
REACTIVE ENERGY - STD	74,684.68
REACTIVE ENERGY - PEAK	30,476.36
LOAD FACTOR	41.00

PREMISE ID NUMBER 8968844173 **TARIFF NAME:** Megaflex

STANFORD MAIN SUPPLY,1/3239,I

Administration Charge @ R135.78 per day for 28 days	R	3,801.84
TX Network Capacity Charge 3,000 kVa @ R12.42 : = R12.42/kVA	R	37,260.00
Network Capacity Charge 3,000 kVA @ R24.18 : = R24.18/kVA	R	72,540.00
Network Demand Charge 1,635.77 kVA @ R45.84 = R45.84 /kVA	R	74,983.70
Ancillary Service Charge 484,974 kWh @ R0.006 /kWh	R	2,909.84
Low Season Standard Energy Charge 194,748 kWh @ R1.0808 /kWh	R	210,483.64
Low Season Peak Energy Charge 84,639 kWh @ R1.5703 /kWh	R	132,908.62
Low Season Off Peak Energy Charge 205,587 kWh @ R0.6854 /kWh	R	140,909.33
Electrification and Rural Subsidy 484,974 kWh @ R0.1173 /kWh	R	56,887.45
Standard Connection Charge @ R7,438.00	R	7,438.00
SERVICE CHARGE	R	8,434.44
TOTAL CHARGES	R	**748,556.86**





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WESTERN REGION
PO BOX 377 BELVILLE 7535

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FAX NO:	0862 437 566
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TEL:	08600 37566
SMS:	35328

ESKOM HOLDINGS SOC LTD REG NO 2002/015527/30
VAT REG NO 4740101508

CUSTOMER SELF SERVICE WEBSITE:
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OVERSTRAND LOCAL MUNCIPALITY
ATT CHIEF FINANCIAL OFFICER
P O BOX 26
GANSBAAI
7220

GB FEB. '23

WESTERN REGION
PO BOX 377 BELVILLE 7535

YOUR ACCOUNT NO	6270348035
SECURITY HELD	1215000.01
BILLING DATE	2023-03-02
TAX INVOICE NO	627857558161
ACCOUNT MONTH	FEBRUARY 2023
CURRENT DUE DATE	2023-04-01
VAT REG NO	4140106396

DIRECT DEPOSIT DETAIL

BANK:	ABSA
BRANCH CODE:	334110
BANK ACC NO:	340167430

TAX INVOICE

E-MAIL: eskomaccounts@overstrand.gov.za

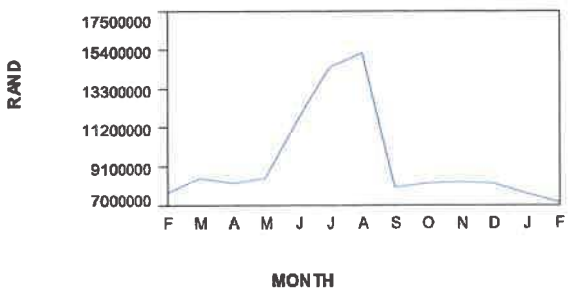
ACCOUNT TRANSACTION SUMMARY

NON REBATABLE MONTHLY RENTAL		R	1,153.00
ADMINISTRATION CHARGE		R	3,801.84
TRANSMISSION NETWORK CAPACITY		R	173,880.00
DIST. NETWORK CAPACITY CHARGE		R	338,520.00
NETWORK DEMAND CHARGE		R	595,129.26
ANCILLARY SERVICE (ALL)		R	27,857.48
ENERGY CHARGE (STD)	1,761,211.00	R	1,903,516.85
ENERGY CHARGE (PEAK)	784,044.00	R	1,231,184.29
ENERGY CHARGE (OFF)	2,097,659.00	R	1,437,735.48
ELECTRIFICATION AND RURAL SUBS (ALL)		R	544,613.81
SERVICE CHARGE		R	8,434.44
TOTAL CHARGES FOR BILLING PERIOD		R	6,265,826.45

ACCOUNT SUMMARY FOR FEBRUARY 2023

BALANCE BROUGHT FORWARD	(Due Date 2023-03-03)	R	7,689,148.98
PAYMENT(S) RECEIVED	Cash - 2023-02-28	R	-7,689,148.98
TOTAL CHARGES FOR BILLING PERIOD		R	6,265,826.45
VAT RAISED ON ITEMS AT 14%		R	0.00
VAT RAISED ON ITEMS AT 15%		R	939,873.97

ARREARS						
>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS	CURRENT	TOTAL DUE	R 7,205,700.42
0.00	0.00	0.00	0.00	7,205,700.42		



ACCOUNT NO / REFERENCE NO
6270348035

NAME
OVERSTRAND LOCAL MUNCIPALITY

FAX NUMBER
0283840241

Post Office 0934 6270348035

11341 6270348035

>>>>>> 9207 2627 0348 0357

Click to pay via pay@ your payment partner

EasyPay

TOTAL AMOUNT DUE
7,205,700.40

PAYMENT ARRANGEMENT

INSTALMENT
0.00

ARREARS
0.00

DUE DATE
2023-04-01

AMOUNT PAID

LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT

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Eskom

WESTERN REGION
PO BOX 377 BELVILLE 7535

CONTACT CENTRE: (0860) 037566
FAX NO: 0862 437 566
E-MAIL: customerservices@eskom.co.za
WEB: WWW.ESKOM.CO.ZA

OVERSTRAND LOCAL MUNCIPALITY
ATT CHIEF FINANCIAL OFFICER
P O BOX 26
GANSBAAI
7220

YOUR ACCOUNT NO	6270348035
BILLING DATE	2023-03-02
TAX INVOICE NO	627857558161
ACCOUNT MONTH	FEBRUARY 2023
CURRENT DUE DATE	2023-04-01
VAT REG NO	4140106396
NOTIFIED MAX DEMAND	14,000.00
UTILISED CAPACITY	14,000.00

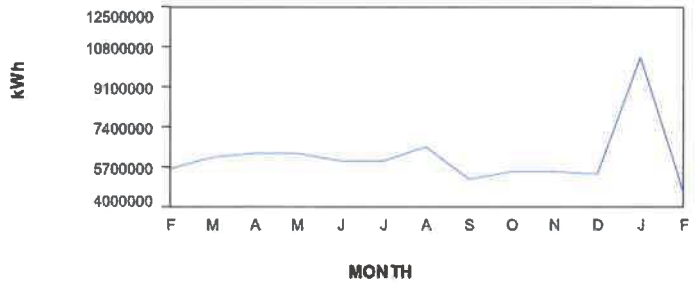
CONSUMPTION DETAILS (2023-02-01 - 2023-02-28)

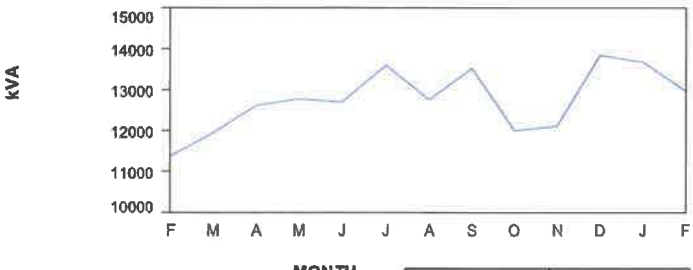
ENERGY CONSUMPTION OFF PEAK kWH	2,097,659.12
ENERGY CONSUMPTION STD kWh	1,761,211.14
ENERGY CONSUMPTION PEAK kWh	784,043.64
ENERGY CONSUMPTION ALL kWh	4,642,913.90 ^
DEMAND CONSUMPTION - OFF PEAK	12,991.19
DEMAND CONSUMPTION - STD	12,982.75
DEMAND CONSUMPTION - PEAK	12,131.45
DEMAND READING - KW/KVA	12,991.1
REACTIVE ENERGY - OFF PEAK	580,266.1
REACTIVE ENERGY - STD	464,782.78
REACTIVE ENERGY - PEAK	196,094.25
LOAD FACTOR	53.00 ^

PREMISE ID NUMBER 6270348907 **TARIFF NAME:** Megaflex

GANSBAAI MAIN SUPPLY 1/3218,I

Administration Charge @ R135.78 per day for 28 days	R	3,801.84 ^
TX Network Capacity Charge 14,000 kVa @ R12.42 : = R12.42/kVA	R	173,880.00 ^
Network Capacity Charge 14,000 kVA @ R24.18 : = R24.18/kVA	R	338,520.00 ^
Network Demand Charge 12,982.75 kVA @ R45.84 ^ = R45.84 /kVA	R	595,129.26 ^
Ancillary Service Charge 4,642,914 kWh @ R0.006 /kWh	R	27,857.48 ^
Low Season Standard Energy Charge 1,761,211 kWh @ R1.0808 /kWh	R	1,903,516.85 ^
Low Season Peak Energy Charge 784,044 kWh @ R1.5703 /kWh	R	1,231,184.29 ^
Low Season Off Peak Energy Charge 2,097,659 kWh @ R0.6854 /kWh	R	1,437,735.48 ^
Electrification and Rural Subsidy 4,642,914 kWh @ R0.1173 /kWh	R	544,613.81 ^
Premium Connection Charge @ R1,153.00	R	1,153.00 ^
SERVICE CHARGE	R	8,434.44 ^
TOTAL CHARGES	R	6,265,826.4





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